CVS Veterinary Group

Care, Value and Service in every moment

Annual Report and Financial Statements
for the year ended 30 June 2026



We are united by a simple ambition

To provide Care, Value and Service to every client, every animal and every colleague, every time. From first consultations to advanced treatments, our teams combine expertise, compassion and collaboration to deliver the highest standards of care. Supported by the scale and expertise of the wider CVS Group, our practices are able to reach more animals and make a meaningful difference every day.

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Further reading



Read our Sustainability Report at: **www.cvsukltd.co.uk/about-us/sustainability**



More stories and content online at: **www.cvsukltd.co.uk**

Purpose framework

Delivering our purpose every day

Everything we do is guided by a clear sense of purpose and a shared vision for the future. We believe exceptional veterinary care starts with great people, and our purpose and vision provide the foundation for how we work across the Group.

Together, our purpose and vision shape our culture, guide our decisions and keep us focused on delivering positive outcomes for animals, clients and colleagues. As we continue to grow, they provide a clear direction, aligning our teams behind a shared ambition and supporting long-term value creation.

Our purpose

To provide the best care to as many animals as possible

Our vision

To be the veterinary company people most want to work for

Supported by four strategic pillars:



We recommend and provide the best care every time



We are a great place to work and have a career



We provide great facilities and equipment



We take our responsibilities seriously

All underpinned by our ESG strategy "Care at our Heart"

Our values:

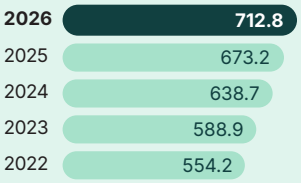
- Just culture
- Inclusive leadership
- Teamwork
- Systems thinking
- Accountability

A track record of growth

Financial highlights

Revenue (£m)

£712.8m
+5.9%

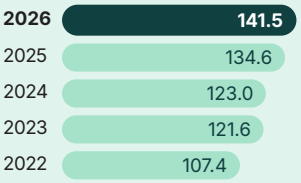


Revenue has benefitted from acquisitions made in the current and prior year; and like-for-like revenue (LFL)[1] growth of +2.1%. Our Veterinary Practices division was impacted in the year from a continuation of softer market conditions in the UK, a weaker Q4 partly impacted by the extreme hot weather with owners opting to keep their pets at home and the COVID-19 puppy and kitten cohort in their healthy young adult years.

1. LFL is an APM, see page 176 to 180.

Adjusted EBITDA (£m) APM

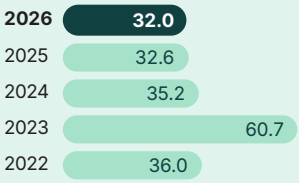
£141.5m
+5.1%



Adjusted EBITDA increased broadly in line with revenue with margins stable at 19.9% (2025: 20.0%), despite an increase in National Insurance contributions and wage inflation. The Group recognised net Research and Development Expenditure Credits of £15.7m (2025: £15.1m), in line with prior year, including a provision release of £6.6m (2025: £3.0m) that was expected following another year of making a claim. Read more in note 2.

Profit before tax (£m)

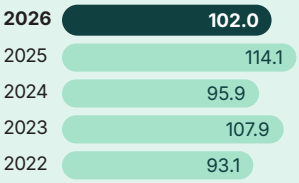
£32.0m
-1.8%



The decrease in profit before tax has been impacted by an increase in depreciation and amortisation following a sustained step up in capital and acquisition investment in recent years, and an increase in exceptional costs related to the Competition and Markets Authority (CMA) market investigation and the move to the Main Market.

Cash generated from operations (£m)

£102.0m
-10.6%



Cash generated from operations decreased due to one-off negative working capital movements during the year mainly from timing of Research and Development Expenditure Credit (RDEC) receipts and delivery of buying synergies which resulted in a change to buying relationships.

Adjusted profit before tax (£m) APM

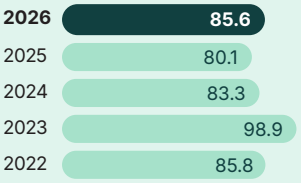
£84.9m
+7.6%



Adjusted profit before tax has benefitted from an increase in adjusted EBITDA and reduction in interest, partially offset by an increase in depreciation.

Adjusted earnings per share (p) APM

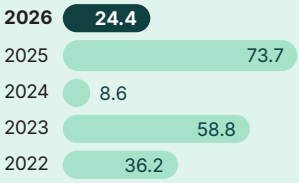
85.6p
+6.9%



Adjusted EPS benefitted mainly from the increase in adjusted profit before tax, with a small benefit from the reduced average number of shares in issue following the share buyback programmes undertaken during the year. The effective tax rate was 27.4% (2025: 26.9%).

Basic earnings per share (p)

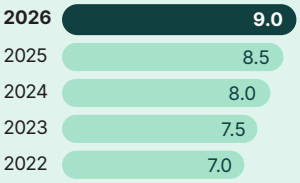
24.4p
-66.9%



Basic earnings per share (EPS) decreased to 24.4p due to profit on the disposal of the Crematoria operations in 2025, inflating basic EPS in the prior year. Basic EPS for continuing operations has decreased 1.9p from 26.3p in 2025.

Proposed dividend per share (p)

9.0p
+5.9%



A full-year dividend of 9.0p for 2026 is proposed following the solid financial position and performance during the year.

APM Read more about our alternative performance measures (APMs) on **pages 176 to 180**

Operational highlights

- We successfully moved from the Alternative Investment Market (AIM) to the Main Market of the London Stock Exchange.
- We refinanced our £350.0m loan facilities on improved terms, extending the term to May 2030 with an option for a further one-year extension.
- We made significant progress on our Group joint branding, reinforcing the benefits of scale, expertise and resources.
- The CMA review concluded, providing greater clarity and regulatory certainty, supporting the delivery of our strategic objectives. Legally binding orders have been published by the CMA on 22 September 2026.
- We have acquired a further six practices in Australia (14 practice sites) during the year, continuing our growth strategy.
- We have continued investment in our facilities and equipment, with total capital expenditure of £36.4m.

Read more on our key performance indicators (KPIs) on **pages 18 to 21**



What makes us CVS

"CVS Vets" joint brand launched

In November 2025, we launched our joint brand "CVS Vets" to our colleagues at our annual leadership conference. This was well received and this brand sits alongside our existing local brands. This brand has been rolled out digitally across our practice websites, and now, through new signage, over the majority of our practices in the UK.

"We believe that Care, Value and Service are what defines us and so we are going to be loud and proud about the CVS name.

This brand is much more than a logo and a name. It is about who we are, and what clients should expect from us: Care, Value and Service."

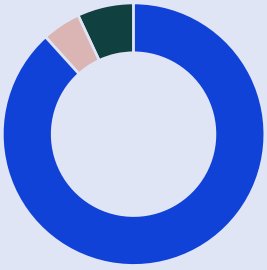
Richard Fairman
CEO

Supporting better care for more animals

Who we are

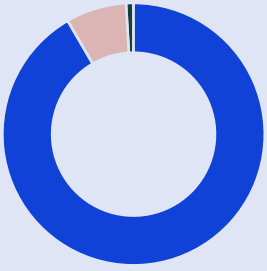
CVS Group is a leading veterinary services provider, and a constituent of the FTSE 250 Index on the London Stock Exchange, with operations in the UK and Australia. We combine the scale of our Group with the expertise of our colleagues to invest in clinical excellence, innovation and professional development in order to provide the best care for as many animals as possible.

Revenue split %



- Veterinary Practices (£648.2m) (88.3%[1])
- Laboratories (£35.0m) (4.8%[1])
- Online Retail Business (£51.0m) (6.9%[1])

Adjusted EBITDA split %



- Veterinary Practices (£138.7m) (91.6%[1])
- Laboratories (£11.3m) (7.5%[1])
- Online Retail Business (£1.4m) (0.9%[1])

1. Revenue and adjusted EBITDA share are for continuing operations including intercompany transactions between practices and other divisions.

What we do

We provide veterinary services through a network of first opinion and referral specialist veterinary practices across the UK and Australia. Our operations are supported by our Laboratories division, providing diagnostic services and in-practice desktop analysers, and our online retail business, enabling us to provide integrated clinical, diagnostic and preventative healthcare services.

Veterinary Practice sites

480

Laboratories

3

Online Retail Business

1

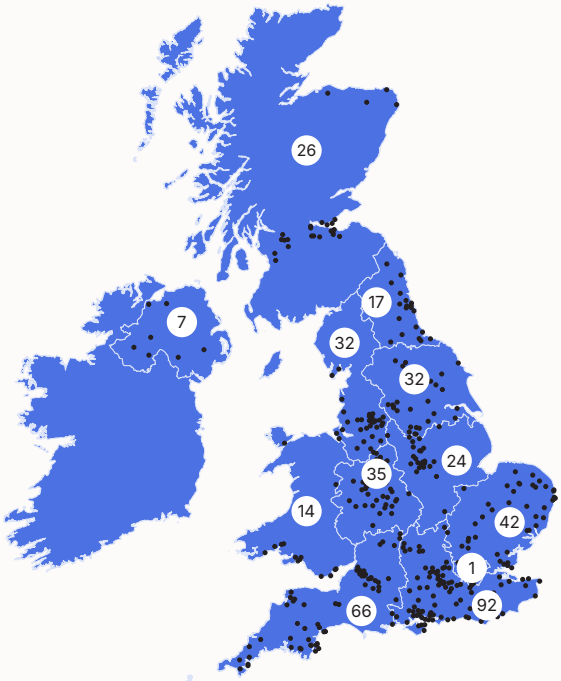


Read more on our divisions on page 54.



Where we do it

UK



Australia



>8,000
UK colleagues

>1,000
Australia colleagues

- Number of companion animal practices at 30 June 2026

Our journey of care and growth



1999

Building a veterinary platform

Group founded with a strategy of acquiring independent veterinary practices.

2002

First laboratory acquired



2018

Extending reach

Farm animal business established.

2019

Established Equicall,

an out-of-hours equine emergency service. Launched Horse Health Programme, a preventative healthcare plan for horses, ponies and donkeys.



2023

Entered the Australian veterinary services market

and opened Bristol Vet Specialists in the UK, a state of the art multidisciplinary referral hospital and the Group's largest single site investment.

The Competition and Markets Authority opened its review into the veterinary services market.

2024

Focusing on core territories

Divested operations in the Netherlands and the Republic of Ireland.

2025

Agreed sale of Crematoria operations

to Anima Care UK.

2006

First dedicated equine practice acquired

2007

Entering the public markets

Company admitted to trading on AIM, providing capital to support accelerated expansion.

2008

Entered pet cremation market

and launched Healthy Pet Club, a subscription-based preventative healthcare plan for cats, dogs and rabbits.



2010

Launched Animed Direct,

now a large UK-based online pharmacy and retail platform.



2016

Surpassed 300 veterinary practices

2026

The move to the Main Market and launch of joint brand

The move to the Main Market signalled maturity, broader market visibility and FTSE250 index inclusion. In addition, we jointly branded our practices with "CVS Vets". The Competition and Markets Authority review also concluded.



Future focus

Areas of focus to drive growth:

- Inorganic expansion
- Product development
- Client experience
- Client awareness and engagement



Why invest in CVS Group?

CVS Group plc is a business with strong foundations, operating in large markets, delivering consistent multi-year growth. It has a clear capital allocation strategy with attractive returns to deliver long-term value for shareholders. CVS is listed on the Main Market of the London Stock Exchange and is a constituent of the FTSE 250 Index.

Why invest in veterinary?

- Continued humanisation of pets
- Increasing life expectancy of pets
- Structurally higher pet population
- Advances in veterinary care
- Resiliency through economic cycles

Why invest in CVS Group plc?

CVS has the characteristics of a growth compounder, with a compelling investment proposition

1. We operate in large markets with strong fundamentals delivering consistent organic growth

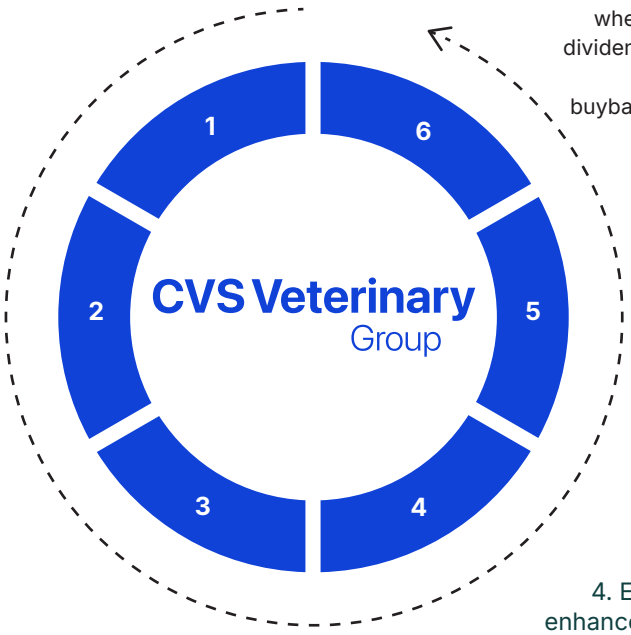
Driven by resilient demand and attractive market dynamics

2. Consistent revenue growth and sustainable high margins

19.0%+ adjusted EBITDA margins supported by scale advantages and a growing contribution from higher-margin revenue streams

3. Consistent strong cash generation

High cash conversion and recurring revenues underpin consistent and predictable free cash flow generation



6. Shareholder returns

Strong free cash flow generation and balance sheet flexibility deliver attractive cash returns to shareholders whether through progressive annual dividend policy or alternative means. In 2026 we announced two share buyback programmes totalling £70.0m

5. High returns on invested capital over the longer term

Disciplined capital allocation and selective investment continue to support high returns

4. Expansionary capex and M&A enhance standalone organic growth, within large total addressable markets

Targeted investment in practices, technology, including enhancing AI, and acquisitions enhance organic growth

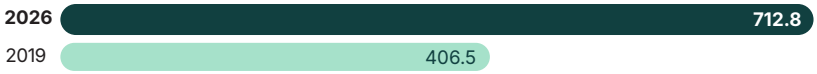


With a track record of growth

Revenue

£712.8m

CAGR 8.4%[1]



Adjusted EBITDA APM

£141.5m

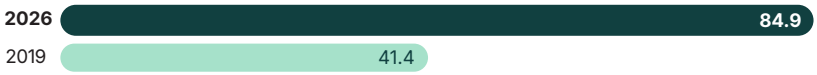
CAGR 14.6%[1]



Adjusted profit before tax APM

£84.9m

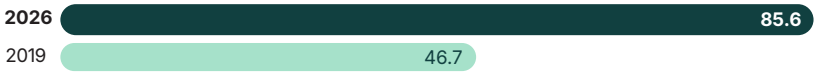
CAGR 10.8%[1]



Adjusted earnings per share APM

£85.6m

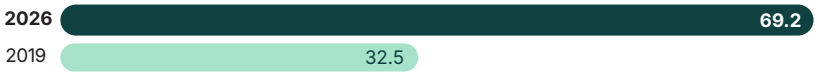
CAGR 9.0%[1]



Free cash flow APM

£69.2m

CAGR 11.4%[1]



1. CAGR – compound annual growth rate.

Read more on our key performance indicators (KPIs) on **pages 18 to 21**

APM Read more about our alternative performance measures (APMs) on **pages 176 to 180**

Why invest in CVS Group plc now?

Large COVID-19 cohort of pets ageing

The structurally higher pet population will need greater care as they age. Pet population remains stable

Competition and Markets Authority (CMA) uncertainty lifted

We are pleased to have reached a satisfactory conclusion with remedy implementation well progressed

Valuation upside

Valuation remains well below pre-CMA levels

Delivering care through scale and expertise

CVS operates an integrated veterinary services business, delivering high-quality care through our network of veterinary practices, supported by specialist referral hospitals, diagnostic laboratories and our online retail business. Our model creates value for clients, patients, colleagues, suppliers and shareholders while supporting sustainable growth.

Where we operate

CVS operates in the UK and Australia, bringing together a diverse range of locations and operating sectors, united by a shared purpose to provide Care, Value, and Service to clients, colleagues and animals alike.

UK

Our UK business comprises 423 veterinary practices, inclusive of 9 specialist referral hospitals, alongside 3 diagnostic laboratories and an online retail business. The scale and operations enables us to share expertise, invest in clinical excellence and operational efficiency, and deliver consistent, high-quality care to clients and their animals across the country.

Australia

Our Australian business includes 57 veterinary practice sites and represents a significant growth opportunity for the Group. Supported by an active acquisitions market, we continue to increase our presence.



What makes us CVS

Care at our heart

At Springfield Veterinary Centre, the team combines strong local relationships with the support of the wider CVS network. Access to shared expertise, investment and services enables them to expand the care they provide, supporting better outcomes for more animals in their community.

The stakeholder value we create

Our colleagues

We empower our clinicians to make the best decision for clients and their animals, encourage continuous improvement and share best practice. We provide outstanding support, development and career opportunities.

5.8
Employee Net Promoter Score

Our clients

We provide the best possible care whilst meeting clients' individual needs. We offer advice that is experienced by pet owners as clear, compassionate and trustworthy.

80.6
Client Net Promoter Score

...and their animals

Our colleagues use their skills and experience to advise the treatment that is the best option for each individual animal.

508,000
Healthy Pet Club members

Our investors

We deliver long-term shareholder value through disciplined capital allocation, sustainable growth, and a progressive dividend, underpinned by our Main Market listing.

9
Investor conferences attended

Our communities

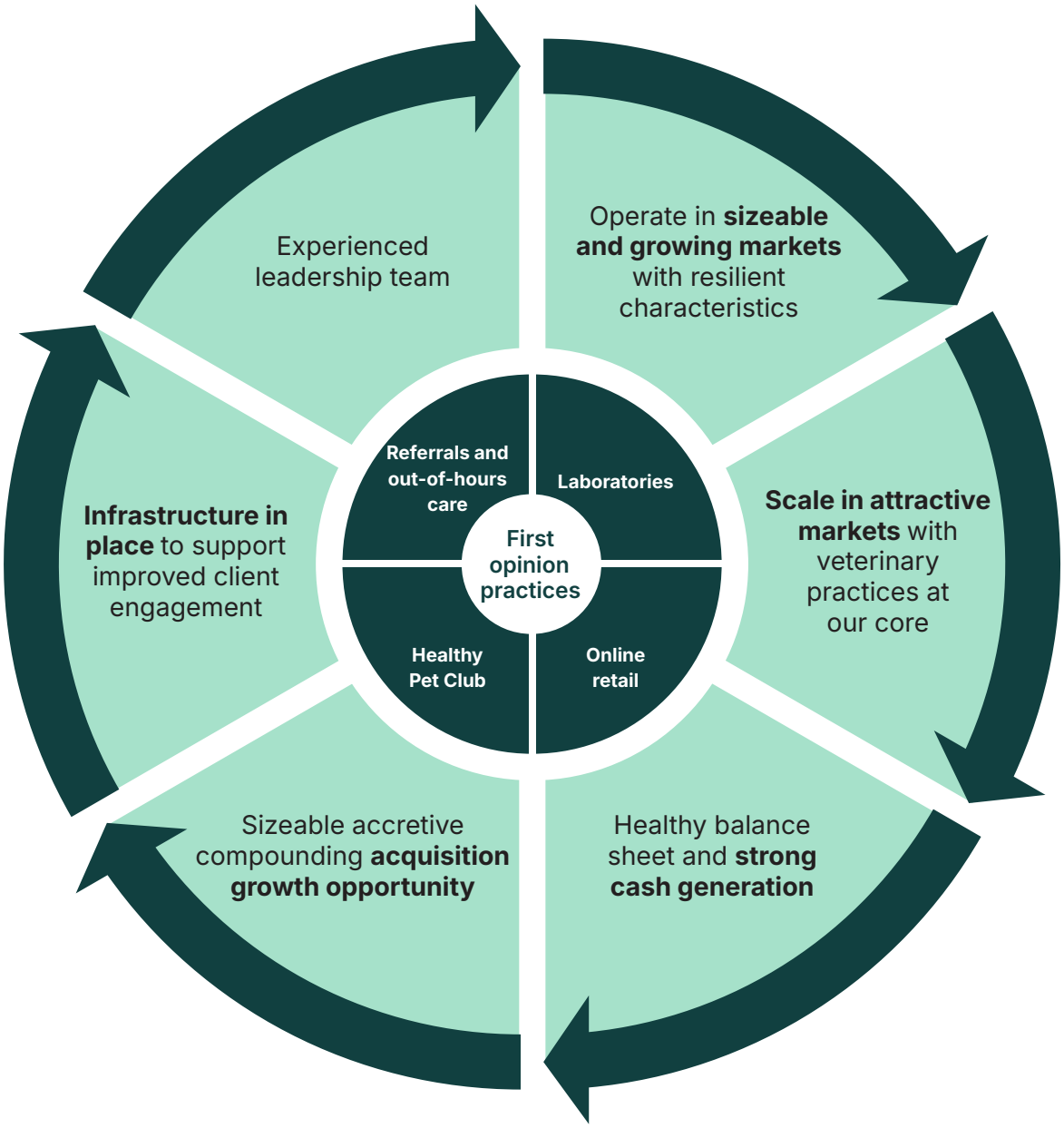
CVS' impact can be felt in the communities in which we operate. We drive positive change, support animal welfare, advance veterinary knowledge and protect the environment and public health.

480
Practice sites in local communities

Read more on our KPIs on **pages 18 to 21**

Read more on our strategy on **pages 16 and 17**

Our business model and platform for future growth....



Underpinned by our ESG focus "Care at our Heart"

Care for our Planet

Focused on energy, carbon and waste, this pillar underpins our ambition to minimise our environmental impact while continuing to develop our services and clinical expertise.

Care for our People

Centred on people development, wellbeing and equity, and diversity and inclusion, this pillar supports an environment where our colleagues can grow and thrive.

Care for our Clients and their Animals

Driving a more client-centric organisation, this pillar strengthens how we build lasting relationships and trust with our clients.

Care for our Communities

Through our interaction with the profession, society and local communities, this pillar reflects our role in supporting public health through our 'One Health' workstream.

Expanding care in growing markets

The veterinary market continues to benefit from a large and stable pet population and the continued humanisation of pets. There is a growing appetite for high-quality veterinary care and improved patient outcomes along with advances in veterinary medicine and increased life expectancy.

As the COVID-19 cohort of puppies and kittens age they will need more veterinary intervention. We are focused on improving preventative wellbeing care as well as providing reactive care.

What makes us CVS

Growing together

CVS's acquisitions team spans both the UK and Australia, working together to identify, evaluate and integrate high-quality practices that align with our values and growth ambitions.

This year marked a significant milestone for CVS with the acquisition of Sydney Animal Hospitals, our largest acquisition to date, comprising seven companion animal practices across Sydney. Beyond expanding our network, the acquisition reflected CVS's commitment to building long-term partnerships with practice owners, helping to preserve local leadership, culture and clinical excellence for the future.

"Every acquisition is about people first. It's rewarding, helping practice owners and their exceptional teams find the right long-term home while supporting CVS's continued growth."

Miguel Valero
Acquisitions Analyst

Geographical markets

The Group operates veterinary practices in the UK and Australia.

The UK companion animal market remains our largest market and continues to prove resilient to economic challenges. CVS has a strong geographical presence in the UK although there is a still significant runway for further expansion in many new and existing local markets.

CVS continues its expansion in the Australian market, which has similar long-term growth drivers to the UK and continues to exhibit stable growth. Australia is a pet-loving country with a high proportion of households owning a pet and spending on pets per household among the highest globally. CVS is building a solid footprint targeting major Australian cities and now has a presence in nine metro areas.

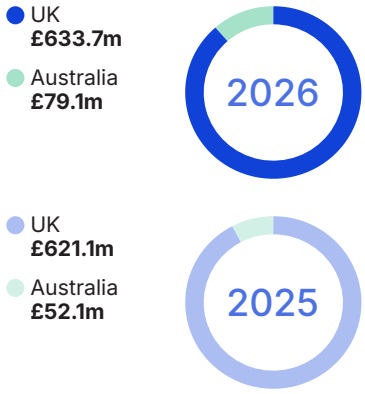
CVS is well placed to benefit from favourable market trends in both the UK and Australia as well as new international markets in due course.



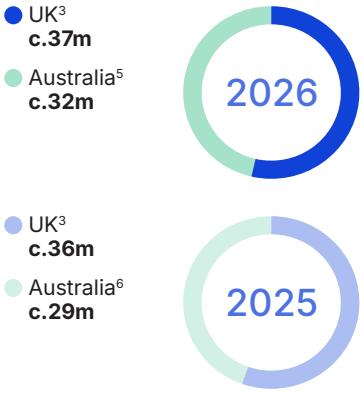
Market size

- UK[1] 2026 **c.£6.7bn**
- UK[1] 2025 **£6.3bn**
- Australia[4] 2026 **c.$6.3bn**
- Australia[4] 2025 **$5.7bn**

CVS revenue



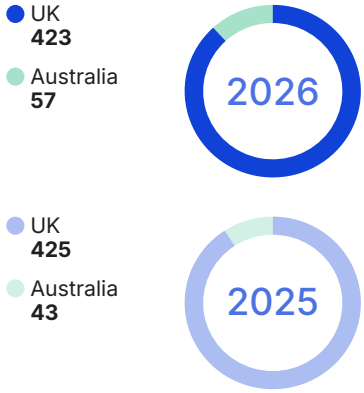
Pets populations



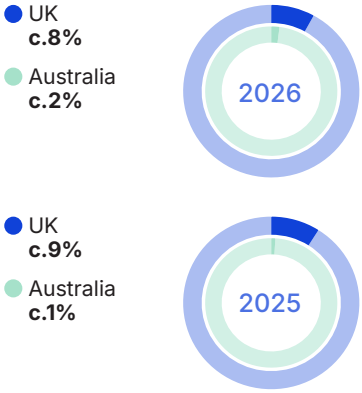
Total number of veterinary practices

- UK[2] 2026 **c.5,600**
- UK[2] 2025 **c.5,500**
- Australia[4] 2026 **c.3,600**
- Australia[4] 2025 **c.3,800**

CVS veterinary practices



CVS market positioning[7]



The opportunity

- Increased population of pets following COVID-19 with pet population levels now stable
- Continued humanisation and desire to treat pets as a member of the family
- Clinical and technological advancements helping meet clients' needs for their pets
- Expansion opportunities through acquisitions, redevelopments and relocations

1. Source: 09.3.5 Other recreational goods Veterinary and other services for pets CP NSA £m – Office for National Statistics (ons.gov.uk).
2. Source: findavet.rcvs.org.uk/home/.
3. Source: https://www.ukpetfood.org/industry-hub/data-statistics-/uk-pet-population-.html/.
4. Source: www.ibisworld.com/australia/industry/veterinary-services/623/. The number of veterinary practices across Australia has declined since 2025, primarily due to corporate consolidation and the merger of independent local practices.
5. Source: https://animalmedicinesaustralia.org.au/resources/pets-in-australia-a-national-survey-of-pets-and-people-3/.
6. Source: Animal Medicines Australia, Pet Ownership Report, 2022 – animalmedicinesaustralia.org.au/wp-content/uploads/2022/11/AMAU008-Pet-Ownership22-Report_v1.6_WEB.pdf.
7. Calculated based on number of sites.

Market drivers and responses

A stable pet population

The pet population is large, having grown in recent years, and now remains stable.

CVS addressable pet population

c.69m

Impact

- The UK and Australian pet population grew in the peak COVID-19 years with c.37m and c.32m pets respectively.
- The COVID-19 increase in the pet population was a helpful market driver in the short term when kittens and puppies require vaccinations, initial check-ups and in some cases neutering.
- The COVID-19 pet population is now in its healthy adult life stage; as these pets become mature animals they will require more veterinary intervention, such as treating heart disease, lameness and diabetes, providing growth in the medium and longer term.

Our approach

- We continue to expand our network of high-quality facilities, accessible across the UK and Australia.
- We provide access to preventative care through our successful Healthy Pet Club scheme, and our recently launched Healthy Pet Club Advanced scheme which, in addition to preventative and routine healthcare, annual vaccinations and regular flea and worming treatments, provides unlimited consultations.
- We also provide advice to clients on the appropriate choice of pet for their individual circumstances and we offer puppy socialisation classes in a number of our primary care practices.

Link to strategy

Advances in veterinary care

Continued scientific research leads to further advances in veterinary care and improvements in pet life expectancy.

CVS veterinary practices

480

Impact

- Continued scientific research leads to further advances in veterinary care offering pet owners a variety of treatments for their animals.
- This, along with improvements in technology, has advanced the offering of telemedicine and remote specialist diagnostic image interpretation and advice.

Our approach

- We continue to invest in our clinicians, offering them industry-leading clinical training, and we provide a culture of recommending the best possible care individualised to each patient. Our three nurse training centres provide a range of qualifications for CVS colleagues and non-CVS clinicians.
- We are striving to have a positive impact on the veterinary care sector as a whole, through investing in research projects designed to better understand and improve veterinary care. These projects are studying topics relating to animal health, clinical practices and the environment.
- We provide support for medical imaging and interpretation through our VetOracle™ business. Our VetOracle™ specialists are able to review images remotely and provide advice on clinical treatments for primary care vets within CVS and third-party owned practices.

Link to strategy

Availability of vets to perform services

Clinically-led vision and values position CVS to outperform the market in attracting and retaining talent.

CVS veterinary surgeons

>2,500

Impact

- Whilst there is a shortage of veterinary surgeons and, to a lesser extent, nurses in some areas across our markets, we have seen a significant improvement in the supply of vets in the past few years.
- We are working with our regulators and veterinary schools to further increase the number of vets entering the profession, along with promoting the right work being performed by the right role to enhance job satisfaction.

Our approach

- Our vision is to be the veterinary company people most want to work for and our focus on achieving this vision has enabled us to improve colleague retention in recent years.
- In 2026, we saw an increase in the average number of vets we employ by +0.4% (+3.5% including acquisitions) and a decrease in nurses and practice support teams by -1.5% (an increase of +0.8% including acquisitions).
- We continue to monitor our KPIs along with tracking colleague satisfaction through employee Net Promoter Score and colleague attrition. During 2026 we have seen positive trajectories in these metrics. See more on page 21.

Link to strategy

Read more on our strategy on **pages 16 and 17**

Online retail

Investment in digital capabilities and pharmacy automation to benefit from increasing penetration of the online market.

Animed Direct Trustpilot rating

4.7



Impact

- Customers are switching to shopping online for their pet food and pharmacy products, driven by convenience and product range and remedies mandated by the CMA.
- Whilst the majority of our clients purchase drugs in our practices, they can also purchase a prescription from our practices and then purchase medicines online.

Our approach

- We continue to explore opportunities within our online platform, increasing our website capabilities and ensuring we have sustainable competitive pricing.
- We have two pharmacy robots to improve logistics and fulfilment, increase productivity and improve quality control across the veterinary pharmacy.
- We have further automated our dispatches with a packaging machine that increases productivity and improves quality control.
- We launched our new website in the last financial year, improving usability, functionality and speed, ultimately enhancing user experience.

Link to strategy

Consolidating markets

Presence in attractive UK local markets and well positioned to benefit from further consolidation in fragmented international markets.

UK market size

£6.7bn

Impact

- We estimate, with the support of third-party economists, that c.60% of the UK practices are under corporate ownership. In Australia, this is much less at c.20%.
- We recognise the importance of privately owned independent practices. Where private practice owners are looking to sell, we are well positioned to acquire and provide benefits to owners, colleagues and patients.

Our approach

- We support independent practices through our buying groups, our laboratories, our referral specialists, and our VetOracle™ service, all of which offer services to non-CVS practices as well as our own.
- We paused acquisitions in the UK during the Competition and Markets Authority investigation; however, we have resumed activity post conclusion of the investigation and look forward to welcoming more private practice owners to the Group.
- We entered the Australian veterinary services market in 2023, which has similar dynamics to the UK with significantly reduced consolidation, providing increased runway for future growth of the Group. In the year, we acquired a further 14 practice sites and have a strong pipeline of opportunities, with a further four practice sites acquired post year end.

Link to strategy

Humanisation of pets

Increasing trend from owners treating their pets as family members and seeking high-quality clinical care and premium products.

CVS client Net Promoter Score

80.6

Impact

- The veterinary sector continues to benefit from the humanisation of pets as animals are treated increasingly as companions and seen as an important part of family life, as well as positive contributors to their owners' improved mental and physical health.

Our approach

- We continue to prioritise high-quality contextualised clinical care and provide all-round animal care, from primary care, specialist referrals, diagnostic testing, and accessories to pet food and consumables.
- We understand the emotional bond between our customers and their pets and the wider social benefits of pet ownership. With continued advances in clinical care, we can support our clients throughout their pets' lives.
- We launched online booking across our UK companion animal practices last year to enhance access to our care and help overall client experience. We continue to make further improvements to improve the client journey and digital experience and are currently trailing AI scribe for clinical and outpatient notes and two-way client messaging.

Link to strategy

Driving growth, delivering care

We recommend and provide the best clinical care every time

Our strategic objectives

- To have a culture of recommending the best possible care, individualised to our clients.
- To deliver industry-leading clinical training.
- To be committed to evidence-based medicine and have a robust quality improvement framework.
- To ensure our clinicians have access to the right medicines at the right time.

Our achievements in the year

- We are supporting a CVS Registered Veterinary Nurse to undertake a PhD at the Royal Veterinary College, University of London, entitled "Using an action research approach to develop interventions to optimise the role of Registered Veterinary Nurses in UK small animal practice". The project started in January 2026 and was shaped by the findings from the CVS Veterinary Nurse Survey which over 1,000 of our nurses completed in 2025.
- We continue to contribute to veterinary literature with 88 peer-reviewed publications published by our colleagues and our research presented at international conferences.
- Our funded research into workplace injuries commenced in the year, and has been one of the most comprehensive programmes of work undertaken on this topic in the veterinary profession. The research has resulted in four peer reviewed publications, influenced changes to our hard hat policy, driven improvements to our animal handling training and led to the development of a dedicated safety working group.
- We continued to trial AI scribe for clinical and outpatient notes on desktop and mobile devices, allowing our clinicians to focus on the care they provide to our clients and their animals.
- We have been trialling two-way client conversations via SMS, providing real time access to clinical care for our clients.
- We have launched the Life Stage Assessment framework in practices.
- We have introduced online client booking, making it easier for clients to access our services.

Outlook

- We are developing a client logged-in state/portal for access to information and to enhance client engagement.
- We launched our Healthy Pet Club Advanced service offering on 1 July 2026, which allows clients access to unlimited consultations, providing extra peace of mind.
- We launched our online digital sign up journey for our Healthy Pet Club scheme on 4 August 2026, making it even easier for our clients to access our services.
- We are developing two-way client conversations via MMS and WhatsApp and introducing online payment journeys.

Market drivers

This pillar is impacted by:

- a stable pet population;
- advances in veterinary care; and
- the humanisation of pets.

Link to KPIs A B C D E F G H I J K

Link to risks 1 2 3 4 5 6 7 8

Read more about our KPIs on **pages 18 to 21**

Read more about our risks on **pages 56 to 63**

We are a great place to work and have a career

Our strategic objectives

- To create opportunities for our people to have diverse and rewarding careers.
- To be as flexible as possible in all our roles.
- To have the best leaders within our businesses.
- To offer the best learning, education and development in the profession.

Our achievements in the year

- In the year ended 30 June 2026, we employed an average of 2,532 veterinary surgeons (2025: 2,447). This is a +0.4% (including acquisitions: +3.5%) increase from 2025 to 2026, demonstrating the success of our people-focused strategy.
- Our employee Net Promoter Score (eNPS), which tracks colleague engagement across our business, increased from +3.1 to +5.8 from 2025 to 2026. The increase reflects the investment we have made in our workspaces for our colleagues through our project sparkle initiative.
- Colleague attrition has continued to decrease over the year.
- We continue to see positive increases in the uptake of our Cash Health Plan and other benefits we offer our colleagues including salary sacrifice car schemes and enhanced pension contributions matching up to 6.0%.
- We made a commitment to review nurse salaries which we supported during our salary review process, recognising the importance of our nurses in our practices.
- We opened our second fully equipped clinical training venue, at our Bristol Vet Specialists hospital. This will allow us to deliver a wider range of courses to more of our colleagues across the South of the UK.
- We launched a leadership course for our Senior Leaders. Our Inspire programme is designed to embed a coaching approach to leadership, in line with our ICARE Leadership behaviour framework.
- Our Nursing Training School was nominated for a National Qualifications and Assessments Award.

Outlook

- We are introducing integrated resource planners, allowing our colleagues to better resource their practices and providing them with insight into workflows into future months.
- We will continue to focus on our ICARE Leadership behaviour framework and our Inspire programme, equipping our leaders with the appropriate skills to thrive.
- We remain focused on ensuring our nurses feel valued and remain committed to reviewing the reward structure we have in place for them.

Market drivers

This pillar is impacted by:

- a stable pet population;
- advances in veterinary care;
- the humanisation of pets; and
- availability of vets to perform services.

Link to KPIs A B C D E F G H J K

Link to risks 1 2 3 4 5 7 8

Read more about our KPIs on **pages 18 to 21**

Read more about our risks on **pages 56 to 63**



We provide great facilities and equipment

Our strategic objectives

- To ensure all our practices meet the RCVS Practice Standards Scheme accreditation standards, and to aspire to achieve further RCVS awards.
- To invest in our estate to ensure all our facilities meet excellent standards.
- To expand our network with high-quality facilities.
- To develop new ways to serve our clients and our patients.

Our achievements in the year

- We acquired 14 veterinary practice sites in 2026, all of which were in Australia, bringing the total number of practices in Australia to 57. We continue to focus on ensuring acquired practices have high-quality facilities which meet the expectations of a CVS practice for both our colleagues and clients. Where acquired practice facilities do not meet our usual standard, we factor in the costs of improving the practice facilities and equipment to our purchase consideration.
- We also completed four practice relocations and refurbishments during the year. This included Broadleaf, providing an enhanced offering of services to pets locally.
- We continue to trial AI features such as AI Scribe, all enhancing the digital journey for our clients through our continued investment in our IT infrastructure.
- We continued our focused investment to improve our colleague and client areas as well as investing in new equipment to further extend service offerings, with over 200 sites now receiving investment through our project sparkle initiative.

Outlook

- We continue to focus on investment capex to support operational resiliency and long-term growth, increasing not only capacity but also service offerings across our network.
- We will also invest in clinical equipment to launch new services where appropriate across our practices where both demand and capacity exists.
- The quality of the acquisitions we acquire also remains a key component of our growth ambition.

Market drivers

This pillar is impacted by:

- a stable pet population;
- advances in veterinary care;
- consolidated markets; and
- the availability of vets to perform services.

Link to KPIs: A B C D E F G H J K

Link to risks: 1 2 3 4 7 8

Read more about our KPIs on **pages 18 to 21**

Read more about our risks on **pages 56 to 63**

We take our responsibilities seriously

Our strategic objectives

- To make our Group as environmentally sustainable as possible.
- To implement the best levels of health and safety in the profession.
- To prioritise the wellbeing of our people.
- To engage with the veterinary profession and support its interests.

Our achievements in the year

- To provide high-quality care, we need to offer colleagues quality learning, excellent facilities and resources. We continued investment in projects aimed to improve education and development, share best practice, give access to top-tier clinical expertise and develop the leaders in our business.
- We have published our annual Sustainability Report, providing detailed updates on the Group's strategy and the significant progress we have made towards a more sustainable future. Within this report we have disclosed financially material sustainability-related data under the Sustainability Accounting Standards Board (SASB) standards.
- We have introduced smart meters across our practices to help monitor our energy usage to ensure we remain on track with our sustainability goals.
- We actively engaged in the CMA market investigation to help ensure the most balanced outcome for the veterinary profession also encouraging our colleagues to participate.
- Following the publication of the final decision and conclusion of the CMA Market Investigation, we have implemented or are in the process of implementing over 80.0% of the remedies required to date including now listing prices on our practice websites.
- Our CVO is actively leading on the potential reforms to the Veterinary Surgeons Act and is providing the Board with key updates and also supporting our colleagues with clarity on the reforms by undertaking webinars.

Outlook

- As part of our Clinical Governance Framework, we will focus on contextualised care, whereby a veterinary surgeon must take into account the many and varied needs of an animal, their owner and the veterinary team when advising on a care plan.
- We will continue to monitor the proposed changes to the Veterinary Surgeons Act and actively engage where we feel appropriate to do so.
- We remain committed to delivering the remedies following the conclusion of the CMA's Market Investigation, of which the final order has been published by the CMA on 22 September 2026.

Market drivers

This pillar is impacted by:

- the availability of vets to perform services; and
- the humanisation of pets.

Link to KPIs: A B C D E F G H J K

Link to risks: 1 2 3 4 5 6 7 8

Read more about our KPIs on **pages 18 to 21**

Read more about our risks on **pages 56 to 63**

Measuring what matters most

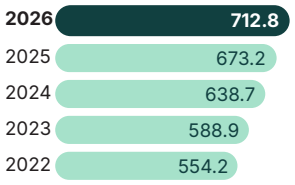
Financial KPIs

APM

Adjusted financial measures are defined and reconciled to the financial measures defined by International Financial Reporting Standards (IFRS) in the alternative performance measures glossary on pages 176 to 180.

A: Revenue (£m)

£712.8m
+5.9%



Why it's a KPI

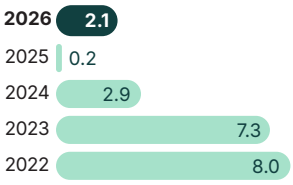
Revenue is a key measure of performance across all divisions of the Group and demonstrates our ability to attract and retain customers.

2026 performance

- Overall revenue has increased by £39.6m.
- Like-for-like sales, adjusted for intercompany revenue eliminations, increased by £13.6m (2.1%) as a result of investments in our people, facilities and clinical equipment.
- Acquisitions in the year and the full-year impact of prior-year acquisitions generated additional revenue of £26.0m.

B: Like-for-like sales (%) APM

2.1%
+1.9ppt



Why it's a KPI

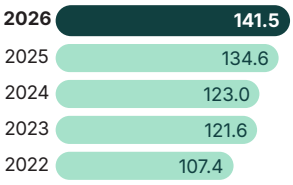
Like-for-like sales shows revenue generated from like-for-like operations compared to the prior year, adjusted for the number of working days. For example, for a practice acquired in September 2024, revenue is included from September 2025 in the like-for-like calculations. This shows the organic growth in revenue across all divisions, excluding the impact of acquisitions.

2026 performance

- Like-for-like revenue growth of 2.1% impacted by softer market conditions in the UK.
- Like-for-like performance across our Veterinary Practices division of +1.0% was impacted in the year from a continuation of softer market conditions in the UK, a weaker Q4 partly impacted by the extreme hot weather with owners opting to keep their pets at home and the COVID-19 puppy and kitten cohort in their healthy young adult years.
- We continue to see positive performance in Australia.
- We have experienced good like-for-like performance across both our Laboratories division and Online Retail Business.

C: Adjusted EBITDA (£m)[1] APM

£141.5m
+5.1%



Why it's a KPI

Adjusted Earnings Before Interest, Taxation, Depreciation and Amortisation (EBITDA) excludes costs relating to business combinations and exceptional items and assists in understanding the performance of the Group.

2026 performance

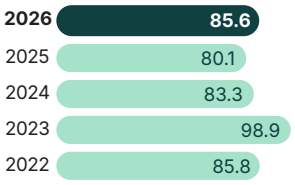
- Adjusted EBITDA growth was impacted during the year by continued softer trading conditions due to lower consumer confidence in the UK, following the cost of living crisis, annualisation of the Employer NIC increase introduced in April 2025 and the continued operational impact of the CMA investigation during the year.
- Acquisitions in the year and the full-year impact of prior-year acquisitions generated additional EBITDA of £6.7m.
- Adjusted EBITDA includes £15.7m (2025: £15.1m) of net Research and Development Expenditure Tax Credits offsetting investment in people and inflation.
- Adjusted EBITDA of £141.5m was +£6.9m/+5.1% above the prior year, demonstrating the Group's ability to deliver continued growth.

Link to strategy

Read more about our strategy on **pages 16 and 17**

D: Adjusted EPS (pence) APM

85.6p
+6.9%



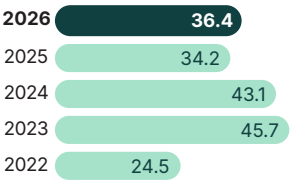
Why it's a KPI
This is profit before tax adjusted for: amortisation; costs relating to business combinations; and exceptional items net of the notional tax impact of these, divided by the weighted average number of shares. This measure assists understanding of the earnings of the Group on a per share basis.

2026 performance
- Adjusted EPS benefitted mainly from the increase in adjusted profit before tax, with a small benefit from the reduced average number of shares in issue following the share buyback programmes undertaken during the year. The effective tax rate was 27.4% (2025: 26.9%).

Link to strategy

E: Total capex (£m)

£36.4m
+6.4%



Why it's a KPI
This is the total amount invested by the Group across capital expenditure and maintenance. Capital expenditure is incurred on refurbishment, relocation of practice facilities and investment in new equipment and clinical facilities. Investing in our practices and clinical equipment is key to the achievement of our strategic goal of providing great facilities and equipment and our Capital Markets Day ambition of investment in practice facilities and technology to deliver additional organic growth.

2026 performance
- Total capital expenditure has increased by £2.2m, consisting of a £0.3m decrease in maintenance capital expenditure (£0.7m increase on continuing operations), ensuring we maintain our current facilities to the required standard we expect and a £2.5m increase in investment capital expenditure; where we continue to focus on modernisation of our IT foundations, enhancing our client journey on our Animed Direct website and selective investments across our property programme improving environments and facilities for both our colleagues and clients.

Link to strategy

F: Gross margin before clinical staff costs (%) APM

78.6%
+0.2ppt



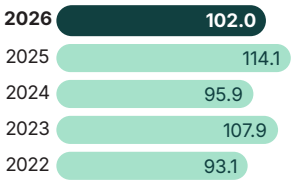
Why it's a KPI
Gross margin represents revenue after deducting the cost of drugs, laboratory fees, cremation fees, and other goods sold or used by the business, expressed as a percentage of total revenue. Gross margin is a KPI because it helps us to monitor and measure our ability to purchase drugs at the best possible price whilst ensuring the highest quality.

2026 performance
- The increase in gross margin is principally due to improvements in buying synergies.

Link to strategy

G: Cash generated from operations (£m)

£102.0m
-10.6%



Why it's a KPI
Cash generated from operations shows the cash inflows before: payments of taxation and interest; business combinations; purchases of property, plant and equipment and intangible assets; repayment of right-of-use assets; payments of dividends; debt issuance costs; increase/ repayment of bank loans; and proceeds from issue of shares. Delivery of increased cash generated from operations allows us to invest in further growth opportunities across our business.

2026 performance
- Cash generated from operations decreased due to one-off negative working capital movements during the year mainly from timing of Research and Development Expenditure Credit (RDEC) receipts and delivery of buying synergies which resulted in a change to buying relationships.

Link to strategy

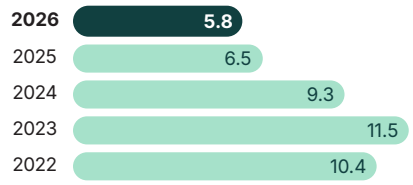
Measuring what matters beyond financials

Non-financial KPIs

1. Net Promoter Score (NPS) measures customer and colleague experience using the answer to a key question, "How likely is it that you would recommend CVS?", with a 0–10 scale. Responses are analysed using a weighted calculation to yield a score between a low of -100 and a high of 100.

H: Vet vacancy rate (%)

5.8%
-0.7ppt



Why it's a KPI

The vet vacancy rate is calculated as the average number of live vet vacancies divided by the total number of vets by headcount plus vacancies. This shows the average level of vet vacancies for the Group during the year. This links to our strategic goal of being the veterinary company people most want to work for.

2026 performance

- The vet vacancy rate has decreased in 2026, as we continue to fill our vacant positions.

I: Healthy Pet Club members

508,000
-2.1%



Why it's a KPI

Healthy Pet Club is our preventative care scheme. It provides CVS with a robust and regular revenue stream, as well as improving customer loyalty.

2026 performance

- The number of Healthy Pet Club members has decreased by -2.1% during the year, due to a continued impact of weaker consumer confidence and protecting discretionary spend resulting in weaker footfall.
- However, our revenue from our Healthy Pet Club scheme continued to grow by +3.5% from £92.3m in FY25 to £95.5m in FY26.
- Following a successful trial at a number of sites during FY26, we officially launched our Healthy Pet Club Advanced (HPCA) offering on 1 July 2026. The enhanced service includes unlimited consultations, providing members with ongoing access to expert guidance and support.
- During the year, we introduced online booking and membership registration for HPC and HPCA members. By simplifying the booking process and improving accessibility, we aim to enhance the member experience and support continued growth in membership numbers.

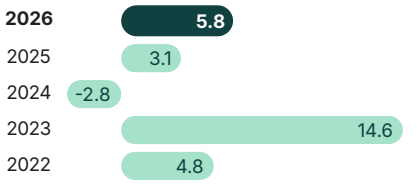
Link to strategy

Read more about our strategy on **pages 16 and 17**



J: Employee NPS[1]

5.8
+2.7ppt



Why it's a KPI

Employee Net Promoter Score (eNPS) is a measure of how likely our colleagues are to recommend the Group as a place to work as reported on anonymous surveys. Monitoring eNPS shows the level of colleague satisfaction across the Group and helps us to ensure we are a great place to work and have a career.

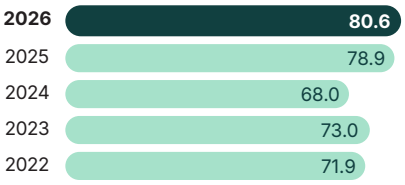
2026 performance

- During FY26 we continued to see positive colleague engagement with our eNPS throughout the year and by June 2026 we saw eNPS increase to +5.8. This follows continued investment through our project sparkle capital investment programme improving both colleague and client-facing areas, helping our colleagues feel good about the environment they work in. We remain committed to team engagement and morale across the Group.

Link to strategy

K: Client NPS[1]

80.6
+1.7ppt



Why it's a KPI

Client Net Promoter Score (NPS) is a measure of the level of our clients' satisfaction with their experiences with the Group via anonymous reporting of the likelihood that clients would recommend the Group for our services. Monitoring NPS helps us to ensure we recommend and provide the best clinical care every time.

2026 performance

- Client engagement remains a key focus and we are committed to understanding our clients' needs.
- High-quality clinical care and investment in our practice facilities remains a key focus to provide a safe and comfortable environment for our clients and exceptional care of their treasured animals; our project sparkle investment programme helped improve some of our client waiting areas, which is just one of our key focuses for improving the customer experience.
- We remain committed to understanding our customers' needs and providing them with a high-quality service.

Delivering outstanding care

"At the heart of CVS is a clear and enduring purpose: to provide the best care for as many animals as possible, supported by the scale and strength of our Group."

David Wilton
Chair



Introduction

It has been another busy and eventful year for CVS. Throughout the year, our colleagues across the UK and Australia have combined clinical expertise, compassion and dedication to deliver outstanding care and support to animals and their owners. This year we have acquired 14 practice sites in Australia, and I'm delighted to welcome our new colleagues to the Group.

Earlier this calendar year we moved our share listing from the Alternative Investment Market (AIM) to the Main Market of the London Stock Exchange and thereafter our shares were admitted to the FTSE 250 Index.

The protracted UK Competition and Markets Authority (CMA) market investigation into veterinary services for household pets in the UK reached a conclusion which we were well positioned for, with legally binding orders published by the CMA on 22 September 2026, and we have participated in the Department for Environment, Food and Rural Affairs consultation on proposed reforms to the Veterinary Surgeons Act 1966. Once again, I thank all of our colleagues who have been involved, directly or indirectly, in this process.

We have also enhanced our Board with the appointment of three new independent Non-Executive Directors with Deborah Kemp then retiring on 30 June 2026. Richard Fairman also announced his intention to retire as Chief Executive Officer, but remains fully committed to leading CVS until a successor takes up the role.

Move to the Main Market

On 24 October 2025, and after 18 years on AIM, we announced our intention to move our share listing to the Main Market and this process concluded on 29 January 2026. Shortly thereafter in March, our shares were included in the FTSE 250. This is another positive step in the long-term development of CVS and we anticipate the benefits of the move to include providing access to deeper pools of capital across a broader range of investors domestically and internationally, improving trading liquidity and enhancing the Group's corporate profile. The decision to move was not taken lightly and we were aware we would lose several shareholders who had been supportive over many years but who were not able to own shares listed on the Main Market. We are pleased that we made the move and confident we will benefit, particularly as wider macro-economic and political factors presently weighing on the market hopefully dissipate.

CEO succession planning

On 30 March 2026 we announced that Richard Fairman had informed us of his intention to retire after almost seven years as CEO of CVS. Under Richard's stewardship, CVS has changed and developed significantly. Richard has overseen consistent growth and the development of the Group into what it is now. Notable events under his watch include the successful entry into the Australian market, navigating a cyber attack in March 2024 and accelerating our cloud roll out, selling the Crematoria operations for a 10x multiple, moving from AIM to the Main Market and entering the FTSE 250 Index and, for most of the last three years, successfully dealing with the CMA market investigation. I am very grateful for his contribution to CVS and, when he does retire, he will do so with my best wishes.

The appointment of a successor with the requisite skill set is an important decision as we look to our next phase of growth. The comprehensive search led by a leading executive search firm is well underway and making good progress. The Board remains focused on ensuring an orderly and seamless leadership transition and looks forward to updating shareholders in due course.

Ensuring robust governance

We have announced several Board changes over the year and I am pleased to have welcomed Helen Keays, Jane Bednall and Laura Hagan to the Board as Non-Executive Directors. We also announced the retirement of Deborah Kemp as a Non-Executive Director with effect from 30 June 2026 after more than eight years on the Board. I would like to thank Deborah for her contribution over that period. Following Deborah's retirement Helen has taken over as Chair of the Remuneration Committee and Laura is now both the Senior Independent Director and Employee Engagement Director. The new appointments bring additional direct operating and governance experience across high-volume, multi-site retail, digital, and consumer environments. We continually monitor the composition of the Board to ensure we have the right balance of skills and experience.

Clear capital allocation priorities

The Board is recommending the payment of a final dividend of 9.0p per Ordinary share (2025: 8.5p), maintaining our progressive approach to the dividend.

Section 172 statement

The Section 172 statement is a mandatory disclosure required by the Companies Act 2006. This statement outlines how the Directors promote long-term success for shareholders while considering stakeholder interests, including employees, suppliers, communities and the environment.

Board decision	S172 considerations
Listing on the Main Market of the London Stock Exchange	Read more about Section 172 considerations on **pages 79 to 82**
Dividend and share buyback programme	Read more about Section 172 considerations on **pages 79 to 82**
Appointment of new Non-Executive Directors	Read more about Section 172 considerations on **pages 79 to 82**

The ex-dividend date is 7 November 2026 and the dividend payment date is 4 December 2026.

As a further sign of the Board's confidence in the Group's prospects and strong cash generation, during the financial year, we announced two share buyback programmes: the first, of up to £20.0m, on 24 October 2025 in conjunction with the move to the Main Market and the second, of up to £50.0m on 26 May 2026, which is expected to conclude in November 2026.

Alongside the announcement of the second share buyback we reaffirmed our approach to capital allocation and we provided a more detailed update on our capital allocation priorities as well as more information on past and anticipated returns from our investments at the investor presentation on 23 July 2026.

We have also undertaken a thorough consultation with many of our major shareholders regarding our approach to remuneration and have sought to better align the reward and incentive structure following the move to the Main Market to shareholder objectives. Further details of this are set out in the Remuneration Committee Report on pages 93 to 109.

Shareholder engagement

The Board engages actively and regularly with existing and potential new shareholders from the UK and overseas through direct dialogue and attendances at investor conferences. All Directors are available to speak or meet with investors on request and I welcome and encourage such contact.

An exciting future

Our strategy for growth coupled with the favourable fundamentals of the sector sets CVS in a good position to deliver further organic and inorganic growth and I look forward to reporting on further success in the future.

I would like to conclude by once again thanking all CVS colleagues in the UK and Australia for their continued professionalism and commitment in providing great care for our clients and their animals and I also thank all our stakeholders for their ongoing support.

David Wilton
Chair
24 September 2026

What makes us CVS

Growing access to better care

Coast2Coast Farm Vets has grown from a 7m² base to a modern 120m² facility, reflecting the ongoing investment in practices to enhance clinical capability, improve client experiences and support high-quality care.



Providing Care, Value and Service in every moment

"We are continuing our longstanding focus on providing great Care, Value and Service to our clients and their animals."

Richard Fairman
Chief Executive Officer



Introduction

It has been a privilege to lead CVS over the past seven years as CEO. We are fortunate to have a passionate and dedicated team of clinical and support colleagues that provide great care to our clients and their animals; I am proud of their achievements. I would like to thank all CVS colleagues for their tremendous support and wish them every success in the future.

The past financial year has seen a further increase in revenues and earnings despite a challenging economic backdrop in the UK. Revenue increased by 5.9% to £712.8m, Adjusted EBITDA increased by 5.1% to £141.5m and Adjusted EPS increased by 6.9% to 85.6p.

We have had to work hard to maintain margins through efficiency savings and disciplined cost control given the significant inflationary pressures from increased Employer National Insurance contributions, further increases in the national minimum wage/national living wage and higher IT costs.

Like-for-like revenue growth increased to +2.1% for the year (2025: +0.2%) but was impacted by a continued weakness in UK consumer confidence through a combination of higher personal taxation, the weak UK economic backdrop, the conflict in Iran and political uncertainty in the UK which ultimately led to the changes in Prime Minister and Chancellor of the Exchequer. The extreme hot weather seen in much of the UK in May and June also impacted revenues in the final quarter and dampened the more positive like-for-like growth achieved in the first three quarters of the financial year. More recent trading has returned to pre-May levels, before the impact of the heatwaves.

We expanded our presence in Australia through the acquisition of a further six practices comprising 14 sites for an initial consideration of £43.3m. These include Sydney Animal Hospitals, a seven-practice group which has established an excellent reputation across Australia and beyond. Since entering Australia in July 2023, we have grown steadily, and at 30 June 2026 we owned 35 practices operating across 57 sites. Since the financial year end we have acquired a further two practices (four sites) for initial consideration of A$9.3m. We are pleased with the performance of our Australia practices and have a strong pipeline of further acquisition opportunities.

The UK Competition and Markets Authority (CMA) has undertaken a thorough review of the veterinary sector over the past five years through its initial merger review of certain acquisitions and subsequent Market Review and Market Investigation. This has been a significant and challenging process for CVS and the wider veterinary sector. Hence, it was pleasing to see the CMA issue its final decision on 24 March 2026 with remedies largely focused on increased transparency. Whilst we do not agree with all of the CMA's proposed remedies, we are comfortable with them and have made significant progress in their implementation. Nearly all of our UK companion animal first opinion and referral practices are now jointly branded, and we have had prices live on our practice websites since the end of 2025. The CMA has recently publish its final remedies and funding order and we will fully comply with the remedies, which are in line with our expectations, in the timetable set out.

Now that we have CMA certainty, we can once again focus our entire efforts on growing our business whilst continuing our longstanding focus on providing great Care, Value and Service to our clients and their animals.

Strategic update

When we formed a new management team back in November 2019, we set out a clear strategy for growth which focused on people and clinical care. We have seen considerable progress over the past seven years with CVS successfully repositioned as an employer of choice in the sector, clinical standards and capability enhanced and clients providing consistently strong feedback on the service they receive as evidenced by our improved client Net Promoter Score.

As noted at our investor presentation in July 2026, we remain committed to the medium-term targets which we set out in our Capital Market Day in November 2022, which include like-for-like revenue growth of between 4.0% to 8.0%, margin enhancement from 19.0% to 23.0% and operating cash conversion in excess of 70.0%.

The veterinary services market has seen a number of changes over the past few years, with a significant increase in pet ownership in peak COVID-19, a marked improvement in the availability of vets and nurses, uncertainty through the CMA process and pressures from the weak UK economic backdrop. However, the veterinary sector is proven to have a high degree of resilience through economic cycles and the fundamentals of the market remain very strong. The humanisation of pets is a continuing trend with most pets being an integral part of the family and owners willing to spend on veterinary care to keep them as fit and healthy for as long as possible. The pet populations in both the UK and Australia have fallen since peak COVID-19 but remain higher than they were prior to the pandemic and are now stable. Pet life expectancy has also increased and hence the pets under our care will require our clinical services for longer. Through advances in clinical care and our own investment in people, facilities and clinical equipment, we can now provide better care for animals than ever before.

We have taken a number of important steps to position CVS well to benefit from these strong market fundamentals, whilst delivering further growth and benefits for all our stakeholders. In the past financial year, we invested £36.4m in capital expenditure to maintain and improve our technology, facilities and clinical equipment and, as noted above, we have invested £43.3m in further accretive acquisitions. We have also invested £5.1m in jointly branding our UK practices with "CVS Vets" prominently alongside the local practice name.

This investment positions us well for the future as we focus on further enhancing our customer service. To support the delivery of this and the client strategy we will be looking to appoint a Chief Client Officer to the Executive Committee. In addition to online booking introduced previously, we have opened practice diaries for over a year and are encouraging receptionists to ensure clients have their next appointment booked before they leave the practice. Our new joint branding facilitates our ability to undertake more central marketing and CRM activity, and we are investing in enhanced capability in this area so that we can drive improved footfall.

Sustainability

Our latest Sustainability Report, which is being published alongside this Annual Report, sets out the further progress we have made in the past financial year under our four ESG pillars: Care for our Planet, Care for our People, Care for our Clients and their Animals, and Care for our Communities. I continue to sponsor our sustainability and ESG focus and provide a report to the Board at each scheduled meeting.

Shareholder engagement

We have undertaken considerable shareholder engagement over the past financial year through a combination of individual meetings with major shareholders, attendance at major conferences, results roadshows in the UK, the US, Canada, Nordics and Europe and fireside chats with analysts.

It was pleasing to receive positive feedback from analysts and shareholders alike following our investor presentation in July.

Capital allocation

We have maintained a disciplined approach to capital allocation over the past few years, and whilst this approach hasn't changed, we reiterated our capital allocation priorities in our investment presentation on 23 July 2026 and provided an update on the returns we are seeing from our prior acquisitions and investments.

Our capital allocation framework is based on a hierarchy of clear priorities under which each investment opportunity is assessed against other capital deployment opportunities and the options considered most value accretive over the longer term are selected.

Maintaining a healthy and efficient balance sheet is a key focus, and we successfully refinanced in May 2026 securing committed facilities through to May 2030 with a further one-year extension at our discretion whilst also securing a reduction in margin alongside increased flexibility. Operating cash conversion for the financial year was maintained above 70%, and we finished the financial year with leverage of 1.63 times. We have headroom in committed undrawn bank facilities and financial covenants.

We recognise differing shareholder appetites for leverage but

Capital allocation

Healthy balance sheet and strong cash generation with continued opportunity to deploy capital to generate long-term shareholder returns

Capital and cash generation

1

Healthy balance sheet and strong cash generation

£350m	£141.5m	>70%	c.£70m
successful refinancing with committed facilities to May 2030/31	FY26 Adjusted EBITDA	operating cash conversion Incl. essential maintenance capex c.£12m–£15m, and rent lease payments	free cash flow After tax and interest, of which c.£10m is needed for contingent consideration

Uses of capital subject to balance sheet guardrail of <2.0x leverage (June 2026: 1.63x)

2

Ordinary dividends

Progressive policy providing consistent, predictable returns to shareholders, **c.£6.0m**

3

Capital directed to whichever option generates the highest-risk-adjusted returns over the longer term...

Acquisitions

Attractive pipeline of acquisitions in Australia and the UK to accelerate sustainable growth, **c.£50m pa**

(If larger attractive acquisitions present themselves, the Board will consider temporarily increasing leverage to >2.0x)

Investment capex

Investment to maximise organic growth, focused on delivering increased revenue and enhanced margins, **c.£30m pa (inclusive of maintenance)**

Shareholder returns

Any capital deemed surplus to the key priorities above, or depending on the returns assessment over the longer term, may be **returned to shareholders**

remain committed to maintaining leverage at no more than 2.0x net debt to bank test EBITDA. If additional attractive acquisition opportunities arise, we will consider temporarily increasing leverage above two times, provided there is a clear runway to return to below two times leverage.

We have an attractive pipeline of accretive, bolt-on acquisition opportunities and whilst our focus in the past three years has been on Australia, we are confident that we can return to accretive UK acquisitions now that the CMA Market Investigation has concluded. We expect to deploy c.£50.0m per annum in acquisitions, subject to timing and availability of opportunities that meet the Group's criteria. Since the year end we have completed two further acquisitions of four practice sites, alongside exchanging contracts on a three site practice in South Australia, a single site practice in Western Australia and a two site practice in the UK.

We have a disciplined approach to capital investment aimed at delivering accretive returns significantly in excess of the Company's cost of capital. This investment is focused on delivering increased revenue and enhanced margins through improved clinical facilities and equipment, greater client experience and loyalty through new technology and improved employee engagement and retention. We expect to invest no more than £30.0m per annum in capital expenditure including essential maintenance spend of c.£12.0m. All investments will continue to be assessed against our criteria and other uses of capital.

Ordinary dividends are an important component of shareholder returns, and we will maintain our progressive dividend policy. We are recommending the payment of a final dividend of 9.0p, which will be paid in December subject to shareholder approval at our AGM.

Any capital deemed surplus to our requirements may be returned to shareholders, including situations where a return to shareholders is the most accretive of the three options. We announced a £20.0m share buyback programme in October 2025 in support of our step up to the Main Market and a further £50.0m share buyback programme in May 2026.

We will continue to maintain our disciplined approach and we recognise the returns we can achieve through these capital allocation opportunities are linked to our prevailing share price.

Outlook

Through the investments we have made in the past few years, and the solid growth achieved across all three divisions, CVS is well placed to benefit from the strong market fundamentals.

We have capital to deploy in further accretive acquisitions, and we will continue our disciplined approach to capital investment in support of revenue growth and margin enhancement.

Whilst the macro-economic backdrop remains challenging, we are confident in our ability to drive increased returns for all stakeholders and will continue to focus on providing great Care, Value and Service to our clients and their animals.

CVS is a people business, and our past and future success is due to their commitment and dedication. I remain committed to leading CVS until my successor is in role and I am honoured to have had the opportunity to be CEO at CVS. I look forward to seeing the Company continue to deliver further success in the future.

Richard Fairman
Chief Executive Officer
24 September 2026



What makes us CVS

AI to support better care

Artificial intelligence (AI) is transforming healthcare delivery, improving diagnostics, workflow optimisation and clinical documentation. For CVS, these technologies offer opportunities to enhance clinical care, improve colleague wellbeing and reduce administrative burden.

In 2025, CVS piloted AI-assisted scribing to support veterinary consultations by capturing accurate, structured notes in real time, enabling clinicians to spend more time with patients and clients. The pilot involved specialist clinicians in five referral hospitals testing two AI scribe platforms over three months. Positive feedback from clinicians has supported the expansion into 77 first-opinion practices across the UK. Comprehensive training was provided, covering responsible AI use, consent, and patient safety, reinforcing the importance of a safe, well-supported approach to AI implementation.

"The pilot has given us the insight and the confidence to continue exploring AI responsibly, always with patient care, colleague wellbeing and client experience at the centre of the journey."

Graham Dodds
Director of Innovation, Transformation and Client Experience

Our people, delivering our purpose

Q&A

with our Chief People Officer, Helen Finney

Our people strategy is focused on building a culture where colleagues feel supported, empowered and able to develop their careers. This Q&A highlights some of the key priorities, achievements and areas of focus from the past year.

Q: What have been the key priorities in the people strategy this year?

This year, we have focused on creating an environment where our people and leaders can succeed and grow.



A key priority has been strengthening leadership capability through the introduction of ICARE, our leadership behaviours framework, and the launch of training programmes such as Inspire for Regional Directors, alongside the expansion of our LEAD programme in the UK, to support leadership development at all levels. We are currently developing these programmes for roll out in Australia.

We have also invested in digital enablement, introducing a new employee relations self-service portal that gives managers easy access to the tools and guidance they need.

Supporting career development has remained central to our people strategy. Through a stronger focus on Personal Development Plans, clearer career pathways, internal promotions and international secondments, we are creating more opportunities for colleagues to develop and progress their careers across CVS.

Q: What is the current level of UK colleague engagement at CVS?

I'm extremely proud to work alongside the dedicated, compassionate and supportive colleagues we have at CVS and ensuring all our colleagues feel valued and as engaged as possible is paramount. There is no doubt this past year has continued to be challenging for our colleagues and the profession as a whole as the CMA investigation reached its pinnacle and with this backdrop I am delighted we were able to exceed our eNPS target of +5.0 to +5.8. Alongside this our eNPS in Australia has seen continued growth year on year, which reflects the hard work and support provided to integrate new practices alongside the continued high levels of local and central management support for colleagues across our existing practices.

Q: How does leadership support colleague engagement?

An individual's relationship with their line manager is the single most impactful element determining if they are happy, and therefore engaged, at work. How someone is treated by their line manager allows them to feel valued, included, developed and empowered at work; they feel cared for and cared about.

Our check-in framework continues to provide support for regular, constructive honest conversations which include a check-in on a colleague's wellbeing, discussions about performance and planning for their development. Most recent feedback indicates 85.7% of colleagues are having a regular check-in. Supporting colleague development also remains very important to us, and to facilitate development and progression discussions we launched a Personal Development Plan (PDP) framework earlier this year which acts as a prompt for colleagues and their line managers, as well as providing a framework to successfully plan and track ongoing activities in a colleague's development journey.

"Our people make our purpose possible, supported to deliver the best care every day."

Helen Finney
Chief People Officer

Q: What does it feel like to be a colleague at CVS?

We actually went out and asked our colleagues this very question earlier in the year so I can answer this with certainty! Whilst this will of course vary for each colleague, and the stage they are at in their career, we are very confident that the overarching experience for our colleagues can be summarised under these four headings:

Clinical quality – we aim to provide the best possible care to animals, guided by our commitment to excellent clinical practice. We cultivate a culture where clinicians are given the autonomy to make the best decisions for patients, where improvement is encouraged at a local level and where best practice is shared across the Group.

Support – people are supported with every clinical and non-clinical challenge. Our clinicians are never alone when dealing with a case. We provide helpful support to all areas of our Group and we prioritise the wellbeing of our people.

Learning – we provide industry-leading learning, education and development, providing on-the-job training as well as access to a network of experienced clinicians to support our colleagues in providing the best possible care.

Progression – we offer a wider range of career opportunities thanks to the breadth of our Group. We support colleagues to progress within their current role, move into new roles, or even explore entirely different career pathways.

Q: Tell us about something you are proud of from this year?

There are many things to be proud of from the last year but if I had to pick one, it would be our work on gender equality and our gender pay gap.

Within CVS, like the rest of the veterinary sector, there is a significant skew towards female employment (overall 86% of our UK colleagues are female) particularly in our lower paid roles, and this is the primary reason why we have a gender pay gap, despite aiming to pay the same amount for people with the same skills and experience, regardless of their gender. That said, we continue to work hard to reduce this gap, by ensuring gender balance both amongst our senior roles and within our more junior roles. For this year's report, the Group's UK median gender pay gap remained stable at 37.9%, but a marked reduction compared to 43.8% in 2022.

We have just started to report this data for our Australia practices too, and in both locations our gender pay action planning in order to continue reducing the gender pay gap will remain a key focus.

What makes us CVS

Communicating with care

Good communication is at the heart of exceptional care. Over the past year, we have embedded our Confidence in Consulting programme, helping colleagues develop the skills and confidence to build stronger partnerships with clients and improve consultation quality.

Through coaching, observation and structured feedback, vets have been supported to develop their own authentic consulting style while focusing on what matters most to clients. This has encouraged more open and effective conversations, helping clients feel heard, informed and involved in decisions about their pets' care.

The result has been more client-focused consultations, stronger relationships and greater confidence in the care we provide.

"Confidence in Consulting has helped me slow down conversations, really listen to clients, and involve them more in decisions. That's made a huge difference to both my confidence and the quality of care I'm able to provide."

Ana Arcanjo
Clinical Director
Werrington Vets, Peterborough

Our people and culture

Supporting and developing our leaders

Effective leadership plays a vital role in colleague engagement, performance and wellbeing. During the year, we continued to invest in programmes and tools designed to develop leaders and support high-performing teams.

LEAD programme:

Our LEAD programme is designed to play a key role in developing leadership capability at practice level. During the year, the first full cohort completed the programme, equipping leaders with the skills and behaviours needed to lead effectively. Through structured sessions, LEAD promotes coaching-based leadership and builds confidence in communication and team management. Aligned with ICARE and Inspire, it helps ensure a consistent leadership approach across CVS.

MiHR Pawtal:

During the year, CVS launched the MiHR Pawtal, a self-service platform supporting line managers with day-to-day people management. Accessible 24/7 through our Connections intranet, it provides guidance, documentation and tools across key HR areas, improving access to resources, consistency and efficiency.

Improvements to recruitment and onboarding

Recruitment

Recruitment and talent acquisition remained a key focus this year, with the transformation and standardisation of our recruitment process creating a more consistent, efficient and engaging experience for candidates and hiring managers. Centralised candidate screening has strengthened quality, fairness and consistency throughout the hiring journey.



What makes us CVS

Supporting leaders to thrive

CVS launched the Inspire leadership framework this year, an 18-month senior leadership programme that combines in-person training, self-directed learning, mentoring and project work. Through self-assessment, 360-degree feedback and applied learning, Inspire is designed to strengthen leadership capability, improve team performance and support succession planning across the Group.

What makes us CVS

Recognising our teams

Our practices continue to celebrate colleague excellence across CVS through local recognition initiatives and Thank You Month, during which nearly 2,000 colleagues shared messages of appreciation for other colleagues, reinforcing our culture of recognition and support.



We also introduced interview selection frameworks for core roles, initially within companion animal practices, aligned to our ICARE leadership attributes. These frameworks support a more objective, behavioural-based approach to assessment, giving leaders the tools to identify candidates who demonstrate both the right values and the technical skills required to succeed at CVS.

Onboarding

It is vital that all new starters receive a consistent induction into CVS, with a balance of emphasis between their local team and the wider CVS network, so our new colleagues feel part of both. This year we piloted a new onboarding programme, commencing with offer stage, supporting both the new starters and also their line managers with documentation, guidance, structure and support through the first three months. The pilot culminated in a "Welcome to CVS" event, chaired by members of the Executive Committee, to learn more about the wider network, ways of working together and benefits available. Feedback showed 90% of respondents expressed high overall satisfaction with this session, and this new onboarding approach will be rolled out across the business.

"Everyone feels supported, respected and able to bring their best to the care we provide every day."

Sam Blackman
Regional Director

Wellbeing is prioritised

CVS continues to strengthen wellbeing and EDI support through resources, training and awareness initiatives. During 2025–26, our work has focused on a more integrated approach, bringing wellbeing and inclusion activity together under a unified strategy. A structured annual calendar of wellbeing and EDI activity has been delivered, supported by targeted communications and resource sharing. Additional training and support tools have been embedded for leaders, including guidance on inclusive behaviours and colleague wellbeing. CVS also uses external benchmarking tools, with results highlighting strong performance in areas such as wellbeing, belonging and employee engagement.

Australia Employee Assistance Programme

During the year, CVS introduced a new in-country Employee Assistance Programme (EAP) in Australia, enhancing support for colleagues. This provides access to locally tailored services, ensuring support is relevant to their needs. The programme offers confidential support across areas including mental health, financial wellbeing and personal challenges. By transitioning to a local provider, we aim to improve accessibility, relevance and overall colleague experience, supporting consistent wellbeing standards across our international operations.

Secondment programme

CVS continues to support a UK–Australia secondment programme, offering colleagues opportunities to gain international experience and support career progression. During the year, UK colleagues undertook placements in our Australian business, strengthening collaboration. These secondments enable knowledge transfer, broaden clinical and leadership experience, and support development of future leaders. In some cases, placements have supported progression into senior roles, demonstrating our programme's value as a structured development pathway.

Growth and continuous development are supported and encouraged

Investment in our new training centre

In March 2026, we expanded our clinical development offering with the opening of a new purpose-built training centre in Bristol. The facility delivers hands-on CPD for vets and nurses across the South West, Wales and the Midlands. Offering a full programme of practical and theory-based courses, the centre improves access to high-quality training closer to home, supporting ongoing professional development and strengthening clinical capability across our organisation.

Practical General Practice programme

CVS' Practical General Practice programme supports vets in the early stages of their careers, providing a structured pathway that combines leadership development with flexible clinical training across a range of disciplines. The programme enables participants to pursue areas of interest while developing broad general practice skills, supporting career progression and confidence.

What makes us CVS

Embedding our culture

Strong alignment between culture, purpose, values and strategy is crucial. It ensures that our colleagues and stakeholders have a shared understanding of our direction and can see how their individual roles contribute to CVS's broader goals.

Endorsed by the Board, our culture is demonstrated through our ICARE leadership behaviours.

To support the development of our leaders, we introduced the ICARE leadership behaviours: Inclusivity, Collaboration, Accountability, Role Model and Empathy. This behaviour tool aims to assist leaders, and their line managers, with self reflection on their leadership style in order to support development. ICARE will slowly be incorporated across a range of collateral and materials, including with the roles and responsibilities for all roles and leadership training.

During the year we have developed further ways of ensuring the culture is embedded throughout CVS, with 86% of colleagues having regular check-ins with their line manager. Following stakeholder feedback, we have developed a new onboarding process, recognising the vital importance of embedding CVS's culture and values from day one.

Outcomes of embedding our culture

- Improved employee satisfaction with employee net promoter score improving to +5.8 (2025: +3.1)
- Developing and retaining talent, with a reduction in vet vacancy rate to 5.8%
- Improved inclusivity, with 79.8% of colleagues reported feeling equally included at work

Improved employee satisfaction

+5.8%

Sustainable care for the future

Our approach to environmental, social and governance (ESG) is brought together through the CVS Care Plan, which reflects our commitment to caring for animals, people, the environment and the communities we serve.



Read more about CVS within our 2026 Sustainability Report at **www.cvsukltd.co.uk/about-us/sustainability**



Care for our Planet

Focused on energy, carbon and waste, this pillar underpins our ambition to minimise environmental impact while continuing to develop our services and clinical expertise.

-4.4%
reduction in energy consumption*

-16.9%
reduction in carbon emissions*

Care for our People

Centred on people development, wellbeing and Equity, Diversity and Inclusion, this pillar supports an environment where our colleagues can grow and thrive.

+5.8
employee Net Promoter Score (eNPS)

85.7%
of colleagues having regular check-ins

Care for our Clients and their Animals

Driving a more client-centric organisation, this pillar strengthens how we build lasting relationships and trust with our clients.

80.6
client Net Promoter Score (cNPS)*

424
receptionists having completed client care training*

Care for our Communities

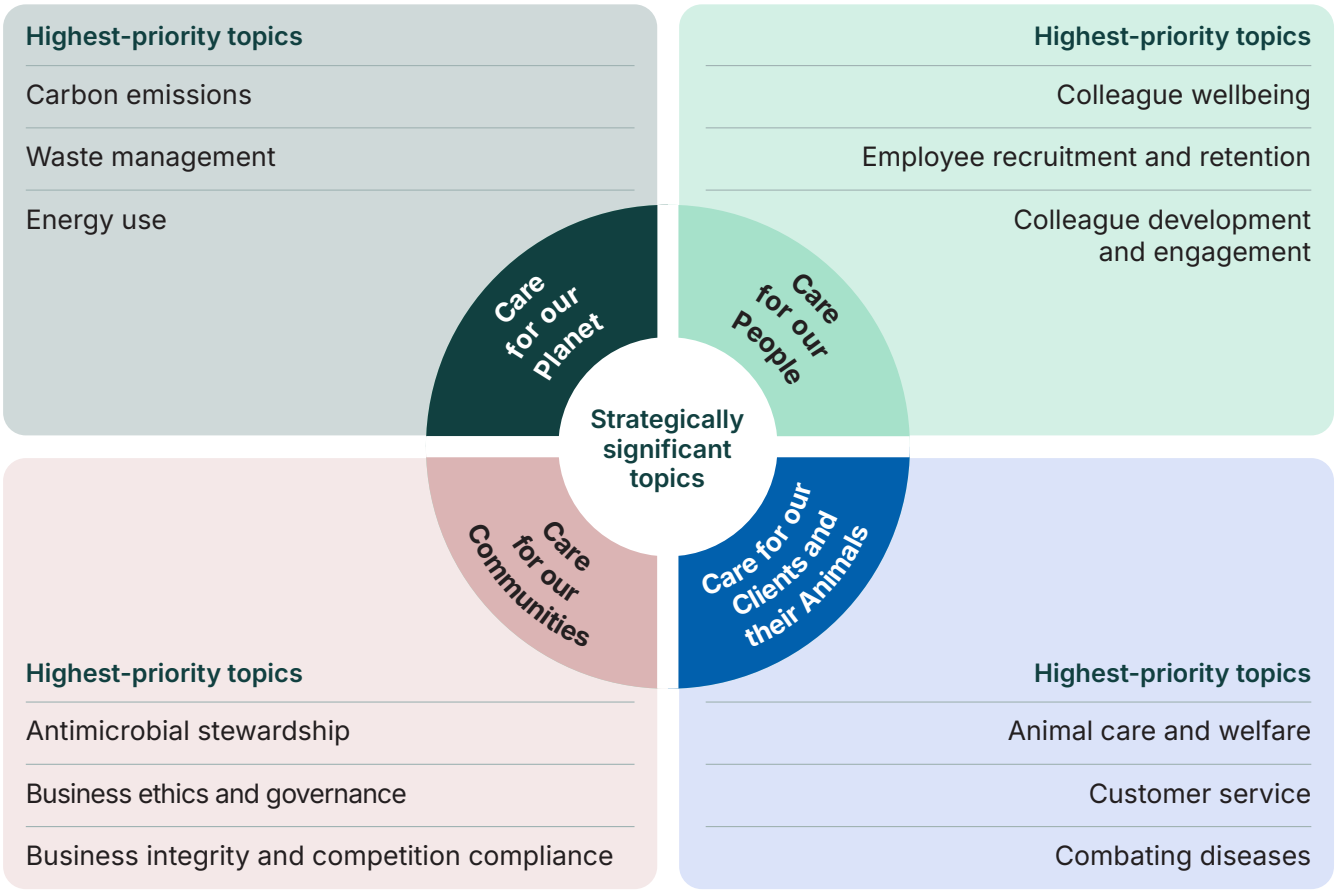
Through our interaction with the profession, society and local communities, this pillar reflects our role in supporting public health through our One Health workstream.

1,687
weeks of student intra-mural study placements*

1.5%
consultations in which HPCIA were prescribed*

* Based on UK operations only.

Identifying what matters most for better care



ESG topic assessment

Approach

Every three years, CVS undertakes a review of its ESG priorities to ensure our sustainability strategy remains focused on the issues most relevant to our business, stakeholders and the wider communities we serve. This review is supplemented by annual monitoring of emerging ESG topics, industry trends and stakeholder expectations.

Our 2026 assessment considered the ESG topics from two perspectives: impact on colleagues, clients, animals and the environment, and their relevance to business operations and financial performance. This helps us identify the issues most important to CVS and informs the ongoing development of our sustainability strategy.

Process

In 2026, we conducted a Group-wide review of ESG priorities. Participation was open to the Senior Leadership Group and ESG pillar groups, with approximately 70% taking part.

Participants assessed a range of ESG topics using their experience, knowledge and professional judgement. Topics reflected both areas already recognised as important to CVS and issues identified through peer benchmarking and developments across the ESG landscape. Aligned to our four ESG pillars, the topics covered a broad range of environmental, social and governance considerations. Responses were combined to identify the ESG topics considered most important to CVS.

Results and next steps

The assessment highlighted a strong alignment across participants on the topics considered most important to CVS. Priorities relating to animal care, clinical quality and client services consistently ranked among the highest-rated topics when considering both stakeholder impact and business importance. This reinforces the close connection between delivering excellent clinical outcomes, supporting pet owners and creating long-term value for the Group.

The assessment also reaffirmed the importance of colleague wellbeing, responsible governance and environmental stewardship, while providing valuable insight into emerging areas of focus across the business.

The findings will be used by our ESG pillar leaders to refine priorities and develop focused work plans for the coming years. By aligning ESG initiatives to topics identified through the assessment, we can ensure our efforts remain focused on areas where CVS can deliver the greatest positive impact while supporting the long-term success of the business.

Sustainability dashboard

Unless otherwise stated, all data presented in the table below relates to the Group's UK operations. Where Group-level data, including UK and Australian operations, has been provided, this is clearly identified.

Care for our Planet

Sustainable Development Goals

Topic	Description of ambition		Ambition	Progress	Measure	Ambition met	2027 ambition
Energy reduction	Annual percentage reduction in energy consumption (Scopes 1 and 2).	**2026**	**-5.0%**	**-4.4% (UK only, like-for-like)**	**33,423,697 kWh (UK only) 34,727,598 kWh (UK and Australia)[2]**		-5.0%
		2025 (restated)[1]	-5.0%	-10.8%	34,949,730 kWh (UK only)		
Carbon reduction	Annual percentage reduction in carbon emissions (Scopes 1 and 2).	**2026**	**-3.0%**	**-16.9% (UK only, like-for-like)**	**7,968 tCO_2e (UK only) 8,956 tCO_2e (UK and Australia)[2]**		-3.0%
		2025 (restated)[1]	-3.0%	-12.5%	9,586 tCO_2e (UK only)		
Non-medical waste recycled	Annual increase in the percentage of non-medical waste recycled (recycled/total waste).	**2026**	**41.0%**	**45.5%**	**524.3/1,152.9 tonnes**		48.0%
		2025 (restated)[3]	38.0%	40.9%	451.8/1,103.8 tonnes		

Care for our People

Sustainable Development Goals

Topic	Description of ambition		Ambition	Progress	Measure	Ambition met	2027 ambition
Employee Net Promoter Score (eNPS)[4]	Increase eNPS.	**2026**	**+5.0**	**+5.8**	**+5.8 (UK and Australia)**		+7.0
		2025	+5.0	+3.1	+3.1 (UK and Australia)		
Colleagues having regular check-ins	Increase in percentage of colleagues having regular check-ins.	**2026**	**80.0%**	**85.7%**	**85.7%**		>85.0%
		2025	85.0%	84.4%	84.4%		

Care for our Clients and their Animals

Sustainable Development Goals

Topic	Description of ambition		Ambition	Progress	Measure	Ambition met	2027 ambition
Client Net Promoter Score (cNPS)[5]	Increase cNPS.	**2026**	**+80.0**	**+80.6**	**+80.6**		>+80.0
		2025	Increase by 5.0%	Increase of 16.0%	+78.9		
Client care training	Increase the number of receptionists having completed client care training.	**2026**	**270**	**424**	**424 receptionists**		We expect all of our receptionists to complete a form of client care training; therefore, this is no longer considered a relevant target. New target: Percentage of practices with a Confidence in Consulting coach to exceed 50.0%
		2025	N/A	N/A	240 receptionists		

Care for our Communities

Sustainable Development Goals

Topic	Description of ambition		Ambition	Progress	Measure	Ambition met	2027 ambition
Deliver more than 1,000 weeks of vet student intra-mural study placements	Deliver a minimum number of vet student intra-mural study placement weeks.	**2026**	**>1,000**	**1,687**	**1,687 weeks**		>1,000
		2025	N/A	N/A	1,094 weeks		
Antimicrobial stewardship HPCIA usage[6]	Percentage of companion animal consultations resulting in a Highest Priority Critically Important Antimicrobial (HPCIA) prescription should not exceed the established benchmark.	**2026**	**<2.0%**	**1.5%**	**1.5%**		<2.0%
		2025 (restated)[7]	<2.0%	1.5%	1.5%		

1. Energy and carbon 2025 metrics have been restated to align with the reporting methodology applied in 2026.
2. 2026 energy consumption and carbon emissions include both UK and Australian operations, whereas 2025 emissions included UK operations only. Comparative 2025 figures have not been restated to include Australian operations due to insufficient historical data. Performance against 2026 targets has therefore been assessed on a like-for-like basis excluding Australian operations. From 2027 onwards, progress against targets will be measured on a Group-wide basis, encompassing both UK and Australian operations.
3. The percentage of non-medical waste recycled in 2025 has been restated to reflect newly available data.
4. Employee Net Promoter Score is a measure of how likely our colleagues are to recommend the Group as a place to work as reported on anonymous monthly surveys.
5. Client Net Promoter Score is a measure of the level of our clients' satisfaction with their experiences with the Group via anonymous reporting of the likelihood that clients would recommend the Group for our services.
6. Antimicrobial stewardship HPCIA usage refers to the monitoring and management of Highest Priority Critically Important Antimicrobials (HPCIAs), which are essential antibiotics reserved for treating serious infections. Stewardship efforts aim to ensure these medicines are used responsibly to preserve their effectiveness and reduce the risk of antimicrobial resistance.
7. Antimicrobial stewardship HPCIA usage for 2025 has been restated to reflect improved calculation methodology, providing a more accurate representation of usage.

Non-financial and sustainability information statement

Sustainability statement

Delivering on our purpose, to care for as many animals as possible, requires us to manage our environmental impact responsibly. Climate-related risks and opportunities are embedded in our planning, and by minimising our impact on the planet, we support the continued development of our clinical services.

We continue to align our climate-related disclosures with the recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD), supporting our approach to identifying, assessing and managing climate-related risks and opportunities.

During the year, we have further developed our climate-related scenario analysis, building on prior work to enhance our assessment of potential climate pathways and their implications for the Group, including the resilience of our strategy under different scenarios.

Our disclosures are structured in line with the four TCFD pillars of Governance, Strategy, Risk Management, and Metrics and Targets, including:

- scenario analysis across a range of climate pathways;
- target setting to reduce the environmental impact of our operations; and
- ongoing enhancements to our processes for monitoring performance and managing climate-related risks.

The table below provides a cross-reference between the TCFD recommended disclosures, the requirements of UKLR 6.6.6R (8), and the relevant sections within the following pages of this report where these matters are addressed.

The Group has also included climate-related financial disclosures in accordance with Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (SI 2022/3).

TCFD recommendations and recommended disclosures

	Compliance	Disclosure location
Governance		
Board's oversight of climate-related risks and opportunities	Yes	Page 36
Management's role in assessing and managing climate-related risks and opportunities	Yes	Page 36
Strategy		
Climate-related risks and opportunities (short, medium and long term)	Yes	Page 38
Impact of climate-related risks and opportunities on the business, strategy and financial planning	Partial compliance – see compliance statement below	Pages 38 to 40
Resilience of the organisation's strategy, considering different climate-related scenarios, including a 2°C or lower scenario	Yes	Pages 38 to 40
Risk Management		
Processes for identifying and assessing climate-related risks	Yes	Page 41
Processes for managing climate-related risks	Yes	Page 41
Identifying, assessing and managing climate-related risks and integration into overall risk management	Yes	Page 41
Metrics and Targets		
Metrics to assess climate-related risks and opportunities in line with the strategy and risk management process	Yes	Page 41
Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks	Partial compliance – see compliance statement below	Page 41
Targets used to manage climate-related risks and opportunities, and performance against targets	Yes	Page 42

TCFD compliance statement

The Group has assessed its climate-related disclosures against the TCFD Recommendations and Recommended Disclosures and considers itself substantially compliant with the framework. The areas identified as partially compliant relate to the ongoing development of climate-related financial quantification and the expansion of Scope 3 emissions reporting. Details of these areas and the actions being taken to enhance compliance are set out below.

Strategy – Quantification of climate-related risks and opportunities

Climate-related risks and opportunities have been assessed qualitatively; however, their potential financial impact has not yet been quantified. The Group is developing an appropriate quantification methodology and aims to include quantified disclosures in its reporting for the year ending 30 June 2027.

Metrics – Scope 3 emissions disclosures

The Group does not currently report Scope 3 emissions. During the year, the Group continued to develop its understanding of emissions arising across its value chain and expanded its assessment of relevant Scope 3 emissions categories. While progress has been made in measuring these emissions, further work is required to validate the underlying data and methodologies before disclosures can be made with an appropriate level of confidence. The Group intends to continue this work during FY27, with the aim of achieving full Scope 3 reporting compliance by 30 June 2027.

TCFD compliance statement continued

Metrics – Scope 3 emissions disclosures continued

Disclosure requirement	Our progress
Governance	
Describe the Board's oversight of climate-related risks and opportunities	The CVS Group Board is responsible for overseeing the Company's approach to climate-related risks and opportunities, integrating them into strategic decision making, risk management, budgeting and major capital expenditures. The Group's Board is diverse in its composition which enables wide-ranging perspectives and experience in identifying and addressing climate-related risks and opportunities. The expertise of the Group's Board is detailed in the biographies of the Board members on pages 70 and 71 of this Annual Report. The Board reviews climate-related issues at each Board meeting, ensuring consistent integration into the Group's strategic and financial planning processes. During 2026, there were eight scheduled Board meetings. Further efforts are underway to embed climate risks more comprehensively into detailed budgeting processes. The Board oversees the setting of climate-related targets and the monitoring of progress against these targets, facilitated through the Sustainability Committee. The objective of the Sustainability Committee is to oversee, support and guide the Company's sustainability initiatives. Its primary function is to ensure integration of environmental, social and governance (ESG) principles into the Company's strategy, operations and culture. Executive Directors of the Board participate in an annual bonus scheme: 20% of the bonus is payable based on non-financial targets linked to key metrics and the Group's sustainability strategy. Linking remuneration to sustainability performance demonstrates the Group's commitment to sustainable targets and initiatives. Progress against sustainability targets is reviewed annually and presented to the Chief Executive Officer for discussion. Where targets are not expected to be met, the Sustainability Committee explores potential causes and considers appropriate remedial actions. Actions are agreed collaboratively and followed up through regular Committee engagement. The assessment of climate-related risks is governed through the same processes used for financial risk management, ensuring consistency in how these risks are identified, assessed, monitored and disclosed. Detailed information on our broader risk management process is available on pages 56 to 63 of this Annual Report. The Group and the Board remain committed to high-quality and transparent climate reporting, including this TCFD disclosure. Further detail on our sustainability framework, activities and performance, including reporting against SASB standards, is provided in the Group's 2026 Sustainability Report. Our sustainability strategy is structured around the CVS Care Plan, which focuses on four key pillars that reflect our commitment to responsible business practices and long-term value creation: • Care for our Planet retains a focus on energy and carbon as well as waste. • Care for our People retains a focus on people development, wellbeing and EDI. • Care for our Clients and their Animals reflects how we become a more client-centric organisation, and build long-lasting relationships and trust with clients. • Care for our Communities is how we interact with our professions, society and the local communities in which we operate and uphold public health through our One Health workstream.
Describe management's role in assessing/ managing climate-related risks and opportunities	The Chief Executive Officer (CEO) holds overall responsibility for sustainability within the Group and serves as the Chair of the Sustainability Committee. This dual role ensures direct accountability and oversight. The CEO leads the development and execution of the Group's climate strategy, collaborating with various departments to integrate climate considerations into operational practices. This governance structure facilitates clear, two-way communication between the Board and the wider business, ensuring that climate-related risks and opportunities are effectively managed at the highest level. The Sustainability Committee is composed of senior leaders with expertise aligned to the Group's four ESG pillars: Care for our Planet, Care for our People, Care for our Clients and their Animals, and Care for our Communities. These leaders are responsible for implementing the Board's directives on climate-related issues, ensuring that climate strategies are effectively implemented across the organisation. Climate-related risks and opportunities are identified, assessed and managed through a structured risk management framework. This process includes risk identification by relevant pillar leads, assessment of risk severity and the application of mitigation controls. During the year, we enhanced our approach through the development of a dedicated climate and ESG risk register. This register forms a standing agenda item at Sustainability Committee meetings, ensuring ongoing monitoring and challenge. High-priority risks are escalated directly to the Board for review, with corrective actions being implemented where necessary. During the year, the Sustainability Committee held one formal meeting, bringing together all Sustainability Leads to review progress against climate targets, assess the effectiveness of ongoing initiatives and discuss mitigation of climate risks. In addition to this meeting, Committee members maintained regular contact through email and conference calls, enabling continuous oversight and collaboration on sustainability matters throughout the year.

Disclosure requirement | Our progress

Governance

Describe the Board's oversight of climate-related risks and opportunities continued

The Board overseeing CVS' climate-related issues

CVS Group Board
The Board meets at least eight times per year, with additional ad hoc meetings where required.
Role: Oversight of sustainability and climate-related risks and opportunities.
Members: CEO, CFO, CVO, Chair and Non-Executive Directors.

Audit and Risk Committee
The Audit and Risk Committee meets at least three times per year.

Role: Overall responsibility for reviewing the Group's risk management framework and principal risks.

Members: Independent Non-Executive Directors.

Sustainability Committee
During the year, the Sustainability Committee held one formal meeting, bringing together all Sustainability Leads to review progress, assess ongoing initiatives and discuss mitigation of climate risks. In addition, Committee members maintained regular contact, enabling continuous oversight and collaboration on sustainability matters.

Role: Support the delivery of the Group's sustainability and climate-related risks strategy.

Members: Chief Executive Officer, Chief Financial Officer, Chief Veterinary Officer, Chief People Officer, Procurement Director and Sustainability Lead, Group Property Director, Director of Quality Improvement, Director of Communications and Group Investor Relations and Financial Controller.

Steering Committee
The Steering Committee reviews and agrees the agenda ahead of Sustainability Committee meetings, co-ordinates any required research, and ensures members are equipped with the information needed to support effective discussion and decision making.

External experts and senior management
External experts and senior management are consulted as necessary.

External experts
Role: Provide expert sustainability knowledge and guidance.

Senior management
Role: Provide insight into the sustainability and climate-related specific risks and opportunities to their area of the business.

Investors and stakeholders
Investor and stakeholder views are monitored by the Board and by the Group Investor Relations and Financial Controller.

Role: Provide insight as to what sustainability and climate-related issues, metrics and targets are important to them.

Legislation and regulation
Stock exchange listing, disclosure rules and relevant legislation are monitored by our Financial Reporting team, and supported by external advisors.

Role: Guide what should be measured and publicly reported.

Strategy

Strategy overview

The Group recognises that climate-related risks and opportunities have the potential to significantly impact our business strategy, operations and long-term performance. The Board considers climate-related risks and opportunities in the context of their potential to affect the Group's ability to deliver value or achieve strategic objectives. These risks and opportunities are assessed with reference to potential financial exposure, regulatory relevance and alignment with our sector and stakeholder expectations.

In 2026, we enhanced our scenario analysis, continuing to align with TCFD guidance to maintain a structured and science-based approach. This included further refinement of inputs and assumptions, informed by scientific evidence from the Intergovernmental Panel on Climate Change (IPCC) and the Network for Greening the Financial System (NGFS). These enhancements support the continued use of three distinct scenarios representing varying levels of physical and transition risk.

Physical risk: The risk that climate-related events such as floods, storms, heatwaves, or long-term changes like rising sea levels and temperature shifts could disrupt operations, damage assets, or impact supply chains.

Transition risk: The risk that changes in policy, regulation, technology, or market preferences during the shift to a low-carbon economy could affect how organisations operate or make strategic decisions.

We then assessed the external environment and current climate-related risks relevant to the veterinary sector, followed by defining short, medium and long-term time horizons for the analysis. A tailored PESTLE framework was used to identify and prioritise key drivers across political, economic, social, technological, legal and environmental categories. These insights shaped our assessment of the Group's climate-related risks and opportunities and supported the evaluation of strategic resilience under each scenario.

Strategy continued

Strategy overview continued

Climate scenarios

Global temperature pathway	Physical risk	Transition risk	Justification for time horizon
<1.5˚C	Low	High	The <1.5°C scenario is aligned with the goals of the Paris Agreement and has been selected in line with TCFD guidance, which recommends including at least one scenario resulting in 2°C or lower warming. This pathway allows the Group to explore the transition risks and opportunities associated with a proactive global shift toward reducing greenhouse gas emissions and accelerating the transition to renewable energy.
2.5˚C	Moderate	Moderate–low	The 2.5°C scenario reflects the current global warming trajectory as reported by the IPCC. According to the latest projections, if current policies remain in place, global temperatures are expected to rise by approximately 2.2°C to 3.5°C by 2100. As such, a 2.5°C pathway represents a realistic, middle-ground scenario that aligns with the most probable outcomes based on existing global policy trends.
>3.5˚C	Very high	Very low	The >3.5°C scenario represents a worst-case, high-warming pathway and provides the greatest insight into the potential physical risks and opportunities associated with extreme climate change. It enables analysis of the impacts CVS could face if global mitigation efforts fall short and serves as a valuable reference point for understanding the consequences of inaction. This scenario reinforces the importance of continued investment in sustainability initiatives and proactive climate risk management.

Time horizons

The scenarios above have been assessed across defined short, medium, and long-term time horizons, reflecting the expected progression of climate-related risks and opportunities. While some transition risks may emerge earlier, both physical and transition risks are expected to fully materialise over the long term, making forward-looking strategic planning essential. It is acknowledged that long-term climate projections are subject to uncertainty due to evolving scientific knowledge, policy developments and market dynamics. As such, estimates of timing and severity may change over time. The Group will continue to monitor these developments and refine its assessments to ensure decisions remain aligned with the latest evidence and expectations.

Time horizon	Years	Justification for chosen scenarios
Short term (near term)	0–1 year	Aligns with our annual budget planning cycle as well as our annual climate targets.
Medium term (near term)	1–5 years	Aligns with our five-year plan and offers insight into upcoming risks and opportunities.
Long term (mid-century)	5–25 years	Sufficient time for the development of physical and transition risks.

Risk and opportunity climate scenario assessment

For each climate scenario, we have assessed and prioritised climate-related risks and opportunities, with each item being evaluated based on its potential impact and likelihood.

- **Impact** is defined as the potential magnitude of the risk or opportunity on our operations, financial performance, or strategic objectives. Impact ratings are assessed gross of mitigation, unless otherwise stated. To support transparency, we align impact ratings with materiality thresholds as follows:
  - Critical impact refers to risks and opportunities that could have a detrimental effect on the going concern status of the Group.
  - Significant impact refers to risks or opportunities that could lead to substantial financial loss, regulatory or reputational consequences, or disruption to business activities.
  - Moderate impact includes those with moderate financial or operational implications, manageable within existing frameworks and not considered material to the Group.
  - Low impact relates to minor effects with limited or short-term consequence.
- **Likelihood** refers to the estimated probability of the risk or opportunity materialising within the relevant scenario timeframe:
  - Very likely indicates a near-certain occurrence.
  - Likely indicates a probable occurrence.
  - Possible likelihood reflects reasonably possible outcomes.
  - Remote likelihood indicates an unlikely or rare occurrence under current projections.

Across our scenario analysis, over 50 risks and opportunities have been considered per scenario. The highest impact rating assigned to any identified risks or opportunity was moderate. On this basis, we have disclosed those risks and opportunities considered most likely to arise under each scenario. All risks and opportunities disclosed in the scenarios below are considered likely.

A separate risk summary on pages 56 and 58 outlines the Group's approach to risk management, including sustainability and climate change as a principal risk. This enables a direct comparison between climate-related risks and broader business risks in terms of relative severity.

Scenario 1: <1.5˚C warming scenario (aligned with the Paris Agreement)

Risk/opportunity description	Mitigations/enablers	Related metrics/targets	Risk profile
Risk Growing stakeholder expectations for climate-conscious operations, such as low-carbon processes and sustainable product offerings, are anticipated to increase operational expenditures as CVS transitions to more environmentally responsible practices. Capital investment will also be required for green infrastructure and technology enhancements to facilitate this transition.	• Regular reviews to track shifting expectations and regulatory changes for climate-conscious operations • Upfront communication with suppliers to understand cost implications of enhanced sustainability practices • Strategic investment in energy-efficient infrastructure and digital readiness with flexibility needed in reallocation of capital expenditure budgets	• ESG engagement metrics and sustainability disclosures • Percentage of capital expenditure in green infrastructure and technology enhancements • Energy consumption target to reduce annual consumption by 5% through energy-efficient upgrades	*Risk type:* Transition *Risk rating:* Impact: Moderate *Time horizon:* Medium–long term *Geographical relevance* UK/Australia
Opportunity The transition to more environmentally responsible practices is expected to drive increased demand for sustainable, welfare-aligned services across all business lines. As stakeholder awareness of the interconnection between climate change and animal welfare grows, CVS is committed to responding to this need and enhancing revenue opportunities through the delivery of integrated, climate-conscious, and welfare-focused solutions.	• Innovations to offer sustainable welfare-focused services • Client education on the interconnection between climate change and animal welfare • Staff training and engagement on climate-welfare interdependencies	• Percentage of services aligned with defined sustainability and welfare criteria • Client satisfaction scores related to sustainable and welfare-focused services • Employee training completion rate on climate-welfare integration	*Opportunity type:* Transition *Opportunity rating:* Impact: Moderate *Time horizon:* Medium–long term *Geographical relevance* UK/Australia

Scenario 2: 2.5˚C warming scenario (aligned with current global policy trajectory)

Risk/opportunity description	Mitigations/enablers	Related metrics/targets	Risk profile
Risk Economic pressures associated with global warming, such as rising living costs and reduced household disposable income, may impact the affordability of veterinary services, leading to lower uptake of preventative care and a potential decline in pet ownership. This could introduce clinical and ethical complexities for veterinary professionals. In parallel, evolving welfare regulations may require significant capital investment in facility upgrades, including enhanced ventilation, shading and heat mitigation measures, further increasing financial pressures on operations.	• Monitoring pet ownership trends and forecasts across the UK and Australia • Financial modelling and adaptive pricing support for clients • Expansion of community outreach and subsidised care programmes to support vulnerable pet owners and sustain demand for essential services • Readiness to respond to updating welfare regulations including budget allocations for welfare-related infrastructure	• Percentage of clients accessing financial support or subsidised care • Percentage of capital expenditure in welfare-related infrastructure • Client attrition during periods of economic downturn	*Risk type:* Transition *Risk rating:* Impact: Moderate *Time horizon:* Medium–long term *Geographical relevance* UK/Australia
Opportunity CVS can strengthen its long-term positioning by embedding climate resilience and welfare compliance into its infrastructure and service strategy. The expansion of remote care and telemedicine, particularly in regions affected by climate-related disruptions, offers an opportunity to enhance service accessibility, maintain continuity of care and reach new client segments in a changing environment.	• Development of clinical protocols tailored for remote consultations • Client engagement initiatives to promote uptake of remote services • Training programmes for staff on delivering effective virtual care	• Revenue generated from digital and remote service offerings • Percentage of consultations delivered remotely • Reduction in travel-related emissions from remote consultations • Staff training completion rate for virtual care delivery	*Opportunity type:* Transition *Opportunity rating:* Impact: Moderate *Time horizon:* Medium–long term *Geographical relevance* UK/Australia with a higher impact in Australia due to more extreme weather conditions increasing the demand for remote services

Strategy continued

Risk and opportunity climate scenario assessment continued

Scenario 3: >3.5˚C warming scenario (high-warming, worst-case scenario)

Risk/opportunity description	Mitigations/enablers	Related metrics/targets	Risk profile
Risk Climate-related disruptions, such as fuel shortages, power outages and transport interruptions, could potentially result in lost appointments, reduced retail sales and operational inefficiencies. In addition, the increasing frequency and severity of extreme weather events, including flooding and storms, heighten the risk of physical damage to practices and infrastructure. These impacts could lead to unplanned closures, increased repair costs and long-term service disruption, particularly in vulnerable geographic areas.	• Development and testing of contingency plans for power outages, fuel shortages, and extreme weather events • Diversification of supply chains to reduce reliance on vulnerable transport routes and fuel-dependent logistics • Capital investment in resilient infrastructure and backup systems to protect service continuity • Comprehensive property insurance to cover repair and replacement costs in the event of climate-related physical damage • Risk mapping to identify locations with higher vulnerability to weather extremities for forward planning linked to future veterinary practice acquisitions	• Percentage of appointments missed and retail orders not fulfilled • Percentage of capital expenditure on preventative building defences • Number of practices equipped with backup power systems • Average downtime per practice due to climate-related disruptions	*Risk type:* Physical *Risk rating:* Impact: Moderate While extreme weather events pose a credible threat, the overall impact is considered moderate due to the geographic dispersion of our operations across the UK and Australia. This distribution reduces the likelihood of simultaneous disruption across all sites. This is supported by existing mitigation measures, including robust property insurance and infrastructure resilience planning. These controls help contain the risk to a manageable level, even under more severe climate scenarios. *Time horizon:* Medium–long term *Geographical relevance* UK/Australia, with a higher flood risk in coastal areas
Opportunity Increasing weather extremes present an opportunity for CVS to expand emergency care, diagnostics and mobile response services to meet rising demand and support animal welfare. There is also potential to offer advisory services that help clients prepare for and manage climate-related welfare risks, positioning CVS as a trusted partner in animal care resilience.	• Development of mobile veterinary units equipped for emergency response • Creation of climate-related animal welfare advisory services offering clients tailored guidance on heat stress, emergency preparedness and care continuity • Partnerships with local authorities and animal welfare organisations	• Revenue generated from emergency and mobile services • Response time to emergency call-outs during extreme weather events • Client uptake of climate-related advisory services	*Opportunity type:* Physical and transition *Opportunity rating:* Impact: Moderate *Time horizon:* Medium–long term *Geographical relevance* UK/Australia

Strategy resilience

The Group has assessed the potential impacts of climate change under a range of plausible warming scenarios, including a <1.5°C, 2.5°C, and >3.5°C pathway. This analysis confirms that while the scale and nature of risks vary significantly across scenarios, the Group's core strategy remains resilient. The diversification of services across companion animal, equine, farm and online retail, combined with CVS's capacity to innovate in care delivery and invest in digital infrastructure, positions the business to adapt effectively to changing conditions.

In lower-warming scenarios, the strategy supports growth through sustainable service innovation, client engagement, and operational efficiency. In higher-warming scenarios, CVS is prepared to shift focus towards resilience, emergency response and mobile or decentralised service models. Across all pathways, scenario analysis has reinforced the importance of flexibility and continued investment in workforce capability, digital tools and infrastructure. Strategic oversight by the Board ensures that climate-related insights are embedded into long-term planning, risk management and capital allocation.

Risk management

Disclosure requirement	Our progress
Risk management	
Describe the Group's processes for identifying and assessing climate-related risks	The Group has established a developing process for identifying and assessing climate-related risks, which is progressively being integrated into our overall risk management framework. This approach supports the Group in addressing potential threats and opportunities arising from climate change, helping to safeguard our business operations and promote sustainable growth. During the reporting period, the Chief Executive Officer presented on sustainability developments and key highlights at all scheduled Board meetings, supporting ongoing awareness and strategic oversight. While climate-related risks are currently addressed through these updates, the Group is committed to enhancing its governance approach and from the next reporting period, sustainability risk is a standing agenda item at Board meetings within the Chief Executive Officer update, ensuring more consistent and formal integration into the Group's risk management discussions. Detailed information on our broader risk management process is available on pages 56 to 63 of this Annual Report. The Board actively monitors emerging and existing regulatory requirements related to climate change, including emissions limits, carbon taxes and sustainability disclosure obligations. Regular updates on regulatory developments are provided to the Board, enabling proactive adaptation of our strategy and ensuring ongoing compliance. For instance, the Group assesses the potential financial impact of climate-related risks, and considers energy efficiency measures in its annual capital investment programme. To support this, we conduct an in-depth scenario analysis, as outlined on pages 39 and 40 ("Describe the climate-related risks and opportunities identified in the short, medium and long term"). This analysis includes a comprehensive assessment of climate-related risks and opportunities, evaluating their probability and impact using a RAG (red, amber, green) status.
Describe the Group's process for managing climate-related risks	The Group manages climate-related risks through a structured risk management process, supported by a range of mitigation strategies, including: • **Regulatory compliance:** Monitoring emerging climate regulations and ensuring timely compliance through policy updates and staff training. • **Operational resilience:** Implementing energy efficiency initiatives, enhancing waste management practices and adopting sustainable procurement standards to minimise environmental impact. We are actively investing in moving all UK sites to half-hourly electricity meter readings and integrating an artificial intelligence tool to gather energy inefficiencies. Data will be made available on a portal, so sites can see what they are consuming and make necessary adjustments. • **Risk transfer:** Where appropriate, utilising insurance to transfer financial risks associated with climate events, such as extreme weather affecting assets. • **Stakeholder engagement:** Collaborating with suppliers, customers, and investors to align on sustainability goals and enhance climate resilience. The Sustainability Committee oversees the implementation of these mitigation strategies and continuously monitors climate-related risks on an ongoing basis using a variety of tools and metrics. While no significant climate-related risks have been identified to date, the Group has established a process whereby any emerging risks, along with proposed mitigation actions, are presented to the Board for review, approval or further recommendations prior to implementation. This approach ensures readiness to respond appropriately as risks evolve.
Describe how processes for identifying, assessing and managing climate-related risks are integrated into the Group's overall risk management	The Group's comprehensive risk management approach is detailed in the Risk Management section in the Annual Report. For 2026, one of the principal risks identified by the Board remains sustainability and climate change. This risk is evaluated rigorously, with its impact and probability being considered and evaluated against the RAG rating criteria. During these reviews, we also assess the effectiveness of existing mitigating factors and note any significant changes since the last evaluation. In addition, the Group has built upon the enhanced climate risk assessment framework and revised scenario analysis introduced in the prior year. Rather than undertaking a full refresh, management has further refined and applied the existing scenarios, ensuring continued alignment with emerging climate data, regulatory expectations, and industry developments. This approach supports ongoing resilience and adaptability to climate-related risks and opportunities.
Metrics and targets	
Disclose the metrics used by the Group to assess climate-related risks and opportunities in line with its strategy and risk management process	"Care at our Heart" – ESG strategy underpinning the Group's overall business model and strategy which can be found on pages 10, 11, 16 and 17 of this Annual Report. Streamlined Energy and Carbon Reporting (SECR) – can be found on pages 43 to 45 of this Annual Report. The key metrics used for assessing climate-related risks and opportunities are primarily those disclosed in our SECR which covers our energy and carbon usage. This is our most measurable, understandable and actionable data and therefore subsequent metrics can be applied. The Group also has other sustainability-related metrics and targets beyond the scope of climate-related metrics and targets which are disclosed in our SASB report which can be found in our dedicated Sustainability Report 2026 on pages 32 to 38 alongside pages 32 to 34 of this Annual Report.
Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	The Group's Scope 1 and Scope 2 emissions, together with the methodology used to calculate these emissions, are disclosed within the SECR Report on pages 43 to 45. During the year, the Group further enhanced its emissions reporting by extending the SECR disclosure to include its Australian operations, improving the completeness and consistency of emissions data reported across the Group. The Group does not currently report Scope 3 emissions. During the year, the Group continued to develop its understanding of emissions arising across its value chain and expanded its assessment of relevant Scope 3 emissions categories. While progress has been made in measuring these emissions, further work is required to validate the underlying data and methodologies before disclosures can be made with an appropriate level of confidence.

Risk management continued

Disclosure requirement	Our progress
Metrics and targets continued	
Describe the targets used by the Group to manage climate-related risks and opportunities and performance against targets	The Group's sustainability targets have been developed progressively over several years. Following the introduction of a more consistent framework in the prior year, the Group has continued to apply annual targets designed to support meaningful year-on-year comparison. Targets are reviewed annually to ensure they remain appropriate and achievable, noting that certain targets, such as percentage-based reductions, may become less relevant over time due to operational limits or diminishing returns. The Group does not currently use a formal base year for emissions reduction, but performance is tracked internally and reported within broader sustainability disclosures. The Group's sustainability targets can be found on page 34. All targets used by the Group to manage climate-related risks and opportunities are absolute.

Looking ahead

This year, we continued to strengthen the quality, scope and transparency of our climate-related reporting. A significant enhancement was the expansion of our emissions reporting to include Australian operations within our SECR disclosures, marking an important step towards more comprehensive and consistent sustainability reporting across our operations.

While we have continued to enhance our understanding of greenhouse gas emissions across our value chain, further work is required to validate the underlying data and methodologies before Scope 3 emissions are included within external reporting. The Group remains committed to achieving full Scope 3 reporting compliance by 30 June 2027 and will continue to enhance its data collection processes and supplier engagement activities to support this ambition.

We also recognise that understanding the financial implications of climate-related risks and opportunities is essential to effective decision making and long-term business resilience. While our climate-related risks and opportunities have been assessed qualitatively, their potential financial impacts have not yet been quantified. We are developing an appropriate methodology to support robust financial quantification and aim to incorporate quantified disclosures into our reporting for the year ending 30 June 2027.

Looking forward, a key area of focus will be continuing our preparations for reporting under the UK's Sustainability Reporting Standards (UK SRS). We see this as an opportunity to build on the progress made to date and further enhance the transparency, consistency and robustness of our sustainability disclosures. During the year, we developed a transition plan to guide our progression towards UK SRS reporting, establishing a timeline for the activities required to achieve reporting readiness. Over the coming year, we will continue to strengthen governance, improve the quality and granularity of ESG data, refine our climate risk assessment capabilities and develop the processes and controls required to support reporting under UK SRS for the year ending 30 June 2028.

Through these initiatives, we aim to build a more resilient, transparent and sustainable business while ensuring we are well positioned to meet the evolving expectations of our stakeholders and the changing sustainability reporting landscape.

Non-financial and sustainability information statement

This Annual Report includes disclosures required under Sections 414CA and 414CB of the UK Companies Act 2006 (as amended), covering non-financial and sustainability matters.

Key information on environmental impact, employee wellbeing, community engagement, human rights, and anti-corruption practices is integrated throughout the Strategic Report. This reflects our commitment to responsible veterinary care, sustainable growth, and long-term stakeholder value.

The table to the right provides a guide to where this information can be found within the report.

Reporting requirement	Further information
Business model	Page 10
Environmental matters	Pages 35 to 42 and 82
Employee-related matters	Pages 28 to 31 and 80
Social and community matters	Pages 34 and 81
Respect for human rights	Pages 28 to 31
Anti-corruption and anti-bribery matters	Pages 72 to 78
Climate-related financial disclosures (TCFD)	Pages 35 to 42
Principal risks and uncertainties	Pages 59 to 63
Non-financial KPIs	Pages 20 and 21

Streamlined Energy and Carbon Reporting (SECR)

The Group is required under the Streamlined Energy and Carbon Reporting (SECR) regulations to report how it manages its energy consumption and carbon emissions and has used a third-party consultant to advise on this and support with the preparation of this SECR Report. Since 2020, we have published our direct greenhouse gas (GHG) emissions from sources that are controlled or owned by the Group (Scope 1) and indirect GHG emissions from the Group's consumption of purchased electricity (Scope 2).

Monitoring and reporting our greenhouse gas emissions enables us to better understand, manage and reduce our environmental impact. This supports our purpose of providing the best care to as many animals as possible, recognising the important link between environmental sustainability, animal health and long-term business resilience. Through targeted initiatives across the Group, we continue to improve energy efficiency, reduce emissions and minimise our impact on the natural environment.

Our energy efficiency actions

Our energy and carbon reduction programme continues to focus on improving the efficiency of our operations, reducing emissions and improving the quality of energy data across our estate. During the year, our efforts were concentrated on two key areas:

1. improving energy monitoring and consumption management; and
2 investing in energy-efficient buildings and infrastructure.

Improving energy management across our estate

A key priority during the year was enhancing our ability to measure and manage energy consumption. We invested significantly in the rollout of smart meters across our UK estate, providing more accurate and timely energy data to support operational decision-making and identify opportunities for efficiency improvements.

Historically, automated energy data was available for only a limited number of sites. By the end of the 2026 financial year, smart meters had been installed across 85% of gas supplies and over 90% of half-hourly electricity supplies. This improved visibility of energy consumption, reduced reliance on estimated readings and strengthened our ability to target energy reduction initiatives. We are also exploring the use of AI-enabled analytics to help identify further opportunities to improve efficiency and manage energy consumption more effectively.

Investing in energy-efficient buildings

One of our strategic goals is to provide great facilities and equipment whilst ensuring our operations are as energy efficient as possible. We have pledged to invest approximately £30m per annum (inclusive of maintenance) to upgrade and relocate existing practices and open new practices to a minimum facility standard.

As part of this ongoing investment programme, sustainability considerations continue to be incorporated into new, relocated and refurbished practices, including the use of energy-efficient LED lighting, improved heating systems, insulation upgrades, smart metering and other technologies designed to improve operational efficiency and reduce energy consumption. We also continue to invest in Building Management Systems (BMS) at our larger and more complex sites to support more efficient control and monitoring of building energy usage.

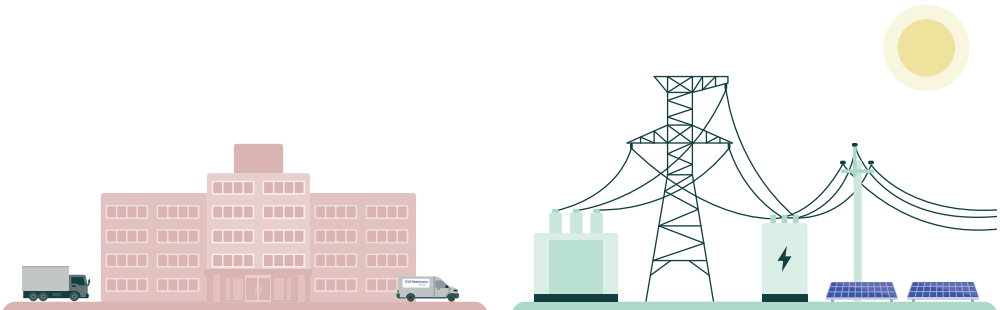
During the year, we commenced a trial of on-site renewable energy generation through solar installations at our owned sites in Rosemullion and Bishop Auckland. Representing both larger and standard practice formats, these pilot projects will help us assess the potential for wider deployment of solar generation across our estate, reducing reliance on grid electricity and supporting our longer-term decarbonisation objectives.

Since August 2021, all UK veterinary practice sites have continued to source electricity from 100% renewable electricity tariffs.

Supporting lower-emission transport

We continue to reduce emissions associated with our vehicle fleet and colleague travel. At the end of the year, 160 of our 574 vehicles were classified as ultra-low emission vehicles, including electric and hybrid models, increasing the proportion of ultra-low emission vehicles within the fleet from 25.5% to 27.9%.

Our transition to lower-emission vehicles has been supported through targeted vehicle procurement programmes and the continued rollout of our electric vehicle salary sacrifice scheme. More than 60 colleagues have now participated in the scheme, supporting the adoption of electric vehicles and encouraging lower-carbon travel choices across the Group.



Scope 1

- Transport and vehicles
- Owned property
- Anaesthetic gases

Scope 2

- Purchased electricity
- Purchased heating and cooling

Our energy usage and carbon emissions

UK

	2026		2025		Change (%)		
	Energy kWh	**Emissions tCO_2e**	Energy kWh	Emissions tCO_2e	Energy kWh	Emissions tCO_2e	Comments
Scope 1 emissions (direct)							The decrease in these emissions arises from a reduction in gas consumption, transport emissions and other fuels.
Gas consumption	**9,318,242**	**1,699**	10,667,667	1,951	-12.6%	-12.9%	
Transport	**8,446,990**	**2,141**	10,031,427	2,520	-15.8%	-15.0%	
Other fuels	**266,863**	**2,112**	274,040	2,221	-2.6%	-4.9%	
Total Scope 1	**18,032,095**	**5,952**	20,973,134	6,692	-14.0%	-11.1%	
Scope 2 emissions (energy indirect)							Electricity consumption increased across the portfolio; however, related emissions decreased due to the continued decarbonisation of the UK electricity grid.
Electricity (location-based method)	**15,391,602**	**2,016**	13,976,596	2,894	10.1%	-30.3%	
Electricity (market-based method)[1]	**—**	**—**	—	—	—	—	
Total Scope 1 and 2 (location-based method)	**33,423,697**	**7,968**	34,949,730	9,586	-4.4%	-16.9%	
Total Scope 1 and 2 (market-based method)	**18,032,095**	**5,952**	20,973,134	6,692	-14.0%	-11.1%	
Intensity ratio (tCO_2e per £m revenue)							The intensity ratio has decreased from the prior year due to our reduction in total emissions and revenue growth of the Group.
Location-based method		**12.6**		15.4		-18.5%[2]	
Market-based method		**9.4**		10.8		-12.8%[2]	

Global

	2026		
	Energy kWh	**Emissions tCO_2e**	Comments
Scope 1 emissions (direct)			2026 global Scope 1 and 2 emissions include both UK and Australian operations, whereas 2025 emissions data included UK operations only. Comparative 2025 figures have not been restated to include Australian operations due to insufficient historical data. From 2027 onwards, global comparatives will be on a like-for-like basis encompassing both UK and Australian operations.
Gas consumption	**9,370,301**	**1,708**	
Transport	**8,446,990**	**2,141**	
Other fuels	**266,863**	**2,433**	
Total Scope 1	**18,084,154**	**6,282**	
Scope 2 emissions (energy indirect)			
Electricity (location-based method)	**16,643,444**	**2,673**	
Electricity (market-based method)	**1,251,842**	**647**	
Total Scope 1 and 2 (location-based method)	**34,727,598**	**8,955**	
Total Scope 1 and 2 (market-based method)	**19,335,996**	**6,929**	
Intensity ratio (tCO_2e per £m revenue)			
Location-based method		**12.6**	
Market-based method		**9.7**	

1. No emissions arise under the market-based method, as the Group's UK electricity portfolio is supplied under a 100% renewable electricity contract with EDF Energy, which reports emissions of 0 tCO_2e/kWh for electricity supplied under its renewable tariff.
2. The annual percentage change in the UK intensity ratio has been calculated using the underlying, unrounded figures.

Location-based: Emissions calculated using average grid electricity emission factors for the region of consumption.

Market-based: Emissions calculated using contractual electricity emission factors, reflecting purchased renewable energy agreements where applicable.

SECR methodology

The methodology outlined below explains the basis on which the Group's energy consumption and greenhouse gas emissions have been calculated for SECR reporting purposes.

Reporting scope

The Group's SECR disclosures cover the reporting period from 1 July 2025 to 30 June 2026 and include energy consumption and associated greenhouse gas (GHG) emissions arising from the Group's operations in the UK and Australia.

Reported energy consumption includes purchased electricity and natural gas used across the Group's operations, fuel consumed by UK company-owned vehicles, and other fuels including diesel, kerosene and propane. Reported greenhouse gas emissions also include anaesthetic gases (isoflurane and sevoflurane) used within the UK and Australian businesses.

Electricity and natural gas consumption

Electricity and natural gas consumption data were compiled using utility invoices and half-hourly automated meter reading (HH/AMR) data. The Group's UK electricity portfolio is supplied under a 100% renewable electricity contract with EDF Energy, which reports emissions of nil tCO_2e/kWh for renewable tariff electricity supplied.

Estimation methodology

UK operations

Where actual consumption data was unavailable, appropriate estimation techniques were applied. For sites with incomplete data, missing periods were estimated using average consumption from verified periods. Where no actual consumption data was available, contracted estimated annual consumption values were utilised.

Australian operations

As complete consumption data was not available for the full reporting period, available consumption data was annualised to estimate full-year usage. Where no consumption data was available for a site, consumption was estimated using data from comparable practices of a similar size and operational profile.

Company-owned transport

UK company-owned transport fuel consumption was calculated using vehicle mileage data and the relevant UK Government GHG Conversion Factors for Company Reporting for petrol, diesel and electric vehicles. Mileage data is collected and collated monthly, with fuel consumption and associated greenhouse gas emissions subsequently derived using the applicable conversion factors.

The Group has a limited number of company-owned vehicles in Australia and associated emissions are not currently included within the reported figures.

Other fuel consumption and anaesthetic gases

Consumption of other fuels, including diesel, kerosene and propane, was calculated using fuel consumption data obtained from supplier invoices and the relevant fuel-specific conversion and emission factors.

Emissions associated with anaesthetic gases (isoflurane and sevoflurane) were calculated using consumption quantities obtained from supplier invoices and applicable conversion factors.

Emissions methodology

Reported emissions comprise Scope 1 emissions from the combustion of natural gas, UK transport fuels, other fuels and anaesthetic gases, together with Scope 2 emissions from purchased electricity.

Scope 2 emissions relating to purchased electricity have been calculated using the location-based method, with market-based Scope 2 emissions also calculated where supplier-specific information was available.

Reporting basis and emission factors

Following the Group's move to the Main Market, Australian operations have been included within the SECR reporting boundary for the first time in FY26. Accordingly, comparative period disclosures do not include Australian energy consumption or associated emissions.

In accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the Group has elected not to make voluntary disclosures relating to Scope 3 greenhouse gas emissions.

The Group's greenhouse gas emissions have been calculated in accordance with the UK Government Environmental Reporting Guidelines and the UK Government GHG Conversion Factors for Company Reporting. Where energy consumption occurred in Australia, applicable Australian emission factors were applied to reflect the location of the underlying activity.

The Group has chosen to report gross Scope 1 and 2 emissions in tonnes of CO_2 equivalent (tCO_2e) per £m revenue as this is a common metric used in corporate GHG reporting.



“For pets, for life.”

At CVS, preventative healthcare is central to improving lifelong outcomes for pets. By supporting early intervention, informed pet ownership and personalised care planning, our approach to care can enhance client engagement and empower veterinary teams to deliver proactive, high-quality care throughout every stage of a pet’s life.

Launch of Life Stage Assessments

We launched our Life Stage Assessments project to support pet wellness across our practices. The framework provides age, breed, and lifestyle-based recommendations by dividing a pet’s life into distinct stages, reflecting changing physiological and behavioural needs. It supports tailored healthcare planning, early disease detection and preventative care, while enabling veterinary teams to deliver individualised recommendations with clinical flexibility in implementation.

Embedding preventative care to improve outcomes for pets, clients and veterinary teams

Pet wellness is a core element of our Life Stage Assessment project, reflecting CVS’ commitment to proactive, holistic care throughout every stage of a pet’s life. By integrating wellness principles into routine practice, we can help to improve patient outcomes, strengthen client relationships and support rewarding careers for our colleagues.

Pet wellness takes a preventative approach to healthcare, focusing not only on physical health but also on the emotional and behavioural wellbeing of pets. Through regular Life Stage Assessments and tailored interventions, practices can identify risks earlier, provide bespoke support and empower owners to make informed decisions about their pets’ care.

Supporting owners through education and guidance

Life Stage Assessments provide opportunities to educate owners on nutrition, exercise, enrichment and preventative healthcare. By understanding their pet’s age, breed and lifestyle needs, owners are better equipped to recognise early signs of illness and make informed decisions about their care.



> “The Life Stage Assessment has transformed our consultations, providing a clear framework while supporting personalised care. Clients really value the focus on overall wellbeing, leading to earlier interventions, stronger client relationships and better patient outcomes.”
>
> **Amy Buckingham**
> Veterinary Nurse, Forrest House Veterinary Centre

Preventative healthcare can also improve financial predictability by reducing the need for more complex treatments and helping owners budget for essential care through wellness planning and healthcare schemes. Regular wellness discussions strengthen engagement with veterinary services and support stronger human-animal bonds, helping pets live healthier, happier lives.

Creating benefits across the veterinary team

The impact of wellness programmes extends beyond pets and their owners, delivering significant benefits for our veterinary teams and practices. By focusing on prevention and early intervention, teams can provide personalised, patient-centred care aligned with their clinical expertise and professional values. Supporting pets earlier in their healthcare journey can lead to improved outcomes and more positive client interactions, contributing to professional satisfaction while recognising the important and often emotionally demanding nature of veterinary care.

Looking ahead

As CVS continues to embed the Life Stage Assessment project, pet wellness remains central to our approach to veterinary care. By promoting preventative healthcare, informed pet ownership and proactive, personalised care, the programme delivers meaningful benefits for pets, clients and clinical teams.

Since January 2026, 5,449 Life Stage Assessments have been recorded, demonstrating strong engagement with the programme across practices. The highest levels of adoption have been seen in the early life stages, providing a strong foundation as we continue to increase the reach and impact of assessments across all stages of a pet’s life.

As we enter the programme’s second year, we will focus on colleague feedback, education and targeted support to maximise the impact of Life Stage Assessments and further strengthen preventative care outcomes.

Q&A

with our Chief Veterinary Officer, Paul Higgs

The Competition and Markets Authority has now completed its investigation into Veterinary Services for Household Pets and we have taken the opportunity to hear from Paul Higgs about what it has meant to and for the profession.

Q: What good has come out of the CMA investigation for the profession?

Although the process of the investigation and the media attention has been very distressing for veterinary professionals it has brought about the necessary Government attention to prioritise new veterinary legislation. The Veterinary Surgeons Act 1966 is significantly overdue for modernisation and the whole profession welcomes the news that reform is underway.



Q: What have been the key lessons for the profession?

There is zero doubt in my mind that vets, nurses and all of our supporting teams put animals first every day. We provide a fantastic service for pets but this investigation has shown us that we can definitely improve on our communication with animal owners, in particular ensuring that our clients can see how we are applying the principles of contextualised care in every decision that we help them make.

Q: Which of the CMA remedies do you expect will have the greatest impact on clinical practice?

Most of the remedies are solely a commitment to consistently do what we already do well: good communication, keeping clients up to date with estimates and bills, and sharing all the options available to them for the care of their animals. The main impacts are from the increased administrative load associated with ensuring that estimates are kept up to date and are provided in writing to pet owners. This is easier said than done when dealing with the inherent complexity and unpredictable nature of animal healthcare; however, I am confident our teams will meet this challenge successfully.

Q: The CMA has closely examined the role of larger veterinary groups in the market. From a clinical perspective, what benefits can scale bring to patient care, clinical governance and outcomes?

Our colleagues tell us that being part of CVS gives them improved access to advice and specialist knowledge, for example through VetOracle, a network of colleagues across the UK with common access to all clinical notes, and a consistent culture of support. This support extends from colleague wellbeing to our approach to quality improvement, equipment training and antimicrobial stewardship. Our scale brings consistency of experience and quality for pet owners that they can really depend on.

Q: If you could say something to all your colleagues right now, what would it be?

I am incredibly proud of the veterinary profession and particularly all of my colleagues at CVS. I know that you strive to do the right thing every single moment of every day and that the scrutiny of this past couple of years have been tough. Now is the time for us to show the pet owning public that the trust they have always had in us is well placed and to help them receive the care that they and their animals deserve, and – most of all – thank you!

Financial discipline supporting better care

Financial highlights

I am pleased to present the 2026 Financial Review which marks another year of continued momentum for the Group, with growth in revenue, adjusted EBITDA and adjusted earnings per share as well as continued strategic expansion in Australia further strengthening our platform for future growth. It was particularly pleasing to maintain adjusted EBITDA margins during the year against a backdrop of continued weakened consumer confidence and inflationary pressures, particularly from the annualisation of the impact of increases in both national living and minimum wage and Employer National Insurance contributions announced in April 2025. Like-for-like revenue growth was +2.1% (2025: +0.2%). The Group has consistently delivered 5%–6% CAGR like-for-like revenue in the five years pre-COVID-19 in 2020 and the six years post COVID-19 and we are confident that we will return to a more stable and consistent growth of between 4%–8%.

During the year we completed two significant milestones: our move to the Main Market with FTSE 250 Index inclusion in March 2026, and the refinancing of our £350.0m loan facilities on improved terms. The facilities have been extended to May 2030 with an option for a further one-year extension, and comprise:

- a term loan of £125.0m repayable on 20 May 2030;
- a revolving credit facility of £225.0m repayable on 20 May 2030; and
- the existing overdraft facility of £5.0m, renewable annually.

The margin payable on drawn debt has reduced by 20 basis points. These facilities are provided by a syndicate of eight banks, including Westpac Banking Corporation, the first Australian bank to join the Group's financing syndicate. We continue to have significant headroom in both committed and undrawn debt, and we remain committed to maintain leverage at no more than 2.0x net debt to bank test EBITDA.

Prior to the move to the Main Market the Group commenced a £20.0m share buyback programme in October 2025, which was completed in the first calendar quarter of 2026, before commencing a further £50.0m share buyback programme in May 2026, which is expected to be completed by November 2026.

In March 2026, the Competition and Markets Authority (CMA) published its final report following its investigation into the veterinary services market. As a Group we welcome the end of the investigation and the remedies, many of which we already comply with. We have price lists published on our websites and have completed the vast majority of the joint rebranding of our UK companion animal practices. We are confident post the CMA Market Investigation there will again be an attractive pipeline of acquisition opportunities in the UK where CVS has c.8%–9% market share. The cost of the remedy implementation of £5.1m is shown within administrative expenses and as an APM in exceptional items.

We have continued with our progress in Australia where we now have 57 practice sites (2025: 43 practice sites) following a further six acquisitions of 14 practice sites for an aggregate initial consideration of £45.4m, including the purchase of a minority interest during the year. Australia now represents c.11% of Group revenue and continues to represent an exciting opportunity with a strong runway ahead.



We continue to maintain a disciplined approach to capital allocation where each investment opportunity is assessed, based on what is most accretive over the long term, against other capital deployment opportunities before making investment decisions.

This approach is underpinned by a hierarchy of clear priorities. Our first priority is to maintain a healthy balance sheet. We benefit from favourable cash flow dynamics with operating cash conversion in the year of 70.6% (2025: 76.9%) and free cash flow of £69.2m (2025: £72.2m) (read more about our APMs on pages 176 to 180). Net bank borrowings increased in the year to £199.6m from £131.4m. This cash generation, alongside our committed bank facilities and leverage at 30 June 2026 of 1.63x, provides us with capital for organic and inorganic growth, and also provides resilience through economic cycles.

We have committed to maintain a progressive dividend policy after which the remaining capital is then directed to whichever option generates the highest-risk-adjusted returns over the longer term. In addition to the acquisition opportunities outlined above we have capital investment opportunities to invest in organic growth. During the year, we invested a total of £36.4m inclusive of maintenance capex (2025: £33.2m for continuing operations) on capital investment projects. This was focused on our practices to support increased revenue and enhanced margins through improved clinical facilities and equipment, and on enhanced client experience and loyalty through IT modernisation. During the year, we saw an increase in both employee and client Net Promoter Scores.

Additional returns of capital to shareholders will also be considered where it is the most accretive of our capital investment options or where we have capital in excess of our requirements.

Statutory financial highlights are shown below which support our ability to deliver further growth:

	2026	2025	Change %
Revenue (£m)	**712.8**	673.2	+5.9%
Gross profit (£m)	**315.6**	285.7	+10.5%
Operating profit (£m)	**47.6**	49.8	-4.4%
Profit before tax (£m)	**32.0**	32.6	-1.8%
Profit from continuing operations (£m)	**17.8**	19.1	-6.8%
Basic earnings per share continuing operations (p)	**24.4**	26.3	-7.2%

Alternative performance measures:

Alternative performance measures (APMs)

	2026	2025	Change %
Adjusted EBITDA (£m)	**141.5**	134.6	+5.1%
Adjusted profit before tax (£m)	**84.9**	78.9	+7.6%
Adjusted earnings per share (p)	**85.6**	80.1	+6.9%

Adjusted EBITDA, adjusted profit before tax and adjusted earnings per share (EPS)

Adjusted EBITDA

Adjusted EBITDA increased +5.1% to £141.5m from £134.6m benefitting from increased revenue and adjusted EBITDA margin remained stable at 19.9% (2025: 20.0%) within the 19% to 23% ambition, despite an increase in National Insurance contributions and wage inflation.

Gross profit margin, excluding clinical staff costs, increased to 78.6% from 78.4%.

Total employment cost as a percentage of revenue across clinical and admin increased to 52.3% from 52.2% with cost efficiencies offsetting the wage inflation pressures from national and living wage increase and the Employer National Insurance increase which we estimate to have an annualised impact in the region of £3.0m and £8.0m respectively.

The Group also experienced an increase in IT costs during the year to support additional cyber security and enhanced client experience. During the year the Group recognised Research and Development Expenditure Tax Credits of £15.7m (2025: £15.1m). Further information on RDEC is shown in note 2.

Adjusted profit before tax

Adjusted profit before tax increased +7.6% to £84.9m (2025: £78.9m) benefitting from an increase in adjusted EBITDA and interest, partially offset by an increase in depreciation.

Depreciation in the year increased to £41.0m from £38.5m following continued investment in our facilities and IT.

Interest reduced to £15.6m from £17.2m as a result of lower average borrowings during the year following the divestment of our Crematoria division in late FY25.

Adjusted EBITDA and adjusted profit before tax exclude the impact of amortisation of intangible assets, costs relating to business combinations and exceptional items.

A reconciliation between statutory operating profit and adjusted EBITDA is shown below:

	2026 £m	2025 £m
Operating profit	**47.6**	49.8
Adjustments for:		
Amortisation, depreciation, impairment and profit on disposal of property, plant and equipment	**68.5**	63.9
Costs relating to business combinations	**14.8**	14.9
Exceptional items	**10.6**	6.0
Adjusted EBITDA	**141.5**	134.6

Adjusted EPS

Adjusted EPS increased 6.9% to 85.6p from 80.1p benefitting mainly from increased adjusted profit before tax, and with a further benefit from the reduced average number of shares in issue following the share buyback programmes undertaken during the year. The adjusted effective tax rate was 27.4% (2025: 26.9%).

Further information about our APMs and reconciliation to the closest statutory measure can be found in the APM glossary on pages 176 to 180.

Revenue

Revenue in the year increased by +5.9% to £712.8m from £673.2m benefitting from acquisitions made in the current and prior year; and like-for-like revenue (LFL) growth was +2.1% (2025: +0.2%). Australian revenue increased to £79.1m (2025: £52.1m) and now represents c.11% of Group revenue.

LFL performance across our Veterinary Practice division was +1.0%, reflecting weaker footfall from a continuation of softer market conditions in the UK and a weaker Q4 partly impacted by the extreme hot weather with owners opting to keep their pets at home. It is also important to note that the COVID-19 puppy and kitten cohort are currently in their young healthy adult years, visiting the vets less often, and as these pets age they will require more veterinary intervention.

During the year, subscription revenue from our Healthy Pet Club scheme increased +3.5% to £95.5m from £92.3m. Membership numbers marginally reduced to 508,000 members as at 30 June 2026 (2025: 519,000). In July 2026 we were delighted to launch an enhanced scheme, Healthy Pet Club Advanced, providing unlimited consultations and an online sign up customer journey from August 2026, making it even easier for customers to register and access our services.

Gross profit and gross profit margin

Gross profit increased by 10.5% to £315.6m from £285.7m and gross profit margin increased to 44.3% from 42.4%.

Cost of sales excluding clinical staff costs as a percentage of revenue decreased to 21.4% from 21.6% from delivery of buying synergies during the year. Clinical staff costs as a percentage of revenue also reduced to 34.3% from 36.0% with the Group focusing on delivering cost efficiencies.

Operating profit

Operating profit decreased -4.4% to £47.6m from £49.8m and operating margin decreased to 6.7% (2025: 7.4%).

The decrease in operating profit follows an increase in adjusted EBITDA offset by increased depreciation to £41.0m from £38.5m, amortisation costs to £27.5m from £25.4m and increased exceptional costs to £10.6m from £6.0m. Exceptional costs relate to the costs incurred in relation to our move to the Main Market in January 2026 and the CMA Market Investigation. Further information is available on page 147.

Operating profit also includes costs relating to business combinations of £14.8m (2025: £14.9m) which include costs in relation to due diligence, stamp duty and contingent consideration (IAS 19) which is booked to the income statement over time and not to goodwill as a result of continuous employment being one of the conditions needed to be met for payment.

Profit before tax

Profit before tax decreased -1.8% to £32.0m from £32.6m. The reduction in operating profit was partially offset with a £1.6m decrease in interest to £15.6m from £17.2m as a result of lower average borrowings during the year, following the divestment of our Crematoria division in FY25.

Taxation

The effective tax rate on profit before tax was 44.4% in 2026 (2025: 41.4% on continuing operations). The rate reflects the difference statutory tax rates in the jurisdictions where the Group operates, together with the impact of expenses not deductible for tax purposes, predominantly in connection with acquisitions.

The Group's tax charge for the year was £14.2m (2025: £13.3m).

All of the Group's revenues and the majority of its expenses are subject to corporation tax. The main expenses that are not deductible for tax purposes are certain acquisition related costs, depreciation on fixed assets and amortisation of certain assets where no corresponding tax relief is available.

Dividend

In line with the Group's capital allocation hierarchy and dividend policy, the Board is recommending the payment of a final dividend of 9.0p per Ordinary share (2025: 8.5p). Subject to shareholder approval at the Annual General Meeting to be held on 25 November 2026, the dividend will be paid on 4 December 2026. The ex-dividend date is 7 November 2026 and the record date is 8 November 2026.





What makes us CVS

Investing in a better future

Broadleaf Vets recently relocated into a purpose-built 7,000 sq. ft. facility in Sheffield, representing a significant investment in the future of the practice, its team and its clients. The new premises provide expanded clinical capacity, modern consulting and treatment areas, and purpose-designed spaces that support efficient workflows and high-quality patient care.

The move has enhanced the overall client experience through improved accessibility and parking, while creating an environment that supports the practice's continued growth. Feedback from clients has been overwhelmingly positive, with many highlighting the modern facilities, welcoming atmosphere and high standard of equipment. The relocation demonstrates CVS's commitment to investing in its practices and creating environments where colleagues, clients and patients can thrive.

"We now have the space and facilities to grow and deliver the level of care we've always strived for. It's been fantastic to receive positive feedback from clients, and the new environment has energised the team."

Siobhan and Stanley – Broadleaf Veterinary Centre, Sheffield

Cash flow

	2026 £m	2025 £m
Adjusted EBITDA[1]	**141.5**	134.6
Working capital movements	**(12.8)**	(3.9)
Capital expenditure – maintenance	**(11.5)**	(10.8)
Repayment of lease liabilities	**(17.3)**	(16.4)
Adjusted operating cash flow[1]	**99.9**	103.5
Adjusted operating cash conversion[1] (%)	**70.6%**	76.9%
Taxation paid	**(16.1)**	(14.7)
Net interest paid	**(14.6)**	(16.6)
Free cash flow[1]	**69.2**	72.2
Capital expenditure – investment	**(24.9)**	(22.4)
Business combinations (net of cash acquired)/other investments	**(45.4)**	(30.6)
Acquisition fees and contingent consideration paid	**(16.5)**	(12.9)
Dividends and share buyback	**(38.0)**	(5.9)
Other financing activities	**(12.8)**	(5.9)
Proceeds from and cash movement in relation to discontinued operations	**0.4**	42.7
Impact of foreign exchange	**(0.2)**	(0.6)
Net (outflow)/inflow	**(68.2)**	36.6
Increase/(decrease) in unamortised borrowing costs	**1.6**	(0.9)
(Increase)/decrease in net debt	**(66.6)**	35.7

1. APMs are defined and reconciled to the nearest statutory measure in the APM glossary on pages 176 to 180.

Working capital

Working capital was -£12.8m in the year mainly due to one-off impacts in relation to timing of Research and Development Expenditure Credit (RDEC) receipts and delivery of buying synergies which resulted in a change to buying relationships. Despite this, the Group's adjusted operating cash conversion remained strong at 70.6% (2025: 76.9%).

Free cash flow

The Group's free cash flow decreased -4.2% to £69.2m (2025 continuing operations: £72.2m). This was mainly impacted by the negative working capital movements.

Free cash flow per share decreased to 97.7p (2025: 100.6p) with the reduction in free cash flow only partially offset by the lower average number of shares.

Net bank borrowings

Net bank borrowings increased by £68.2m to £199.6m from £131.4m. The increase in bank borrowing is mainly attributable to:

- our continued acquisition strategy: during the year we made six new acquisitions (comprising 14 practice sites) for a consideration of £45.4m (2025: £30.6m) including the purchase of a minority interest in the year, and related acquisition fees and contingent consideration payments of £16.5m (2025: £12.9m). In Australia, typically 80.0% of a practice valuation is paid upfront and 20.0% is deferred and earned over a period of time;
- our investment in technology and practice facilities with investment capital expenditure during the year amounting to £24.9m (2025: £22.4m);
- our decision to undertake two share buyback programmes one announced in October 2025 and completed in January 2026 for £20.0m and the second announced in May 2026 for £50.0m of which £11.7m has completed at the balance sheet date, and remains ongoing; and
- other financing activities of £12.8m (2025: £5.9m) which included cost related to the extension of our loan facility; and exceptional costs of £10.6m (2025: £6.0m) in relation to the Main Market move and continued costs in relation to the CMA investigation.

Net debt

	2026 £m	2025 £m
Borrowings repayable:		
Within one year	**—**	—
After more than one year:		
Loan facility	**218.0**	147.5
Unamortised borrowing costs	**(3.9)**	(2.3)
Total borrowings	**214.1**	145.2
Cash and cash equivalents	**(18.4)**	(16.1)
Net debt	**195.7**	129.1

Following the successful refinancing in May 2026, the Group's loan facility comprises a £125.0m term loan and £225.0m revolving credit facility. This facility is supported by eight banks and all facilities run until May 2030, with a one-year option to extend, on improved terms. The facility has two key financial covenants:

- net debt to bank test EBITDA of not more than 3.25x; and
- the bank test EBITDA to interest ratio of not less than 3.5x.

Bank test EBITDA is based on the last twelve months' adjusted EBITDA performance annualised for the effect of acquisitions and adding back share option expense, prior to the adoption of IFRS 16 and excluding the share attributable to non-controlling interests.

The Group manages its banking arrangements centrally. Funds are swept daily from its various bank accounts into central bank accounts to optimise the Group's net interest payable position.

Interest rate risk is also managed centrally and derivative instruments are used to mitigate this risk. On 31 January 2024, the Group entered into two four-year fixed interest rate swap arrangements to hedge fluctuations in interest rates on £100.0m of its loan facility, which end on February 2028.

As at 30 June 2026, leverage was 1.63x (2025: 1.18x) and interest cover was 13.10x (2025: 9.73x).

Goodwill and intangibles

The Group's goodwill and intangible assets of £385.0m (2025: £337.6m) arise mainly from acquisitions. Each year, the Board reviews goodwill for impairment, and as at 30 June 2026 the Board believes there are no material impairments. The intangible assets arising from business combinations for customer relationships are amortised over an appropriate period.

Share price performance

At the year end, the Company's market capitalisation was £0.8bn (1,173p per share), compared to £0.9bn (1,250p per share) at the previous year end. The Board believes the share price remains undervalued. We are pleased that we made the move to the Main Market and confident we will benefit, particularly as wider macro-economic and political factors weighing on the market dissipate. The Company is currently undertaking a share buyback programme.

Key contractual arrangements

The Directors consider that the Group has only three significant third-party supplier contracts, two of which are for the supply of veterinary medicines and one for pet crematoria services. In the event that these suppliers ceased trading, the Group would be able to continue in business without significant disruption in trading by purchasing from alternative suppliers.

Forward-looking statements

Certain statements and arrangements described in the Annual Report and results release may be considered forward looking. Although the Board is comfortable that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will be proven to be correct. As these statements may involve risks and uncertainties, the actual results may differ materially from those expressed or implied by these forward-looking statements.



Divisional highlights

	2026 £m	2025 £m	Change %
Revenue			
Veterinary Practices	**648.2**	616.1	+5.2%
Laboratories	**35.0**	31.4	+11.5%
Online retail business	**51.0**	45.9	+11.1%
Central admin	**(21.4)**	(20.2)	+5.9%
Total Group revenue	**712.8**	673.2	+5.9%

	2026 £m	2025 £m	Change %
Adjusted EBITDA			
Veterinary Practices	**138.7**	133.0	+4.3%
Laboratories	**11.3**	9.0	+25.6%
Online retail business	**1.4**	1.3	+7.7%
Central admin	**(9.9)**	(8.7)	+13.8%
Total Group adjusted EBITDA	**141.5**	134.6	+5.1%



Veterinary Practices division

88.3%
of Group revenue[1]

The Group's Companion Animal division across the UK and Australia forms the majority of its Veterinary Practices division.

The focus of the Companion Animal division is to give the best possible, care to as many animals as possible and both the UK and Australian markets are anticipated to grow over time as the COVID-19 cohort of pets age and require more veterinary intervention. CVS continues to focus on improving the client journey and experience. Since the year end, the Group was pleased to have launched Healthy Pet Club Advanced and a new online sign up journey.

The division also includes Referrals, Equine, Farm, Vet Direct, Buying groups and MiPet Products.



Laboratories

4.8%
of Group revenue[1]

CVS's Laboratories division provides diagnostic services and in-practice desktop analysers to both CVS and third-party practices and employs a national courier network to facilitate the collection and timely processing of samples from practices across the UK. The Group continues to develop its capability to ensure it can support the wider Group focus on growing diagnostic care and saw strong external case volume in 2026.

Revenue performance in the year was strong at +11.5%. The revenue impact led to adjusted EBITDA being +£2.3m ahead of prior year. The volume of cases performed in the year increased 4.3% to c.442,000 tests, with a positive increase in volumes from third parties.



Online retail business

6.9%
of Group revenue[1]

Our online pet food and retailer, Animed Direct, focuses on supplying pet food and prescription and non-prescription veterinary medicines directly to customers.

We launched our new website in February 2025 and have since added a number of new features including faster checkout options through Apple Pay and Google Pay, guest checkout and, more recently, next day delivery.

Revenue performance improved with further investment in marketing spend in the year, with recovery in adjusted EBITDA in the second half of the year following price elasticity testing in the first half.

1. Revenue share for continuing operations including intercompany sales between practices and other divisions.

Robin Alfonso
Chief Financial Officer
24 September 2026

Central admin costs
Increase in central admin costs mainly driven from an increase in share-based payments.



What makes us CVS

Championing collaborative care

CVS collaborative care has been integrated into daily consultations, enhancing communication and strengthening client relationships. Practice teams use structured listening and questioning to develop a deeper and personalised understanding of each client's perspective and their pet's needs. Communication frameworks and clinical metrology tools support owner involvement in decision making, personalised care plans and improved compliance.

"We value client input and are thrilled to be working towards making every visit to our practice as enjoyable and worthwhile as possible. Client involvement has also greatly strengthened the relationship between our team and our client base."

Felicity and Ronnie – Ashfield Veterinary Centre, Durham

Managing risk to deliver better care

At CVS, we continue to ensure that our risk management framework remains a key priority being ever mindful of the changing landscape impacting the Group and its strategic priorities, underpinning why it remains important to us that we continue to approach risk with an evolutionary approach.

Our approach allows the business to maintain an appropriate risk culture supporting our varied business operations whilst ensuring the business complies with its obligations under the Corporate Governance Code.

Our risk management framework

The Board has overall responsibility for risk and sets the risk appetite for the Group. It promotes a transparent and accountable culture setting the tone for the Executive Committee and Senior Leadership Group and other senior management across the Group to promote and cascade this culture at all levels and with external stakeholders.

It ensures risk is appropriately managed and is accountable for overseeing the effectiveness of risk management. During the year the Board conducted a robust assessment of the principal risks and emerging risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity.

The foundations of our framework are supported by ensuring core risk management is aligned to the Group's operating model, with each head of division being responsible for the identification, tracking and management of risk. Detailed risk registers are maintained at divisional level and reviewed at least twice a year to ensure risks are appropriately identified, recorded and managed; not all divisional risks are material to the Group but our framework ensures risk is managed at all levels. We use this opportunity to assess the controls that are in place to evaluate the extent to which they mitigate risk and ensure those controls bring risks in line with our risk appetite. Where required, we proactively enhance our controls to reduce the risk further.

We recognise that some risks require further focus and we have dedicated committees in place to effectively manage those areas, including Health and Safety and Cyber Security and Data Protection Governance Risk Committees.

Our top-down, bottom-up governance approach to support our risk management is outlined below. Our approach is subject to review by divisional leaders, with Group risks then being discussed by our Senior Leadership Group and Executive Committee as part of our interim and year-end reporting activities. Group risks are presented and discussed at each Audit and Risk Committee meeting for review, discussion, input and agreement. With the Board having overall responsibility having opportunity to discuss and ensure this reflects their top-down view of risks.

Risk management process

Our risk management process is broken down into four simple steps:

1. Identify

Each division identifies the risks associated with its divisional area, which will also includes discussions and considerations for emerging risks. We also use risk categories to drive consistency:

A) Strategic – risks which are both internal and external, associated with impacting the Group's strategy and long-term objectives.

B) Operational – those risks derived from the Group's core operations, which rely on systems, people expertise, equipment and processes.

C) Financial compliance – risks associated with the Group's ability to raise and maintain access to capital, and to deliver profitable growth.

D) Regulatory compliance – those risks associated with compliance with laws and regulations and anticipated changes which impact the Group.

2. Assess

We identify, assess and prioritise our business and principal risks using our defined risk assessment criteria. Risk ratings are used to prioritise our risks and are a product of the expected impact and the likelihood of that impact to occur as a result of an event. The scoring output is then used to escalate risks as required and consolidate those rated highest into the Group register.

3. Address

Each divisional risk register will contain detailed mitigating factors and controls in place to help reduce the likelihood and impact of risks occurring. These are reviewed on at least a twice annual basis and each risk is allocated an owner who is responsible for ensuring the controls in place are sufficient to bring risk in line with our risk appetite levels across the Group.

4. Report

The Group risk register is presented to the Board and Audit and Risk Committee at least three times annually. Risks are considered independently and alongside emerging risks. The Audit and Risk Committee supports effective risk management through focused deep dives including internal audit reviews to understand the potential impact on the Group and the actions required to mitigate those risks. Principal risk and uncertainties are submitted to the Audit and Risk Committee (ARC) before being submitted to the Board for approval.

Our risk governance



Three lines of defence

First line

Our divisional leads in our operational and support functions ensure they provide oversight and manage risk at each operational level, ensuring our internal controls risk management framework is supported and adhered to at the operational levels of the business.

Second line

Our Senior Leadership Group helps support our first line of defence and ensures we monitor the internal controls we have in place and ensures our risk management framework is regularly reviewed and processes are implemented and improved.

Third line

We have an external third-party internal auditor who provide independence and objective assurance over the adequacy of risk management using a risk-based approach to the internal audit plan and have a direct line to the Audit and Risk Committee.

Risk appetite

The Board recognises that the successful delivery of the Group's strategy requires the effective management of risk and the acceptance of an appropriate level of risk to ensure long-term sustainable growth and shareholder value. The Group is willing to take informed, measured and controlled risks where these support the strategic objectives of the Group, whilst maintaining a low tolerance for risks that could adversely affect the safety of our people, compliance obligations, financial resilience or reputation.

The Board reviews the Risk Appetite Framework annually and monitors key risk changes throughout the year to ensure that risk exposures remain within approved tolerance levels.

The Group has no appetite for major risks which cannot be effectively mitigated through traditional control activities. Appetite levels do not eliminate risk but provide a framework within which management can make informed decisions and allocate capital and resources effectively.

Low – the Group accepts only limited exposure. Strong controls, monitoring and assurance activities are maintained, and risks are generally accepted only where required to support normal business operations.

Medium – the Group is willing to accept a measured level of risk where there is a clear business rationale and the risk is well understood, managed and monitored within approved limits.

High – the Group is willing to accept significant levels of risk to meet a strategic objective, innovation, growth or competitive advantage, provided the potential rewards justify the exposure and risks remain within Board-approved boundaries.

Provision 29

Whilst Provision 29 does not apply to our reporting until 30 June 2027, during the year the Board continued to enhance its approach to risk management and internal controls in preparation for the revised requirements of the UK Corporate Governance Code. The Audit and Risk Committee is overseeing a roadmap to finalise the Group's material controls across financial, reporting, operational, compliance and technology risk areas.

As part of this programme, management will be reviewing the current framework of the design and operation of key controls, and where appropriate will enhance the risk and control documentation, and established framework for the ongoing monitoring and testing of material controls.

During 2027, the Board will review progress against the roadmap ensuring it is satisfied that appropriate actions are underway to strengthen governance, reporting and assurance processes.

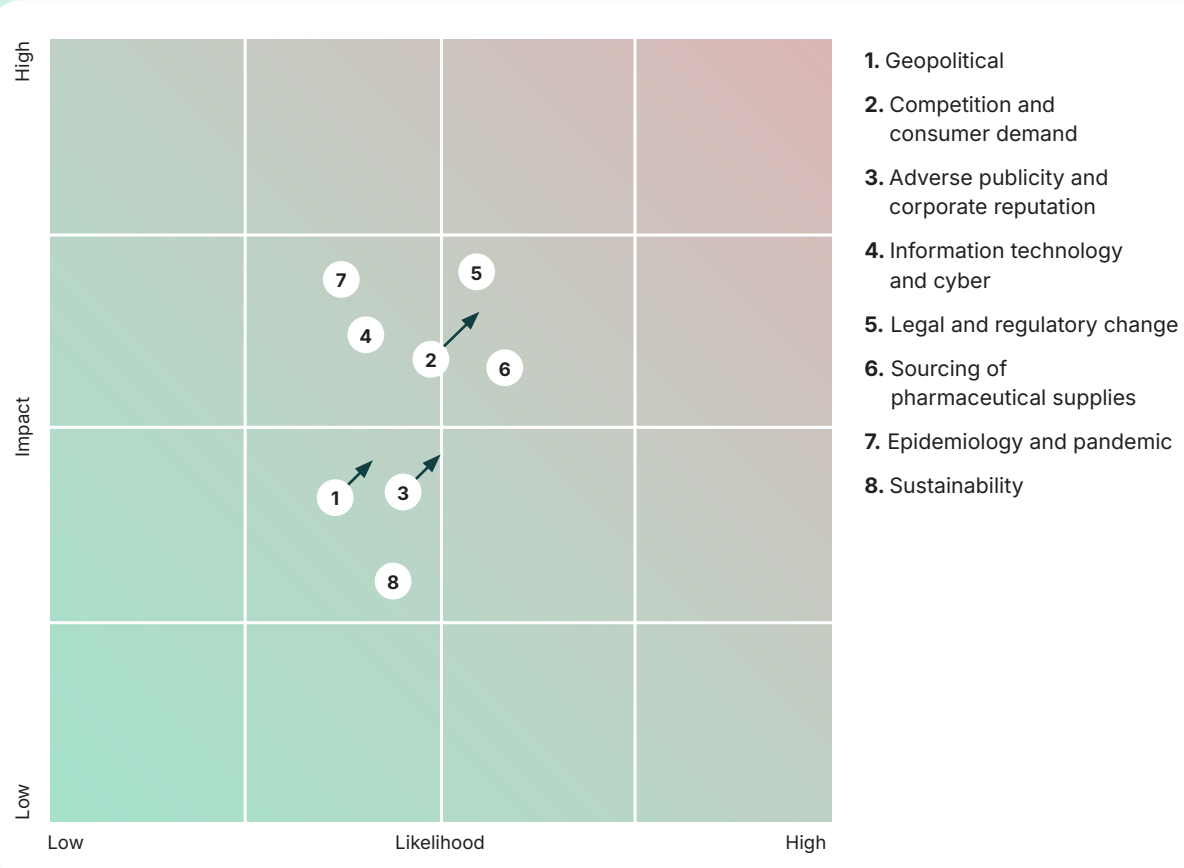
The Board intends to align its reporting with the revised Provision 29 requirements and, following further testing and embedding of the framework, expects to provide a formal declaration on the effectiveness of the Group's material controls in its 30 June 2027 Annual Report.

Emerging risks

We define emerging risks as those that can potentially have a significant impact on the Group, where the full extent of the scale, impact or likelihood may not be fully understood but needs to be tracked. Identification and review of emerging risks follow our risk management structure described and are kept under regular review throughout the year.

Emerging risk	How we are preparing
AI and disruptive technology	AI can be seen as both an opportunity and a risk. With regulatory uncertainty, potential for data privacy breaches, inaccurate outputs and the possibility of reputational impacts from inappropriate use. Ensuring we adopt AI capabilities at the right time is key to ensure we keep pace with our customer requirements and the competitive landscape to ensure our market position is maintained and that we achieve our strategic objectives. We are carefully reviewing opportunities for the use of AI in our practices and across the wider Group with a number of trials in progress. We are enhancing our AI governance framework which is overseen by our Cyber Security and Data Protection Governance Risk Committee, ensuring we implement policies and governance over the use of AI.

Our risk heat map



1. Geopolitical

2. Competition and consumer demand

3. Adverse publicity and corporate reputation

4. Information technology and cyber

5. Legal and regulatory change

6. Sourcing of pharmaceutical supplies

7. Epidemiology and pandemic

8. Sustainability

Our principal risks

Our principal risks are deemed by the Board to be the most significant risks faced by the Group, including those which can materially impact our performance and/or reputation and threaten the longer-term business model of the Group.

The Board is responsible for overseeing the Group's risk management framework and system of internal controls and for monitoring their effectiveness. Throughout the year, the Board and Audit and Risk Committee reviewed the design and operation of the Group's risk management processes and key controls through regular reporting from management and conducted a separate risk exercise. This is in addition to consideration of internal and external audit findings and management actions.

The Board assessed the effectiveness of the Group's risk management framework and internal control environment by considering the Group's risk profile, the outcomes of risk and control monitoring activities and the status of remediation plans performed during the year. The Board also reviewed the adequacy of processes for identifying, assessing and managing emerging risks.

Based on this review and following the risk exercise, the Board has agreed some changes in the risks disclosed this year are appropriate with the following risks now removed:

- Key employees – no longer considered a principal risk.
- Bank facilities – new facilities mean further assurance provided and no longer considered a principal risk.
- CMA – investigation concluding with all remedies disclosed and therefore no longer considered a principal risk.

Read more on our strategy on **pages 16 and 17**



1. Geopolitical

Description

Our operations in the UK and Australian markets are subject to macro geopolitical and external factors which may impact our performance through global inflationary pressures, supply chain pressures, energy supply, interest and exchange rate fluctuations or customer demand, adversely impacting our financial performance.

Context

We continue to operate in an uncertain environment with the ongoing cost of living pressures on consumers potentially impacting their decision on how they use their disposable income.

The potential impact of future geopolitical issues, such as: cross-border policy changes; the potential introduction of tariffs; and ongoing and potential future international conflicts, could impact supply chain demands, pricing of consumables such as gas and electricity and interest rates.

Mitigations

- We have a diverse range and provision of services across the Group to a wide range of animals in the UK and Australia, including our Healthy Pet Club (HPC) and newly launched HPC Advanced preventative healthcare scheme which provide options to our customers to spread the costs of healthcare for their animals.
- Our online retail business protects the Group against changes in consumer spending habits.
- We monitor financial performance closely with regular reforecasts and undertake scenario planning in the event of an economic downturn, where we have a well-mapped out contingency plan to reduce operating costs, including non-essential capital expenditure.
- We closely monitor interest and currency rates and have appropriate hedging instruments in place in line with our treasury policy to mitigate the risk of rising interest rates.
- We ensure we source supplies from a number of manufacturers by maintaining strong relationships with our suppliers and manufacturers.
- We currently have fixed priced energy contracts, protecting us from fluctuating markets.

Owner: Chief Executive Officer

Risk type: Strategic/operational

Risk profile: M

Risk appetite: M

Link to strategy:

Read more on our strategy on **pages 16 and 17**

Key:

No change to risk | Increasing risk | Reducing risk | N New risk | L Low | M Medium | H High

Our principal risks continued

2. Competition and consumer demand

Description

Our ability to grow depends on our ability to deliver on our purpose of providing the best possible care to as many animals as possible through the delivery of high-quality service and our customers valuing the services we provide.

We focus on remaining competitive in the market and understanding consumer demand which could adversely impact the financial performance of the Group. This also extends to our approach to our M&A strategy ensuring we attract the high-quality practices which complement our Group and the services we provide.

Context

The Group operates in a competitive market and faces increased competition from not only other corporates but also independent practices, where there are limited barriers to entry; this competition also extends to the Laboratories division, where third-party practices may choose to use other laboratory services, and also online retail business where customers shop around more frequently.

We need to ensure we remain competitive in a changing landscape whilst delivering on our strategy. Ensuring we keep pace with our customers' needs across all our divisions is key, as well as offering better ways to enhance our services whilst delivering excellent customer care.

Our ability to attract the high-quality practices to further grow through acquisition is paramount to our strategy. Failure to ensure we remain competitive and attract the right practices could significantly impact our financial growth ability.

Mitigations

- We offer a wide range of services to our clients giving our customers the support they need to nearly all aspects of their pets' lives, including our Healthy Pet Club (HPC) and newly launched HPC Advanced preventative healthcare scheme which provide options to our customers to spread the costs of healthcare for their animals.
- We regularly review pricing of products and services to ensure we remain competitive, with many seasonal promotional offerings.
- We track our client Net Promoter Scores and we listen and react to what our clients want.
- We are currently recruiting for the role of Chief Client Officer to help drive customer strategy and revenue growth via customer engagement and satisfaction.
- We remain committed to continuous investment to maintain high-class facilities and equipment in our practices to provide our employees with the ability to deliver excellent clinical service.
- We carefully assess each acquisition opportunity against measured and clear target criteria, to ensure we are adding high-quality practices to our service offering.

Owner: Chief Executive Officer

Risk type: Strategic/ operational/financial

Link to strategy:

Risk profile: M

Risk appetite: M

Read more on our strategy on **pages 16 and 17**

3. Adverse publicity and corporate reputation

Description

Adverse publicity, particularly following the introduction of our jointly branded practices, could impact our ability to maintain our trust with our customers, colleagues and other stakeholders. Failure to maintain this reputation and trust of providing the very best clinical care could lead to both a financial impact and difficulty in our ability to attract and retain the best veterinary talent in the profession, both of which are pivotal to the success of our business.

Context

The Group operates in a professional environment where vets and nurses are dedicated to delivering high-quality care. In response to CMA Market Investigation transparency requirements, we adopted joint branding to ensure customers understand they are part of a larger veterinary group. Trust and reputation are central to our success, and adverse publicity could harm our colleagues, customer confidence, and our standing as a high-quality service provider.

Mitigations

- We continue to monitor and adapt our clinical standards against our quality improvement frameworks for clinicians and practices, including our Clinical Governance Framework.
- We have an established Clinical Advisory Committee to advise on clinical standards and participate in the RCVS Practice Standards Scheme (PSS), ensuring our practices are upheld to the highest standards and that the medicines we use go through a robust framework and clinical process.
- We track our client Net Promoter Scores and have an established complaints process in place to ensure we listen to our customers' feedback and resolve issues in a timely manner.
- We aim to maintain prominent representation on national bodies and at industry events to enhance the Group's reputation and credibility.
- We have a dedicated Communications Director which allows us to respond swiftly to any issues, not only publicly but also for our colleagues, supported by our financial PR agency.
- We are in the process of making changes to fully adhere to the CMA remedies.

Owner: Chief Veterinary Officer

Risk type: Strategic/financial

Link to strategy:

Risk profile: M

Risk appetite: M

Read more on our strategy on **pages 16 and 17**

Key:

No change to risk | Increasing risk | Reducing risk | N New risk | L Low | M Medium | H High

4. Information technology and cyber

Description
The risk that a poor IT infrastructure could lead to loss of business critical systems impacting our operational effectiveness. Failure to maintain our IT systems may also lead to a cyber event, significantly impacting our ability to not only operate but also remain compliant with data protection and avoid misuse or penetration of our IT systems, technology or data.

Context
The Group is committed to ensuring the IT infrastructure in which it operates is subject to continuous enhancement and investment where required to help prevent any impact on our day-to-day operations as these system are vital to the successful trading of the Group. This includes but is not limited to ensuring our PMS, phone lines, websites and communication channels remain open to ensure we have a stable environment in which our colleagues can operate and offer our services to our customers.

The threat of a cyber incident is an ongoing risk, one which is constantly evolving and could lead to an inability to use operating systems, loss of data and disruption to our ability to provide a high-quality service to our customers. This would not only impact our brand and reputation but also our profitability and compliance obligations, leading to potential fines.

Mitigations
- The Group has an embedded IT Framework in place including security and access controls, policies and procedures, aimed at ensuring the stability and security of its networks and systems.
- We have a Cyber Security and Data Protection Governance Risk Committee in place to ensure appropriate governance is in place.
- Regular updates are provided to the Executive Committee and the Board from our Director of Technology.
- We have business continuity plans in place across key operations and these are tested periodically.
- Cyber threat training is in place for all our colleagues helping ensure they understand the possible ways a cyber event could take place.
- Network security is regularly enhanced with external reviews being performed periodically to identify areas of risk through penetration testing. A scheduled programme of equipment and software replacement takes place to help ensure that the latest security features are available.

Owner: Chief Financial Officer

Risk type: Strategic/operational/financial/regulatory

Link to strategy:

Risk profile: H

Risk appetite: L

Read more on our strategy on **pages 16 and 17**

5. Legal and regulatory change

Description
The risk that failure to comply with laws or regulations could lead to reputational damage, financial penalties or financial loss.

Context
The Group is subject to a number of laws and regulations, including but not limited to the Corporate Governance Code, RCVS Code of Professional Conduct, HMRC guidelines for national minimum and national living wage, IR35, data protection and anti-slavery acts, and health and safety and competition laws and regulations. Failure to ensure comply with these laws and regulations could lead to financial consequences, reputational damage and other consequences for our business and its Directors.

In addition, the Group needs to be able to respond to changing legislation including but not limited to changes to the Veterinary Surgeons Act proposed reforms and the CMA remedies.

Should the Group fail to adhere to any law or regulation or adapt to new legislation in the industry in which it operates it could be subject to material consequences either through operational impacts, damaged reputation or financial penalties.

Mitigations
- We have appropriate policies and procedures in place to monitor compliance and any developments or proposed changes. Our policies are reviewed and updated regularly and include topics such as whistleblowing and modern slavery as well as clinical guidance included within our Clinical Governance Framework led by our Chief Veterinary Officer (CVO).
- We maintain regular engagement with regulatory and legislative bodies where appropriate to promote best practice and lobby for change where considered appropriate.
- Our CVO on the Board oversees all clinical quality improvement work to help enhance the care we provide to animals, ensuring we remain compliant with industry regulations.
- We ensure we have robust health and safety procedures in place to ensure we are fully compliant with health and safety legislation, including mandatory training for all colleagues to ensure they know how to perform their duties safely.
- We participate in the RCVS Practice Standards Scheme to ensure the Group promotes the highest levels of clinical standards.
- We engage suitable in-house and third-party experts to support compliance.
- All of our vets and nurses have an annual continued professional development allowance and our LED platform helps provide them with the resources they need to stay up to date in a changing landscape.

Owner: Chief Executive Officer

Risk type: Operational/strategic/financial/regulatory

Link to strategy:

Risk profile: M

Risk appetite: L

Read more on our strategy on **pages 16 and 17**

Key:

No change to risk | Increasing risk | Reducing risk | N New risk | L Low | M Medium | H High

Our principal risks continued

6. Sourcing of pharmaceutical supplies

Description

The Group is dependent on the continuous supply of products from a number of sources. The risk of not securing our supply chain enabling us to source quality products at the right price in order to provide treatments to our clients and their pets could potentially lead to an adverse financial impact on Group performance.

Context

The Group maintains key relationships with the veterinary wholesalers to ensure the continued supply and quality of product required to provide our clients with the high-quality service they expect to receive. Failure to source quality pharmaceutical supplies could lead to an inability to provide a service to our clients and could also lead to adverse financial performance which can also impact our reputation.

Mitigations

- We ensure we have supply agreements in place with multiple major wholesalers and manufacturers to ensure access to appropriate supplies including holding stock.
- We ensure we conduct regular pricing reviews with all major suppliers across all divisions for best possible pricing.
- We work closely with our Clinical Advisory Committee to ensure we are sourcing the best-quality products for our clients and their pets.
- Our procurement policy stipulates that we work with accredited suppliers.

Owner: Chief Financial Officer

Risk type: Operational/strategic /financial

Link to strategy:

Risk profile: M

Risk appetite: M

Read more on our strategy on **pages 16 and 17**

7. Epidemiology and pandemic

Description

The risk that future diseases may enter the UK or Australia leading to animal deaths, which may include mass culling leading to a decline in the pet population.

There is also the risk a future pandemic may lead to future lockdowns, impacting the level of service we can offer and affecting our revenue generation.

Context

The Group is mindful that operating in a sector which works closely with animals it opens up the possibility of colleagues and animals being impacted by epidemics. These may occur through diseases entering the UK and Australia due to importation of animals, and present risks of diseases transferring to humans, leading to operational disruption.

Mitigations

- The Group continues to invest in research and development and closely monitors trends and concerns through its well-established Clinical Advisory Committee.
- We ensure our colleagues have access to PPE to focus on increased protection if suspected cases are identified. Our notification system aids tracking and resolution of issues arising, with issues reported to the Board on a regular basis.
- We are prioritising research related to antimicrobial stewardship, to support responsible antibiotic prescribing or infection control, as well as supporting research projects within CVS in line with our antimicrobial stewardship priorities.
- We collaborate with the University of Liverpool to support the monitoring of infectious disease trends through surveillance generated from our companion animal practices, farm and equine practices and laboratories.

Owner: Chief Veterinary Officer

Risk type: Operational/strategic/ financial/regulatory

Link to strategy:

Risk profile: L

Risk appetite: L

Read more on our strategy on **pages 16 and 17**

Key:

No change to risk | Increasing risk | Reducing risk | N New risk | L Low | M Medium | H High

8. Sustainability

Description
The risk that the Group fails to deliver on its ESG strategy "Care at our Heart". Not focusing on the long-term goals of our ESG strategy, or failing to ensure we remain mindful of the effects and impacts of climate change including extreme weather such as flooding and heatwaves and how this impacts the Group both operationally and financially.

Context
The Group ensures that sustainability and climate change remain a key focus and our ESG strategy "Care at our Heart" continues to focus on ESG through our working groups.

Failure to act responsibly could negatively impact our reputation and result in financial loss.

Mitigations
- We are committed to discussing sustainability and ESG at every Board meeting and it is a regular agenda item. Our ESG strategy "Care at our Heart" is underpinned by four pillars: Care for the Planet, Care for our People, Care for our Clients and their Animals, and Care for our Communities.
- We monitor weather related risks including those affecting key locations and the critical supply of products. We also ensure our infrastructure can support remote working capabilities and emergency response procedures.
- Our capital investment programme ensures it considers climate-related risks during assessment and planning processes.
- We publish an annual Sustainability Report with SASB-compliant data and report in line with the TCFD recommendations.
- Where possible our vehicles are electric vehicles, we use energy from renewables sources and have smart meters in place to accurately track energy usage.
- Our Executive Committee bonuses include non-financial targets linked to our sustainability strategy.

Owner: Chief Executive Officer

Risk type: Operational/ strategic/financial

Link to strategy:

Risk profile: L

Risk appetite: M

Read more on our strategy on **pages 16 and 17**

What makes us CVS

Protecting data, strengthening trust

"We have a continual focus on understanding new threats with an aim of minimising the risk and impact of a potential cyber attack."

Steve Shreeves
Technology Director

Cyber attacks continue to be a risk for all businesses and, as cyber threats continue to evolve, protecting sensitive information remains a key priority. Throughout the year, we strengthened our cyber resilience through colleague training and security awareness campaigns, helping to safeguard our systems and data, reduce risk and ensure the secure delivery of services.

We continue to invest in security controls and recovery capabilities, supported by oversight from our Cyber Security and Data Protection Governance Risk Committee. Together, these measures help ensure we remain a trusted partner, providing our clients with confidence that their information is protected.

Key:

No change to risk | Increasing risk | Reducing risk | N New risk | L Low | M Medium | H High

The Strategic Report is approved for issue by the Board of Directors.

Scott Morrison
Company Secretary
24 September 2026

Corporate Governance

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What makes us CVS

Taking our responsibilities seriously

Over the past year, our teams have embraced a more thoughtful and sustainable approach to prescribing through our "Prescribing with Purpose" initiative. We have focused on reducing anaesthetic gas usage by optimising protocols and equipment checks, alongside strengthening antimicrobial stewardship through regular case reviews and adherence to prescribing guidelines. A more personalised approach to parasite prevention has also been introduced, with lifestyle and risk assessments guiding tailored recommendations for each patient.

These changes have helped reduce environmental impact while continuing to deliver high-quality patient care. Just as importantly, the initiative has encouraged collaboration, discussion and reflection among teams, supporting informed clinical decision making and helping ensure the best outcomes for patients.

"Prescribing with Purpose has encouraged us to make informed and responsible decisions that benefit both our patients and the environment. It's empowering to know that small changes in practice can make such a meaningful difference."

Emma and Trixie – West Mount Vets, Halifax

Strong governance supporting our purpose

Board diversity, skills and experience are key strengths that support robust governance and effective oversight. The breadth of perspectives and expertise across the Board helps ensure effective decision making, strong accountability and the successful delivery of our strategy over the long term.

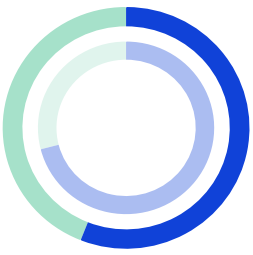
Effective governance is fundamental to how CVS operates. Through a clear governance framework, the Board and its Committees oversee strategic priorities, risk management, succession planning and stakeholder interests, while promoting high standards of conduct throughout the Group. The following pages provide an overview of Board composition, tenure, skills and meeting attendance during the year.

Board tenure



Board diversity

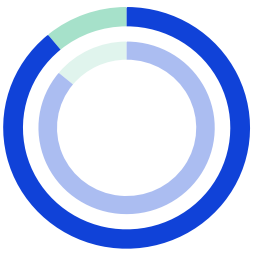
Gender



2025/26
- Male 56%
- Female 44%

2024/25
- Male 71%
- Female 29%

Ethnicity

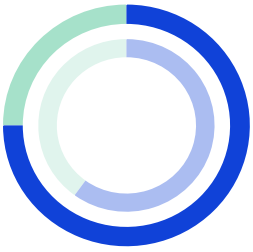


2025/26
- White 89%
- Ethnic minority 11%

2024/25
- White 86%
- Ethnic minority 14%

Executive Committee diversity

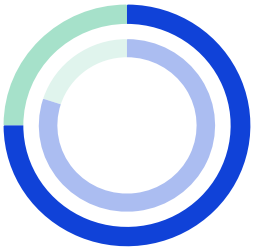
Gender



2025/26
- Male 75%
- Female 25%

2024/25
- Male 60%
- Female 40%

Ethnicity



2025/26
- White 75%
- Ethnic minority 25%

2024/25
- White 80%
- Ethnic minority 20%



Essential skills and experience

	Link to strategy	Richard Fairman	Robin Alfonso	Paul Higgs	David Wilton	Laura Hagan	Helen Keays	Joanne Shaw	Jane Bednall	Richard Gray
Corporate strategy		●	●	●	●	●	●	●	●	●
People and culture leadership		●	●	●	●	●	●	●	●	●
Brand and customer		●	●	●		●	●	●	●	
Innovation and proposition development		●	●	●		●		●	●	●
Operational expertise		●	●	●	●		●	●	●	
Clinical/healthcare		●	●	●				●		
E-commerce, sales and marketing		●	●			●	●	●	●	
Cyber, digital, AI and technology		●	●	●	●	●		●		
Risk management		●	●	●	●		●	●	●	●
Financial planning and reporting		●	●		●			●	●	●
Governance and legal		●	●	●	●	●	●	●	●	●
Stock market/investor relations		●	●	●	●	●	●			●
Mergers and acquisitions and private equity		●	●	●	●		●		●	●
Sustainability and ESG		●	●	●	●	●		●	●	●

Meeting attendance

	Board**	Audit and Risk Committee	Nomination Committee	Remuneration Committee
Number of meetings	**11**	**4**	**4**	**3**
David Wilton	11	4*	4	3
Deborah Kemp (resigned 30 June 2026)	11	4	4	3
Richard Gray	11	4	4	3
Joanne Shaw	11	4	4	3
Helen Keays (appointed 1 April 2026)	2	1	1	1
Jane Bednall (appointed 1 April 2026)	2	1	1	1
Laura Hagan (appointed 1 May 2026)	1	1	0	1
Richard Fairman	11	4*	4*	2*
Robin Alfonso	11	3*	4*	2*
Paul Higgs	11	3*	4*	2*

* In attendance by invitation of the respective Committee.

** There were eight scheduled Board meetings, with additional meetings held due to the Main Market move.

Supporting our purpose through good governance

"The Board recognises the importance of having a balance of skills, including clinical experience and diversity, to ensure decisions have been rigorously tested and to hold management to account."

David Wilton
Chair

Introduction

On behalf of the Board, I am pleased to introduce our Corporate Governance Report for the year ended 30 June 2026. This report sets out our approach to effective corporate governance and explains the key features of the Group's governance structure. Effective corporate governance forms the foundations of a well-managed organisation, and the external governance environment, encompassing guidelines and regulations, is subject to continuous evolution. CVS remains committed to prioritising actions that promote the Company's success, consistently seeking to achieve this through its governance framework in an appropriate manner.

Board changes

Ensuring we have the right balance of diversity, skills and experience on the Board was a focus in the year. I am pleased to have welcomed Helen Keays, Jane Bednall and Laura Hagan to the Board as independent Non-Executive Directors. These appointments to the Board bring additional expertise particularly in direct operating and governance experience across high-volume, multi-site retail, digital, and consumer environments and also improve our female representation to 44.0%. Helen, Jane and Laura received a tailored induction programme on appointment, including meetings with senior management, site visits and briefings on strategy, governance, risk, operations and stakeholder priorities. Read more about our Directors' skills on page 67.

We also announced the retirement of Deborah Kemp as an independent Non-Executive Director with effect from 30 June 2026, after more than eight years on the Board. Following Deborah's retirement Helen has taken over as Chair of the Remuneration Committee and Laura is now both the Senior Independent Director and Employee Engagement Director. We monitor the composition of the Board in order to ensure that we have the right balance of skills and experience.

Board effectiveness

Our annual Board performance review provides the Board, its Committees and individual Directors with an opportunity to consider and reflect on the quality and effectiveness of its decision making and performance. This year's external performance review, conducted by Gould Consulting with support from the Chair and Company Secretary, concluded that the Board continues to operate effectively. Further details are available on page 92.

Equity, Diversity and Inclusion

Our vision is to be the veterinary company people most want to work for – regardless of who they are, how they identify or their background. Our colleagues tell us that feeling included and able to be yourself is vital to feeling engaged and therefore we continue to foster an inclusive and equitable workplace environment alongside cultivating a "just culture", with fairness, openness and learning, by helping people feel confident to speak up when things go wrong, rather than fearing blame. More details on our people and culture are set out on pages 28 to 31 alongside our approach to Equity, Diversity and Inclusion on page 90.

Section 172 and stakeholder engagement

The Board used its collective expertise to exercise its judgement on numerous occasions during the year to ensure equitable treatment for the Group's stakeholders.

Key engagement activities this year have included engagement with shareholders in relation to our move from the Alternative Investment Market of the London Stock Exchange to the Main Market and subsequent to this proposed changes to our Remuneration Policy, which you can read about further on pages 97 to 102. Engagement has also focused on capital allocation and the completed share buyback of £20.0m in January 2026 and the £50.0m share buyback announced in May 2026 which remains ongoing.

Further details on how we have engaged with our stakeholders can be found on pages 79 to 82.

Sustainability

We take our ESG responsibilities seriously and this remains a key area of focus for stakeholders who want to work for, be a client of or invest in companies who do business responsibly.

The CEO continues to share updates at each scheduled Board meeting on our activities and progress. We are committed to reducing our environmental impact, improving lives across our value chain and growing our business in a way that is sustainable over the long term.

Our ESG metrics and targets have been reviewed and updated during the year to reflect that commitment. We are pleased to share more details on the progress we are making in our 2026 Sustainability Report.

Dividend

The Board is proposing a final dividend of 9.0p per Ordinary share (2025: 8.5p), subject to shareholder approval. Please see page 23 for further information.

Annual General Meeting (AGM)

We will hold our 2026 AGM on 25 November 2026 at 11:00 am. Full details, including the resolutions to be proposed to shareholders, will be set out in the Notice of AGM, which will be made available in the Investor Centre on our website.

Outcomes of the resolutions put to the AGM, including poll results detailing votes for, against and withheld, will be published on the Company's website and the London Stock Exchange once the AGM has concluded.

Continuing governance commitment

Our governance framework, described on page 73, is designed to be straightforward, without bureaucracy, to support the delivery of our business objectives. We believe that good governance provides the framework for stronger long-term value creation for all our stakeholders. We apply corporate governance in a way that is relevant and meaningful to our business and consistent with our culture and values.

This is our first Annual Report reporting against the UK Corporate Governance Code 2024 (the Code). Provision 29 of the Code will apply to the Group in June 2027 and the Audit and Risk Committee and Board have spent time overseeing the programme of work underway to identify, formalise and assess the effectiveness of the Company's material internal controls. You can read more about this in the Audit and Risk Committee Report on pages 83 to 87.

Our Corporate Governance Code statement of compliance and supporting disclosures can be found on page 72.

David Wilton
Chair
24 September 2026

Strengthening the Board

During this year we appointed three independent Non-Executive Directors to bring additional expertise, particularly in people development and leadership and consumer marketing and improve our female representation to 44.0%.



Helen Keays

"It's an exciting time to join CVS as we look to expand and acquire practices in both the UK and Australia. I enjoyed meeting the management team in the recruitment process and am looking forward to working with them."

"I have a strong understanding of customer behaviour developed across a variety of multi-site consumer businesses and retail organisations and will look to share that experience with my CVS colleagues."

"Specifically as Remuneration Committee Chair I will ensure that our remuneration plans incentivise and reward the right behaviours and decisions which will drive strong performance for CVS."



Jane Bednall

"CVS Group's move to the Main Market and the publication of the CMA's final decision gave rise to a brilliant opportunity to join the Board at a pivotal time in the Company's journey. With a strong balance sheet and cash to support capital allocation plans, the leadership team, with a passionate and dedicated workforce, now has the opportunity to continue its focus on growing the business both in the UK and Australia."

"As part of the Board, I trust that my experience of growing retail businesses, customer led transformation and building commercially successful brands with colleagues and customers genuinely at their core, in addition to leveraging wider Board skills, can contribute to the next stage of the journey."



Laura Hagan

"CVS has many opportunities ahead – continued expansion and growth and end to end digitisation linked to excellent customer experience for our clients, alongside the values of integrity, care and professionalism for the health and treatment of all of our animals. In addition, leading the industry in combining clinical excellence with long-term value accretion for our shareholders, employees and all stakeholders. As you might expect, I am keen to ensure we have the best talent throughout the organisation and that we embody a culture that is attractive and retentive to this talent, enabling the Group to grow profitably alongside clinical innovation; and great ways of working for all."

Leadership guided by our purpose and culture



David Wilton

Chair

Appointed[1]

Non-Executive Director: September 2021

Chair: May 2024

Career and experience

David is a qualified Chartered Accountant with more than 30 years' post-qualification experience as a Chief Financial Officer, Non-Executive Director (NED), Chair and consultant after many years in corporate finance, primarily in mid-cap M&A with Rothschilds. David has held roles in both public and private equity backed companies including as CFO of Sumo Group plc, Group Finance Director of WYG plc and NED and Chair of the Audit Committee of Sweett Group plc. David was NED and subsequently Chair at Frontier Developments plc until November 2023.

1. Chair of the Nomination Committee from 1 April 2026.



Laura Hagan

Senior Independent Non-Executive Director and Employee Engagement Director

Appointed[2]

May 2026

Career and experience

Laura has significant experience in people leadership, organisation design optimisation, scaling technology-led consumer platforms, international expansion and the delivery of customer-driven service through technology.

Laura has a strong blend of experience in both FTSE 250 and fast-growing privately owned companies, and is presently an Independent Non-Executive Director and Chair of the Remuneration Committee at FeverTree Drinks plc and was, until March 2026, Chief People Officer at Deliveroo plc. Laura's earlier executive roles include Chief People Officer at Gymshark Ltd, Chief HR Officer at Tate & Lyle plc and Group HR Director at Dyson Ltd.

2. Senior Independent Director and Employee Engagement Director from 1 July 2026.



Joanne Shaw

Independent Non-Executive Director

Appointed

July 2023

Career and experience

Joanne Shaw has significant healthcare experience from her current roles as Trustee and Audit Committee Chair at Cancer Research UK, Chair at the Royal College of Paediatrics and Child Health, and Deputy Chair at Vitality UK. She has held a number of previous Non-Executive roles over the past 17 years, including as Non-Executive Director and Chair of the Audit and Risk Committee at NHS England and the National Audit Office, Chair of NHS Direct, Non-Executive Director at Kensington and Chelsea Primary Care Trust and Chair of the British Equestrian Association. Joanne, a Chartered Accountant, was a former Management Consultant at Boston Consulting Group and has previous executive roles at the Medicines Partnership, the Audit Commission and Coopers and Lybrand.



Helen Keays

Independent Non-Executive Director

Appointed[3]

April 2026

Career and experience

Helen Keays brings substantial board-level experience in large-scale multi-site networks. Helen is an Independent Non-Executive Director and Chair of the Remuneration Committee at Nichols plc following an executive career in consumer-facing multi-site businesses across retail, mobile telecommunications and retail financial services. Helen has worked at Vodafone plc, latterly as General Manager of Singlepoint, and previously at Sears plc amongst other roles. Helen has previously been an Independent Non-Executive Director of The Restaurant Group, Domino's Pizza UK & Ireland, Communisis plc, Majestic Wine plc, Mattioli Woods plc and Chrysalis Group plc.

3. Chair of the Remuneration Committee from 1 July 2026.

Committee membership:

A Audit and Risk Committee
R Remuneration Committee
N Nomination Committee
Chair of Committee



Jane Bednall

Independent Non-Executive Director

Appointed

April 2026

Career and experience

Jane has deep expertise in omni-channel customer experience, brand, and customer led transformation across domestic and global multi-site businesses and significant executive experience in senior marketing and commercial roles with FTSE 50 service businesses, including British Airways, InterContinental Hotel Group (IHG), Centrica and most recently SSE where she was Chief Marketing Officer and formerly Managing Director of Retail Energy. Jane currently serves as an Independent Non-Executive Director of Fuller Smith & Turner plc and Independent Non-Executive Director and Chair of the Remuneration, People and Culture Committee for The King's Cross Group, appointed on behalf of Australian Super, Australia's largest pension fund. Jane has previously served as an Independent Non-Executive Director of DFS plc, EI Group plc and Smart Energy GB.



Richard Gray

Independent Non-Executive Director

Appointed[4]

July 2020

Career and experience

Richard is a career investment banker who has extensive capital markets, capital allocation and corporate finance experience. He is a Non-Executive Director of Alpha Real Capital, Vice Chairman of Invescore Group and an Advisor to Zeus Capital. He has previously worked at Panmure Gordon. Lazard, Charterhouse and UBS and was Chairman of CT Private Equity Trust plc.

4. Chair of the Nomination Committee until 31 March 2026.



Richard Fairman

Chief Executive Officer

Appointed

Director: August 2018
Chief Financial Officer: October 2018
Chief Executive Officer: November 2019

Career and experience

Richard spent six and a half years at the RAC Group, including as Chief Financial Officer. Prior to this, Richard qualified as a Chartered Accountant at EY, later working at PwC, following which Richard held roles including Finance Director of Virgin Money, Chief Financial Officer of Central Trust and Finance Director of Virgin Money Giving.



Robin Alfonso

Chief Financial Officer

Appointed

November 2019

Career and experience

Robin has proven experience across consumer-facing FTSE 250 and privately owned businesses.

Robin spent eight years at the RAC Group, initially as Group Financial Controller and then as Divisional Finance Director of its largest commercial division and profit centre, Consumer Roadside and Marketing. Prior to this, Robin qualified as a Chartered Accountant at PwC, following which he moved to Aviva where he performed a technical accounting role.



Paul Higgs

Chief Veterinary Officer

Appointed

July 2024

Career and experience

Paul is responsible for the clinical stewardship of all our veterinary practices across our territories. He joined CVS in 2018 as Clinical Director of Highcroft Referrals, now Bristol Vet Specialists. Paul qualified from the University of Cambridge in 2006 and was accredited as an RCVS recognised and EBVS® European Veterinary Specialist in Small Animal Internal Medicine in 2014. Paul is also a Fellow of the Royal College of Veterinary Surgeons and has previously held the post of Congress Chair at the British Small Animal Veterinary Association.



Scott Morrison

Company Secretary

Appointed

June 2023

Career and experience

Scott qualified as a solicitor in 1998, working at Eversheds for some years before moving into in-house roles. Initially at Kwik-Fit as Legal Director, he later joined Craegmoor Group Limited (a healthcare business) as General Counsel and RAC Group where he had the role of General Counsel and Company Secretary.

Corporate governance in support of the Group's strategy



Scott Morrison
Company Secretary

This Corporate Governance Statement explains how the Company is managed, the roles of the Board, its Committees and Directors as well as the Group's compliance with the standards set out in the UK Corporate Governance Code 2024 (the Code) for the financial year ended 30 June 2026. For further information about the Code set by the Financial Reporting Council (FRC), please visit the FRC's website at www.frc.org.uk.

The Company fully complied with the provisions set out in the Code throughout the financial year to 30 June 2026 and up to the date of this Annual Report and Accounts with the exception of Provision 24, with which it complied from 6 October 2025 and Provision 39, as detailed on page 94, with which it now complies from 1 July 2026. The Corporate Governance Report explains how the Company has applied the principles and provisions of the Code, and the guide below outlines where further information can be found within this report:

	Principles	Disclosure in the 2026 report
Board leadership and Company purpose	A, B, C, D and E	Page 1 and pages 70 and 71
Division of responsibilities	F, G, H and I	Pages 73 to 75
Composition, succession and evaluation	J, K and L	Pages 88 to 92
Audit, risk and internal control	M, N and O	Pages 83 to 87
Remuneration	P, Q and R	Pages 93 to 109

Board activity during the financial year to 30 June 2026

Strategy, business and operational performance	• Overseeing the move from the Alternative Investment Market to the Main Market of the London Stock Exchange • Overseeing the development of the five-year strategic plan • Reviewing and monitoring the Group's performance against the targets set out in the annual budget and five-year plan • Reviewing and approving major investments in property, facilities, clinical equipment, acquisitions and strategic divestments • Monitoring trading and market conditions, competitor activity and regulatory requirements
Financial performance	• Receiving Audit and Risk Committee Reports on full and half-year financial results • Reviewing and approving the Group's annual budget • Reviewing the Working Capital report as part of the move to the Main Market • Reviewing in-year forecasts prepared • Reviewing the capital allocation priorities including considering the Company's dividend policy and share buybacks and approving the allocation of capital for investment
Risk management and internal control	• Review of the Group's risk register • Receiving reports from the Audit and Risk Committee on the effectiveness of internal controls • Receiving a report of the Financial Position and Prospect Procedures as part of the move to the Main Market • Receiving a report on the Group's Provision 29 readiness and roadmap • Liaising with KPMG as internal auditor and reviewing internal audit reports from KPMG • Receiving regular updates on legal and regulatory matters
Board and Committee governance	• Receiving reports from the three Board Committees • Reviewing terms of reference for each Board Committee • Adopting the schedule of matters reserved to the Board • Receiving corporate governance updates • Conducting an annual review of Board effectiveness

Our governance framework

The Group's governance framework includes a schedule of matters reserved to the Board and its Committees with clear terms of reference for each Committee. The Board has a delegated authority policy which ensures that decisions are made at the appropriate levels within the Group:

The Board

Chair
Our Chair leads the Board with objective judgement and is responsible for ensuring its overall effectiveness.

Five independent Non-Executive Directors
Our five independent Non-Executive Directors provide independent oversight and constructive challenge to the Executive Directors and Chair.

Three Executive Directors
Our CEO, CFO and Chief Veterinary Officer (CVO) are appointed to the Board.

Board Committees

Read more at **https://www.cvsukltd.co.uk/investor-centre/corporate-governance/**

Audit and Risk Committee

Key responsibilities:
- reviewing and monitoring financial reporting;
- ensuring an appropriate internal control and risk management framework;
- monitoring internal and external audit arrangements (including auditor independence); and
- maintaining appropriate whistleblowing procedures.

Membership:
Joanne Shaw – Chair
David Wilton (ceased to be a member from 6 October 2025)
Deborah Kemp (resigned 30 June 2026)
Richard Gray
Helen Keays (As of 1 April 2026)
Jane Bednall (As of 1 April 2026)
Laura Hagan (As of 1 May 2026)

Nomination Committee

Key responsibilities:
- making recommendations on all Board appointments and succession planning;
- monitoring and reviewing Board composition; and
- undertaking an annual evaluation of the effectiveness of the Board and its Committees.

Membership:
David Wilton – Chair (Chair from 1 April 2026)
Richard Gray (Chair to 31 March 2026)
Deborah Kemp (resigned 30 June 2026)
Joanne Shaw
Helen Keays (As of 1 April 2026)
Jane Bednall (As of 1 April 2026)
Laura Hagan (As of 1 May 2026)

Remuneration Committee

Key responsibilities:
- assisting the Board in ensuring appropriate remuneration policies are in place for the Group;
- ensuring Executive Director remuneration is aligned to the strategic priorities of the Group and its performance; and
- making recommendations regarding Executive Share Plan (ESP), formerly known as Long-Term Incentive Plan (LTIP), terms and conditions, and awards.

Membership:
Helen Keays (Chair from 1 July 2026 and a member as of 1 April 2026)
Deborah Kemp – Chair (until 30 June 2026)
David Wilton
Richard Gray
Joanne Shaw
Jane Bednall (As of 1 April 2026)
Laura Hagan (As of 1 May 2026)

Executive Committee

The Executive Committee (Exco) comprises the Group CEO, CFO, CVO and Chief People Officer. The Exco assists the CEO in managing the Group's day-to-day operations and in the implementation of its strategy. The Exco meets on a weekly basis to set performance targets, monitor key objectives and commercial plans, monitor risk, and evaluate opportunities and business initiatives. Exco members report annually to the Board in person as well as providing monthly updates through the CEO, CFO and CVO Board reports. In FY27 a Chief Client Officer will be appointed to join Exco.

Senior Leadership Group (SLG)

The SLG comprises the heads of major business units and key service functions. The SLG meets on a monthly basis to collaborate, review Group performance and discuss major plans and developments.

Key elements of our culture

Element	Overview	Board and Committee oversight
Leading by example	The Board recognises that establishing and maintaining a strong corporate culture begins with its own conduct and behaviour.	Directors and senior management sought to lead by example; demonstrating the Company's values in their decision making, interactions with stakeholders and oversight of strategic priorities. The Board sets the Company's purpose, values and strategy as shown on page 1 and ensures behaviours throughout the organisation support the Company's long-term objectives.
Performance metrics	The Board reviews a broad range of non-financial KPIs that support CVS's culture, through strong colleague development and succession planning, along with a focus on benefits and rewards that incentivise our people to excel.	The Board receives regular reports addressing a wide range of non-financial considerations, including colleague NPS, to assist in its function of overseeing and monitoring our culture. See page 31 on how the Board promotes and embeds culture throughout the organisation.
Employee voice	We are committed to an inclusive culture where everyone can contribute and colleague wellbeing is a priority. Our "What Matters to You" framework supports wellbeing, while our annual conference provides opportunities for colleagues across the Group to connect and engage. We monitor colleague engagement through a monthly employee Net Promoter Score and maintain robust whistleblowing arrangements, including an independent third-party reporting system implemented in September 2025.	Results from ongoing colleague engagement are reported at the regular Board meetings. Non-Executive Directors attend the annual leadership conference and also regularly meet with colleagues to discuss key issues. Any whistleblowing reports are reviewed by the Board. In 2027, the Employee Engagement Director will continue to engage with colleagues through practice visits and at our annual leadership conference and is planning a series of employee listening groups.
Policies, pay, diversity and inclusion	We offer competitive financial and non-financial rewards and are committed to equal opportunities and equal pay to foster an inclusive culture. Our policies support this commitment, including a zero-tolerance approach to abusive clients to help ensure colleagues feel safe at work. We maintain an active EDI working group and have achieved "Disability Confident Committed" status, reflecting our commitment to accessible recruitment, guaranteed interviews for eligible disabled candidates, and appropriate workplace adjustments. We continue to identify opportunities to strengthen support for both our colleagues and prospective employees.	The Board has led in its commitment to EDI and considers reports on our ongoing sustainability and ESG initiatives at each meeting. Providing valuable suggestions as to ways new initiatives can be implemented and ensuring a culture of diversity and inclusion are thoroughly embedded within the Group. The Board is pleased its gender pay gap has remained stable at 37.9% (2025: 37.6%).
Risk management	Our internal controls and risk management systems are integral to the delivery of our strategy in a safe and sustainable way. They translate into our day-to-day risk culture throughout the Group.	The Audit and Risk Committee reviews internal controls and overall risk management of the Group including risk registers, as well as internal audit reports that are focused on risk management. It also provides guidance so risks are managed within appetite.
The way we do business	We provide comprehensive policies, training and guidance to our colleagues, reflecting the standards we expect them to adhere to, to uphold our values. We engage with all our stakeholders, including industry bodies, suppliers and the wider community, to inform ethical decision making and to help foster a culture of honesty and integrity.	Regular Board reporting includes updates on the wider veterinary community. Key policies are reserved for the Board's approval. The Audit and Risk Committee receives updates on compliance with policies reviewed by internal audit.
Health and safety	Our priority is to provide a safe and secure workplace for all, and we have a dedicated health and safety team along with policies and procedures in place to support this. We are committed to ongoing investment in our premises and facilities.	The Board monitors health and safety performance and considers any issues, such as any Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) reports, at scheduled meetings.
Sustainability	Our care for our clients and their animals extends beyond the services we provide to considering our wider impact on the environment. We are always looking for ways to increase our sustainability and make changes for the better.	The Board monitors sustainability performance regularly at Board meetings and publishes an annual Sustainability Report. See page 32 for further information.

Structure of the Board and Board Committees

At 30 June 2026, the Board of Directors consisted of ten members, including five independent Non-Executive Directors, plus our Chair. Helen Keays and Jane Bednall were both appointed to the Board on 1 April 2026, with Laura Hagan being appointed on 1 May 2026. Deborah Kemp stepped down from the Board and all its Committees as of 30 June 2026. Richard Fairman announced his intention to retire from the Company on 30 March 2026 and is committed to remaining in office until a suitable replacement has been appointed and an orderly handover is implemented. The responsibilities of the Board members are set out in the chart below. The Board and its Committees have access to management and external advisors to assist them in discharging their duties. During the year ending 30 June 2026, the Board and Board Committees received sufficient, reliable and timely information in order for them to perform their responsibilities effectively.

Roles and responsibilities

There is a clear division of responsibilities between the Chair and the CEO, and all Board members have clearly defined roles and responsibilities as set out below. Board members have the range of skills and experience required to ensure the successful operation, growth and sustainability of the Group, as set out in their biographies on pages 70 and 71.

Role	Name	Responsibility
Chair	David Wilton	The Chair is responsible for leading the Board with objective judgement and for ensuring its overall effectiveness. The Chair facilitates constructive Board relations and the effective contribution of all Non-Executive Directors. The Chair ensures that the Directors receive accurate, timely and clear information as well as overseeing the governance framework.
CEO	Richard Fairman	The CEO is responsible for setting the Group strategy and capital allocation and leading the Company's Executives in managing the day-to-day operations of the Group. The CEO is accountable for and reports to the Board and is assisted in his role by the Group's Exco, the members of which report directly or indirectly to the CEO.
CFO	Robin Alfonso	The CFO reports to the CEO and is responsible for the day-to-day management of the Group's finances and support operations, development and implementation of financial strategy as well as supporting the CEO with developing and implementing Group strategy.
CVO	Paul Higgs	The CVO reports to the CEO and is responsible for clinical care alongside learning, education and development. The CVO works with our veterinary regulators and provides essential specialised information to the Board on the veterinary industry.
Senior Independent Director	Deborah Kemp (until 30 June 2026) Laura Hagan (as of 1 July 2026)	The Senior Independent Director (SID) provides advice, additional support and experience to the Chair.
Employee Engagement Director	Deborah Kemp (until 30 June 2026) Laura Hagan (as of 1 July 2026)	The Employee Engagement Director engages with the workforce of the Group, reporting any legitimate concerns to the Board for consideration.
Non-Executive Directors	Richard Gray Joanne Shaw Helen Keays Jane Bednall Laura Hagan Deborah Kemp (until 30 June 2026)	Non-Executive Directors provide constructive challenge, strategic guidance and specialist advice as well as holding management to account and being available to work with the Chair to resolve any contentious issues.
Company Secretary	Scott Morrison	The Company Secretary acts as Secretary to the Board and its Committees and is responsible for ensuring that the Board has the policies, processes, information, time and resources it requires in order to function effectively and efficiently as well as supporting the Chair in developing and overseeing the governance framework.

Board and Committee meeting attendance

The Board met formally eleven times in the financial year ended 30 June 2026 with meetings planned around key events in the corporate calendar including interim results, full-year results and the Annual General Meeting (AGM). The Non-Executive Directors confirm that they have sufficient time to devote in order to effectively discharge their Board responsibilities. In addition to the scheduled Board meetings and other Committee meetings, the Non-Executive Directors make themselves available for ad hoc meetings and Board calls to receive regular updates and to deal with specific projects or matters arising throughout the year.

The Chair and Non-Executive Directors meet from time to time as appropriate without the Executive Directors present as well as meeting with the external auditor at least annually without the Executive Directors present.

The table on page 67 sets out attendance at Board meetings during the financial year ended 30 June 2026.

Board composition

The Nomination Committee will continue to regularly review the diversity of the Board, the Executive Committee and the Senior Leadership Group. The Board is considered to have an appropriate mix of skills, experience and tenure. The Board believes that appointments should be made solely on merit, an ethos which applies across the business. The Board continues to ensure that it maintains an appropriate balance through a diverse mix of experience, background, skill, knowledge and insight. Further information on Board diversity is detailed on page 66.

Helen Keays and Jane Bednall were appointed as Non-Executive Directors on 1 April 2026. Laura Hagan, also Non-Executive Director, was appointed 1 May 2026. They therefore did not attend any Board meetings prior to their respective appointment dates.

Board processes and effectiveness

The Board maintains a formal schedule of matters reserved for its approval which includes matters of strategy, structure and capital, financial reporting and internal controls, major contracts, Board membership, remuneration, delegation of authority and corporate governance. Matters that fall outside of those reserved to the Board or its Committees fall within the responsibility and authority of the CEO, CFO and the CVO and are either reserved to them or delegated further through the Group's delegated authorities policy.

Board and Committee papers are circulated well in advance of meetings and Directors have access to a Board portal containing Board packs and reference materials from previous meetings as well as all Board policies and procedures. In addition to formally scheduled meetings, the Chair maintains regular contact with the Non-Executive Directors, CEO, CFO, CVO and Company Secretary in performing his duties leading the Board.

Read more about the Board evaluation conducted in the year on **page 92**

Board induction and training

New Directors appointed to the Board undertake an induction programme to assist in developing their understanding and awareness of the business, its governance framework and Group policies and procedures. Induction training is tailored to suit the requirements of each new Director and includes site visits to practices around the Group, meetings with the heads of Group functions and one-on-one meetings with fellow Board members, Executive Committee members, the Company Secretary and the Company's external advisors in addition to being provided with details of the Group's policies and procedures.

New Board members also receive appropriate training on the Market Abuse Regulations delivered by the Company Secretary or external legal counsel.

Independence

Deborah Kemp, Richard Gray, Joanne Shaw, Helen Keays, Jane Bednall and Laura Hagan are all considered to be independent by the Board. David Wilton, Chair, was considered to be independent at the date of appointment.

All Directors will offer themselves for re-election at the 2026 AGM of the Company including Richard Fairman, CEO, unless a successor has been appointed.

Relations with shareholders

Copies of the Annual Report and Financial Statements are issued to all shareholders where requested and copies are available on the Group's website www.cvsukltd.co.uk/investor-centre/results-and-reports/. The Group also uses its website to provide information to shareholders and other interested parties. The Company deals with shareholder correspondence as and when it arises throughout the year.

The CEO, CFO and CVO have regular meetings with institutional investors, private client brokers, individual shareholders, fund managers and analysts to discuss information made public by the Group.

The Chair and the Non-Executive Directors are always available to shareholders on all matters relating to governance and strategy. They may be contacted through the Company Secretary by email at company.secretary@cvsvets.com.

Shareholder engagement

There has been considerable engagement with institutional and retail investors during the year ended 30 June 2026, including:

July 2025

- Trading update

October 2025

- Preliminary results
- London and Edinburgh investor roadshow
- Private client fund manager roadshow
- Engage retail investor webcast
- Jefferies Healthcare C-Suite Back to School Series
- Annual Report and Accounts published

November 2025

- London roadshow
- US and Canada roadshow
- Nordics and Paris roadshow
- Investec UK CEO Conference
- Annual General Meeting
- Trading update
- CVS Group Conference

December 2025

- Berenberg European Conference

January 2026

- Trading update
- RBC UK Focus Conference
- dbAccess UK and Ireland Conference
- Move to the Main Market of the London Stock Exchange

February 2026

- Half-year results presentation
- London investor roadshow

March 2026

- London investor roadshow cont.
- Private client fund manager roadshow
- Engage retail investor webcast
- Berenberg UK Corporate Conference

May 2026

- Berenberg European Conference New York

June 2026

- Peel Hunt FTSE 250+ Conference

The Audit and Risk Committee

Joanne Shaw chaired the Committee throughout the year under review. Committee membership is shown on page 83.

The Board considers that the members of the Audit and Risk Committee have recent and relevant financial expertise, and that the Committee as a whole has competence relevant to the sector in which the Company operates.

The Audit and Risk Committee's duties primarily concern financial reporting, internal control and risk management systems, whistleblowing procedures and internal audit and external audit arrangements (including auditor independence).

The Audit and Risk Committee Report can be found on pages 83 to 87.

The Nomination Committee

David Wilton chaired the Nomination Committee from 31 March 2026, succeeding Richard Gray who remains a member of the Committee. Committee membership is shown on page 88.

The Nomination Committee is responsible for reviewing the structure, size and composition, including skills, independence, knowledge and experience of the Board. It is also responsible for the co-ordination of the annual evaluation of the performance of the Board and of its Committees, and for ensuring appropriate succession plans are in place.

During September 2025, the Board Chair, assisted by the Company Secretary, worked with external consultants to carry out a review of Board effectiveness which included a review of the information provided to the Board, the composition of the Board, the decision-making processes, the Board Committees and the Board's annual agenda.

The Board has committed to adopting an annual review and an external review to be carried out every three years in accordance with best practice.

Read more about our external Board evaluation on **page 92**

The Committee is responsible for making recommendations to the Board on all Board appointments and on the succession plans for both Executive Directors and Non-Executive Directors.

The Nomination Committee Report can be found on pages 88 to 92.

The Remuneration Committee

Deborah Kemp chaired the Remuneration Committee throughout the year under review and was succeeded by Helen Keays from 1 July 2026. Committee membership is shown on page 93.

The Remuneration Committee has delegated responsibility for designing and determining remuneration for the Chair and for senior management including the Executive Directors and the Company Secretary.

The CEO, CFO and CVO were invited to attend meetings as appropriate but do not participate in discussions relating to their own remuneration.

The Remuneration Committee Report can be found on pages 93 to 109.

Management Committees

In addition to the Board Committees, the Group has a number of Management Committees to help support the Executive Committee members in the implementation of strategy and risk and governance oversight across their respective divisions.

- Disclosure Committee
- Acquisitions Committee
- Capital Expenditure Committee
- Health and Safety Committee
- Clinical Advisory Committee
- Pricing Committee
- Technical Committee
- Sustainability Committee
- Cyber and Data Protection Risk Committee

The Company Secretary

The Company Secretary is responsible for ensuring that Board procedures are complied with, advising the Board on all governance matters, supporting the Chair and helping the Board and its Committees to function efficiently. All Directors have access to the advice of the Company Secretary.

Scott Morrison was Company Secretary throughout the year under review.

Annual General Meeting (AGM) 2025 – voting results

In the 2025 AGM results announcement, the Board of CVS noted that all the resolutions had been passed with the requisite majority. In compliance with the Code, the Board of Directors engaged with shareholders to discuss their feedback in relation to resolutions that obtained greater than 20% of votes cast against. An interim update statement was released on the Company's Investor Relations website and the final statement is available on page 93.

Whistleblowing

The Group's whistleblowing policy is reviewed by the Board annually. The policy sets out the procedures for employees or third parties to raise concerns about any suspected wrongdoing. Employees also have access to a wide range of alternative and informal routes through which to raise concerns. This reflects the open culture and strong internal communication channels of the Group, in line with its strategy, and supports the formal whistleblowing policy it has in place.

The Board is notified of any whistleblowing reports received at the next Board meeting and will receive more detailed reports of any investigations that take place. There were no major issues reported to the Board under the whistleblowing policy during the year.

An external whistleblowing service was implemented in the first quarter of the financial year, ensuring staff can raise their concerns with assurance of anonymity and allowing for greater transparency and oversight.

Audit, risk and internal control

The Board is ultimately responsible for the Group's system of internal control and for reviewing its effectiveness on an ongoing basis.

The system is designed to manage rather than eliminate the risk of failure to achieve the Group's strategic objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The key risk management processes and internal control procedures include the following:

- the close involvement of the Executive Directors in all aspects of the day-to-day operations, including regular meetings with senior colleagues from across the Group and a review of the monthly operational reports compiled by senior management;
- clearly defined responsibilities and limits of authority. The Board has responsibility for strategy and has adopted a schedule of matters which are required to be brought to it for decision;
- a comprehensive system of financial reporting, forecasting and budgeting. Detailed budgets are prepared annually for all parts of the business. Reviews occur throughout the management structure culminating in a Group budget which is considered and approved by the Board. Group management accounts are prepared monthly and submitted to the Board for review. Variances from the budget and the prior year are closely monitored and explanations are provided for significant variances. Independent of the budget process, the Board regularly reviews revised profit, cash flow and bank covenant compliance forecasts, which are updated to reflect actual performance trends;
- a continuous process for identifying, evaluating and managing significant risks across the Group together with a comprehensive annual review of risks which covers both financial and non-financial areas;
- an independent internal audit function provided by KPMG that reports to the Chair of the Audit and Risk Committee;
- a central team that checks clinical and health and safety compliance in all parts of the Group; and
- the Company's Delegation of Financial Authority.

The Board is committed to maintaining high standards of business conduct and ethics and has an ongoing process for identifying, evaluating and managing any significant risks in this regard.

The internal control procedures are delegated to the Executive Directors and senior management and are reviewed in light of the ongoing assessment of the Group's significant risks.

Remuneration

The Board considers that policies on Executive remuneration should be transparent. They should be implemented in a manner which supports strategy and promotes long-term sustainable growth. In addition, remuneration should reflect the performance of both the Company as well as individuals. The Board has delegated to the Remuneration Committee responsibility for complying with these aspects of the Code and the work of the Committee is reported in full on pages 93 to 109 of this Annual Report. The Group's 2026 remuneration policies are fully in compliance with the principles and provisions of the Code save for pensions alignment per Provision 39 as disclosed on page 97. During the year, it was decided as of 1 July 2026 the necessary changes would be implemented to bring the Group into alignment with Provision 39.

Annual General Meeting (AGM)

The Annual General Meeting of the Company will take place on 25 November 2026. Full details of resolutions to be proposed to our shareholders will be set out in the Notice of AGM which will be made available in the Investor Centre on our website.

Outcomes of the resolutions put to the AGM, including poll results detailing votes for, against and withheld, will be published on the website of the Company and the London Stock Exchange once the AGM has concluded.

By order of the Board

Scott Morrison
Company Secretary
24 September 2026

Section 172(1) statement and stakeholder engagement

Engaging stakeholders, delivering our purpose

Section 172(1) statement

Our Section 172(1) statement sets out how the Board has given regard to the matters set out in Sections 172(1)(a)–(f) of the Companies Act 2006 (s172) in performing its duties over the course of the year. The Company's purpose, vision and strategy are reviewed and discussed annually by the Board to ensure that these continue to promote the long-term success of the Company for the benefit of its members as a whole, whilst also having regard to the matters set out in s172.

Purpose, vision and strategy

Our purpose is to provide the best care to as many animals as possible and our vision is to be the veterinary company people most want to work for. This purpose and vision shape our culture, guide our decisions and keep us focused on delivering positive outcomes for animals, clients and colleagues.

Consideration of s172 factors by the Board

The table on page 80 sets out some key decisions taken by the Board during the year and how engagement with stakeholders has been discussed and taken into consideration in decision making.

The Board has a duty to act for the benefit of its members as a whole whilst having regard to the matters set out in s172:

a. the likely consequences of any decision in the long term;

b. the interests of the Company's employees;

c. the need to foster the Company's business relationships with suppliers, customers and others;

d. the impact of the Company's operations on the community and the environment;

e. the desirability of the Company maintaining a reputation for high standards of business conduct; and

f. the need to act fairly as between members of the Company.

Stakeholder engagement

The Board has identified seven key stakeholders that are essential to the delivery of the Company's strategy and long-term success, details of which are set out in the following pages. Our colleagues, our clients and their animals, our investors, our communities, our industry bodies, our suppliers and our environment are at the heart of what we do; it is of the highest importance that we as a Board engage with all of our stakeholders through a combination of direct engagement and information provided by management, to meaningfully inform decision making and ensure that we provide value in all areas of our business. We promote an ongoing dialogue with all of our stakeholders where possible to enable us to act on feedback and foster a culture of honesty and integrity. The following pages explain how the Board gains insight into stakeholder views and how these considerations have influenced Board discussions and decisions during the year.



Consideration of s172 factors by the Board

Board decision	s172 considerations
Listing on the Main Market of the London Stock Exchange The Board considered and approved moving from the Alternative Investment Market to the Main Market of the London Stock Exchange. Links to s172: a, c, e and f	The Board considered the merits of transitioning to the Main Market, with the alternative of staying on AIM, and determined that such a move would provide access to deeper pools of capital across a broader range of investors, offer the potential for index inclusion, improve trading liquidity, and enhance the Group's corporate profile. The Company extensively engaged with shareholders and potential shareholders during the transition and communicated with colleagues at our Group Leadership Conference. The Board concluded the move to the Main Market provide the Company longer-term benefits as detailed above. The Company achieved FTSE 250 Index inclusion in March 2026.
Dividend and share buyback programme During the year, the Board approved a final dividend of 8.5p per Ordinary share as at 7 November 2025 for the year ended 30 June 2025. The Group also completed a £20.0m share buyback programme and announced a further £50.0m share buyback programme in May 2026 which remains underway. All shares repurchased under the programme were cancelled, reducing the Company's issued share capital. Links to s172: a, c, e and f	The Board considered the Company's capital position and performance and agreed the continuation of its progressive dividend policy which is based on growing the dividend per Ordinary share over time. The Board approved and oversaw the implementation of the Group's share buyback programmes as part of its capital allocation framework. In reaching its decision, the Board considered the Group's financial position, investment requirements and long-term strategic objectives and its prevailing share price alongside the interests of shareholders and other key stakeholders, and concluded that the buyback represented an appropriate use of capital whilst maintaining flexibility to support future growth and investment.
Appointment of new Non-Executive Directors During the course of the year, the Board appointed three new Non-Executive Directors. Links to s172: a, e and f	The Board regularly reviews its composition to ensure it has an appropriate balance of skills, experience, independence and diversity to support the successful delivery of the Group's strategy. During the year, Helen Keays, Jane Bednall and Laura Hagan joined the Board. Collectively, these appointments broaden the Board's experience and perspectives, enhance diversity of thought and representation, strengthen governance capabilities and support effective oversight of the Group's long-term strategy and stakeholder interests.

1. Our colleagues

Why this matters to the Board

Our colleagues play a vital role in delivering our purpose of providing the best care to as many animals as possible. To achieve our vision of being the veterinary company people most want to work for, we engage with colleagues to understand their experiences and priorities, helping us support wellbeing, development and long-term career growth.

How the Board gains insight

- Through regular calls with our team and practice leaders.
- Through our dedicated Employee Engagement Director.
- Through our employee Net Promoter Score surveys (eNPS).
- At our annual leadership conference.

2026: Outcomes

- Our colleague eNPS score increased to +5.8 from +3.1 in 2025, reflecting our continued focus on colleague engagement and wellbeing, together with a positive recovery following the uncertainty created by the CMA investigation.
- We continued to focus on the CVS (UK) Ltd median gender pay gap, which has reduced to 37.9% from 43.8% in 2022, reflecting progress towards greater gender balance across the business.
- Introduction of the MiHR Pawtal, equipping managers with on demand resources and guidance to support consistent and effective people management across the Group.
- CVS introduced a new in-country Employee Assistance Programme (EAP) in Australia, enhancing support for colleagues.

Sustainability focus: Our long-term ambitions

- Becoming the veterinary company people most want to work for.
- Fulfilled vets and nurses who have the equipment, access to expertise and support to provide the best possible care for animals.
- Equal opportunities for all colleagues.
- Having the best learning, education and development (LED) platform in the industry.
- Continued strong employee Net Promoter Score with a 2026 target to increase our eNPS score to +7.0.

2. Our clients and their animals (customers)

Why this matters to the Board

Customers rightly expect the highest-quality care for their animals. We provide this through our veterinary services model which enables us to deliver high clinical standards and quality facilities.

We engage with our customers to ensure we are meeting high standards of service and to identify opportunities to improve client service.

How the Board gains insight

- Reports on regular clinical and non-clinical feedback and engagement.
- Observing social media channels for individual practices and for the Group.
- Monitoring of client feedback and complaints.
- Through monitoring of our client Net Promoter Score (cNPS).

2026: Outcomes

- Client NPS has increased to +80.6 from +78.9 in 2025.
- Launch of Healthy Pet Club Advanced on 1 July 2026, offering customers greater peace of mind through unlimited consultations alongside a range of preventative healthcare benefits.
- Launch of "CVS Vets" joint branding online and in practices.

Sustainability focus: Our long-term ambitions

- A healthy pet population.
- Outstanding clinical expertise.
- The best possible service for pet owners and their animals.
- High levels of preventative healthcare, which we can support through membership of our preventative healthcare schemes.
- Continued strong client Net Promoter Score.

3. Our investors (shareholders)

Why this matters to the Board

We actively engage with our shareholders, highlighting our investment case and communicating our future plans, to ensure the Group's strategy is aligned to the interests of its shareholders.

Our shareholders hold us accountable for doing the right thing, and by engaging with them we can understand and act on their expectations, enabling us to drive the business forward, deliver sustainable growth in shareholder returns and attract additional investors to support the business.

How the Board gains insight

- Shareholder consultation on key issues raised through AGM voting or through regular meetings.
- Attendance at broker conferences and roadshows across the UK, the US, Canada and Europe. Shareholders have access to senior management and receive appropriate communications.

2026: Outcomes

- At the 2025 AGM, 100.0% of resolutions were passed with all resolutions achieving over 77.7% votes for.
- During the year, we attended 14 investor roadshows and conferences alongside all Directors making themselves available to meet investors on request.
- Investor webcasts with question and answer sessions, with our dedicated investor presentation on capital allocation in July 2026.
- We paid £6.1m in dividends relating to the year ended 30 June 2025, representing 8.5p per share. In 2026, we have proposed a dividend of 9.0p per share.
- Successfully transferred from AIM to the Main Market of the London Stock Exchange, strengthening the Company's capital markets presence and expanding access to potential investors.

Sustainability focus: Our long-term ambitions

- Sustainable shareholder value and long-term growth.
- Progressive dividend policy.
- Shareholder consultation on key issues raised through AGM voting or through regular meetings.
- Shareholders continue to have access to senior management and receive appropriate communications.

4. Our communities

Why this matters to the Board

We regularly engage with local communities in which our practices operate, communities of pet owners and animal carers and the communities to which our colleagues belong, in order to understand how we can support them.

By engaging with our communities, we can find ways to contribute positively to the environments in which we work, promote employment satisfaction within our operations and support our communities to achieve common goals.

How the Board gains insight

- Our practices engage within their local communities, providing key care to animals for local charities or individuals who identify animals in need.
- We observe social media posts on topical pet care items, e.g. how to protect pets in hot weather.
- We have a charity of the year, which is chosen by our colleagues; in 2025–26 our colleagues chose StreetVet, for which we held fundraising events from locally arranged events to Group-wide initiatives.

2026: Outcomes

- Our colleagues, combined with donations from our clients, raised funds in 2026 for our charity of the year, StreetVet. CVS also continued its annual donation to Vetlife.
- The Big Team Challenge will plant 114 trees on our behalf following our team distance challenge.

Sustainability focus: Our long-term ambitions

- Increasing the socio-economic diversity of qualified veterinary surgeons and nurses in CVS and the wider profession.
- Raising money for relevant charities.
- Promoting the responsible use of antibiotics and reducing their use, whilst balancing animal welfare.

5. Our industry bodies

Why this matters to the Board

We actively engage with our industry bodies, including the Royal College of Veterinary Surgeons (RCVS), the British Veterinary Association (BVA) and the British Veterinary Nurses Association (BVNA), to promote innovation and advancement within the veterinary industry.

How the Board gains insight

- Regular liaison with industry bodies including the Royal College of Veterinary Surgeons, British Veterinary Association, British Veterinary Nursing Association, and more through the Chief Veterinary Officer.
- Support veterinary schools and students with intra-mural and extra-mural studies.
- Appropriate colleagues attend update calls and webinars with regulatory bodies to understand upcoming regulatory changes.

2026: Outcomes

- We published our annual Quality Improvement Report. An organisation that is committed to quality improvement should be prepared to share its results, celebrate progress and recognise success in learning, which is what we aim to achieve with this report.
- We are active within the veterinary community, engaging with industry bodies on topical subjects and supporting veterinary professionals to advance the profession, for example through our Clinical Research Awards. We also support charities, such as Vetlife, that support individuals and their families in the veterinary community.
- We have also contributed to broader sector initiatives, including participation in the Veterinary Sustainability Roundtable.
- CVS hosted 1,687 weeks of intra-mural rotations.
- Our CVO and other senior colleagues have engaged with our industry bodies on regulatory change of the Veterinary Surgeons Act 1966.
- Our colleagues published 88 peer reviewed papers.

Sustainability focus: Our long-term ambitions

- Raising standards across the industry.
- Involvement in setting strategy and policy, collaborative projects, meetings and events.
- Tracking the numbers of veterinary and nurse students we have supported with training.

6. Our suppliers

Why this matters to the Board

We are proud to have long-term relationships with our wholesalers and manufacturers, regularly communicating with them to promote positive relationships. Through these relationships we can generate consistent custom for our suppliers, in return achieving mutually favourable terms on purchases.

We engage with our suppliers to deliver ongoing benefits to our businesses, collaboratively finding operational and sustainable improvements and delivering improved value.

We have shared sustainability goals with some of our key suppliers. We recognise that through working together we can reduce our impact on the environment.

How the Board gains insight

- We have a clearly defined procurement policy.
- We receive updates from regular meetings with suppliers to review performance, agree terms and identify additional opportunities for future growth.
- Key suppliers are invited to attend our annual leadership conference to understand our business, engage with other key stakeholders and ask any questions they may have.

2026: Outcomes

- We continued to nurture our strong working relationships with our key suppliers, including attendance at conferences, inviting suppliers to host stands at internal meetings and collaborating on marketing campaigns.
- One of the veterinary sector's first lifecycle analyses (LCA) was completed for an own-brand product, MiPet Meloxaid, establishing a sustainability benchmark and strengthening transparency through supplier collaboration.
- We strengthened the integration of sustainability within procurement by rolling out an ESG assessment questionnaire, completed by 105 suppliers, providing valuable insights into their environmental, social and governance performance.

Sustainability focus: Our long-term ambitions

- Reducing the volume of products we use that generate large amounts of waste.
- Collaborative initiatives that reduce plastic, packaging and delivery emissions.
- Continuing to embed supplier and product sustainability into purchasing processes with the aim of improving our own credentials.

7. Our environment

Why this matters to the Board

Our long-term success depends on the sustainable use of the planet's resources.

How the Board gains insight

- As well as monitoring our KPIs closely, we also take part in accreditations that demonstrate our environmental standards, such as the RCVS Practice Standards Scheme.

2026: Outcomes

- We continue to source our electricity from renewable sources in the UK.
- Our "Prescribing with Purpose" programme, has focused on reducing the environmental impact of anaesthetic gases such as isoflurane.
- Smart meters had been installed across 85% of gas supplies and over 90% of half-hourly electricity supplies, each providing live consumption data.
- We have expanded our emissions reporting to include Australian operations within our SECR disclosures, marking an important step towards more comprehensive and consistent sustainability reporting across our operations.

Sustainability focus: Our long-term ambitions

- Monitoring and reducing our environmental impact.
- Reducing waste sent to landfill and increasing the proportion of our non-medical waste recycled.
- Reducing our energy use and carbon footprint.

What makes us CVS

Working together in practice

A project involving 54 small animal practices demonstrated how structured auditing, reflective learning and strong team engagement can improve infection prevention standards. Led primarily by registered veterinary nurses, each practice appointed a local infection control lead to coordinate audits and encourage participation.

Practices were supported with educational resources, reflective learning tools and facilitated discussions to help identify and address infection control risks. Over the course of the project, audit scores improved by an average of more than six points, with the greatest gains seen where regular audits and team reflection were embedded.

The initiative also increased awareness of contamination risks, strengthened team ownership and reinforced that effective infection control is a shared responsibility across the whole practice.



Audit and Risk Committee report

Enhancing governance, controls and assurance



Joanne Shaw
Audit and Risk Committee Chair

The Audit and Risk Committee liaises with the external auditor, reviews the Annual Report and Financial Statements, and considers matters relating to internal controls. The Committee comprises Non-Executive Directors with significant senior leadership and financial experience, providing the skills and judgement required to oversee these areas effectively.

The Committee has a particular focus on the following areas:

- reviewing and challenging the Group's financial reporting including the integrity of the financial statements, narrative and significant financial judgements; and
- the effectiveness of the internal control and risk management framework alongside the wider compliance environment reporting including whistleblowing.

The Committee's roles and responsibilities are covered in its terms of reference which are available on our corporate website www.cvsukltd.co.uk/investor-centre/corporate-governance/.

Committee composition during the year to 30 June 2026

Joanne Shaw – Chair
Richard Gray
Deborah Kemp (resigned 30 June 2026)
David Wilton (ceased to be a member on 6 October 2025)
Helen Keays (appointed 1 April 2026)
Jane Bednall (appointed 1 April 2026)
Laura Hagan (appointed 1 May 2026)

The Committee member attendance table is shown on page 67. In addition to formal meetings during the year, there were regular informal discussions on succession plans and appointments at the Senior Leadership Group level.

Introduction

I am pleased to present the Committee's report for the year ended 30 June 2026. This report explains how the Committee discharged its responsibilities during the year, including its oversight of the integrity of the Group's financial statements, the effectiveness of the financial control environment and the Group's risk management framework.

During the year, the Committee led a competitive tender process for the external audit, which resulted in the recommendation to re-appoint Deloitte LLP as external auditor. Further information is set out on page 85.

We also approved non-audit services to be undertaken by Deloitte LLP, as Reporting Accountant on the Group's move from the Alternative Investment Market to the Main Market of the London Stock Exchange alongside the review of the Group's consolidated interim financial statements.

We also oversaw the Group's outsourced internal audit function which reports directly to the Committee. The Committee has responsibility for the annual internal audit plan, reviewing key outputs and assessing the performance of the internal audit function.

The agenda of each meeting is linked to the reporting requirements of the Group and it's financial calendar. Each Audit and Risk Committee member has the right to require reports on matters relevant to its terms of reference in addition to the regular items.

Key activities in 2026

The Committee met four times during the year; the summary below represents the key Committee activities during the year:

August 2025

- Approved the engagement of Deloitte LLP to provide non-audit services as Reporting Accountant for the move from the Alternative Investment Market to the Main Market.

October 2025

- Reviewed the 2025 Annual Report, including:
  - significant accounting issues, managements key judgement, alternative performance measures and other key disclosures;
  - going concern and viability and impairment review papers;
  - ensuring the report was fair, balanced and understandable; and
  - risk disclosures.
- Considered Deloitte's external audit report on the 2025 Annual Report and Financial Statements, including:
  - challenged the external auditor's audit findings memorandum, including conclusions on identified audit risks;
  - materiality, adjusted and unadjusted misstatements; and
  - control observations and related disclosure enhancements.
- Held private discussions with the audit partner without management present.
- Reviewed internal audit report findings and updates.
- Reviewed the effectiveness of the Group's risk management framework and internal control environment.
- Reviewed the performance and independence of the external auditor and recommended its re-appointment.
- Ensured that there were no related party conflicts.
- Reviewed compliance with the UK Corporate Governance Code as presented annually by the Company Secretary.
- Reviewed progress on Provision 29 planning and roadmap updates.
- Conducted the annual review of the effectiveness of KPMG as the internal audit services provider to the Group.

February 2026

- Agreed the fees to be paid to the external auditor for its audit of the 2026 financial statements, including additional audit fees for the Australian audit.
- Reviewed progress on Provision 29 planning and roadmap updates.
- Reviewed internal audit report findings and updates.
- Assessed the external auditor's planning paper.
- Reviewed and agreed the approach to the external auditor tender.
- Approved the updated internal audit plan for FY26.
- Reviewed the interim financial statements including interim risk disclosures, and significant accounting issues and management judgements.

May 2026

- Undertook an annual review of the non-audit services policy and non-audit service activities undertaken in FY26.
- Reviewed internal audit report findings and updates.
- Received specific tax updates including open tax matters and the application of BEPS Pillar 2 and transfer pricing across the Group.
- Approved the tax strategy for the Group for republication.
- Reviewed and approved paper on alternative performance measures (APM) outlining the judgements applied in relation to their use and disclosure in the Annual Report and Financial Statements.
- Conducted an external audit retender and, following consideration of the outcome, recommended the appointment of the external auditor to the Board.
- Reviewed the Group's principal risk update.
- Received the fraud update and counter-fraud effectiveness and any open matter.

Significant financial reporting risks and judgement areas considered during the year

During the year the Audit and Risk Committee considered a number of financial reporting risks and judgement areas in further detail as these are considered significant risks by our external auditor; the Committee concluded on all areas that it was satisfied the appropriate controls and processes are in place.

Area	Action taken by Committee	Outcome
Revenue recognition	The Committee reviewed the appropriateness of revenue recognised in relation to the cost profile of delivering performance obligations under the Healthy Pet Club scheme. The Committee considered management's analysis and the external auditor's findings.	The Committee concluded based on the information provided that the approach remained appropriate.
Management override	The Committee reviewed the risk of management override of controls and considered the design and operation of relevant controls. The Committee considered the enhancements made to the control environment during the year, including the Financial Position and Prospects Procedures (FPPP) process as part of the move to the Main Market.	The Committee was satisfied that the controls in place to mitigate risk of management override continued to operate as intended and further enhancements were made during the year to further strengthen the control environment remained appropriate.

Area	Action taken by Committee	Outcome
Research and Development Expenditure Tax Credit (RDEC) income	The Committee reviewed the appropriateness of the income recognised in relation to RDEC, along with the associated accounting estimates and judgements. During the year, the Committee reviewed and considered that the level of uncertainty inherent in RDEC claims was reducing, mainly by virtue of improved data collection and cost allocation.	The Committee was satisfied that the Group's accounting treatment, assumptions and controls were appropriate having also considered the judgement and uncertainty of the associated claims.
Presentation of financial statements	During the year the Committee formally approved the definitions and use of alternative performance measures (APMs) and the presentation of adjusting items in accordance with Group accounting policies. Management provided a detailed paper outlining the alternative performance measures to be used and the definitions of each measure. The paper also outlined the judgements applied in relation to the disclosure of these items.	The Committee concluded the judgements and use of APMs remained consistent, balanced and aligned with the Group's reporting principles and approved the use of these during the year.
Going concern and viability assessment	The Committee reviewed the Group's assessment of going concern and viability over a period greater than twelve months. In assessing going concern and viability, the Committee considered the Group's position presented in the approved budget, latest forecasts and five-year plan. In the context of the current economic environment as a result of ongoing cost of living challenges and continued inflationary pressures on the business, a severe but plausible downside scenario was applied to the plan. This included assumptions such as negative like-for-like growth and increased costs. The Committee has also reviewed the Group's reverse stress test that was applied to the model.	The Committee has concluded following review of the Going concern assumptions, sensitivities and stress testing performed by management that the going concern basis and viability assessment remains appropriate and reasonable. See note 2 on page 132 for further information.

External auditor

The Audit and Risk Committee has primary responsibility for the supervision of the relationship with the external auditor, including overseeing its qualification, independence, expertise, performance and effectiveness, and the terms of its engagement and remuneration. The Committee is also responsible for ensuring the quality and efficiency of the external audit enabling the Committee to formally evaluate the effectiveness and quality of the auditor's output, which it does annually.

The external auditor was appointed with effect from the year ended 30 June 2017, giving a current tenure of nine years as at 30 June 2026. During the year, the Committee oversaw a competitive external audit tender process in accordance with applicable regulatory requirements. The Committee led the process and determined the evaluation criteria, timetable and governance arrangements.

Consistent with the FRC's Audit Committees and the External Audit: Minimum Standard, the assessment focused primarily on audit quality. The criteria included the firm's sector experience, technical capability, independence and objectivity, proposed audit approach, use of technology and data analytics, quality control procedures, partner and team experience, ability to provide robust challenge to management and commitment to audit quality and continuous improvement. Price was considered as part of the overall evaluation but was not a determining factor in the Committee's assessment.

The Committee reviewed written proposals, presentations from each participating firm and feedback from management and relevant stakeholders. Committee members also met proposed engagement teams and considered each firm's approach to audit execution, governance and communications.

Following a comprehensive evaluation against the agreed criteria, the Committee concluded that Deloitte LLP was best placed to deliver a high-quality audit and recommended its appointment to the Board. The appointment will be reviewed annually and remains subject to shareholder approval at the AGM. Details of the fees paid to the external auditor during the financial year are set out in note 6 to the financial statements.

After reviewing the external auditor's performance during the year, the Committee has concluded that it is satisfied with the effectiveness of the audit and the audit process with the external auditor demonstrating appropriate independence and objectivity and that the external auditor remains effective in its role.

In reaching this conclusion, the Committee considered the external auditor's independence safeguards, compliance with the Group's non-audit services policy, audit partner rotation, nature and level of non-audit fees and whether any relationships existed that could impair objectivity. The Committee also assessed the quality of the audit taking into consideration, audit planning and execution, the robustness of challenge provided to management, the quality of reporting to the Committee and feedback from management and finally the auditor's compliance with relevant ethical and professional requirements. The Chair maintains regular contact with the external audit partner and the Committee also met privately with the auditor without management present.

Compliance with the CMA Order for Audit tender

The Committee confirms that it has complied with the provisions of The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 throughout the year. This included oversight of the mandatory audit tender process, assessment of auditor independence and effectiveness, review of audit quality and approval of non-audit services in accordance with the Committee's policy. The Committee is satisfied that the external audit process remained effective and independent throughout the period.

Internal audit

The Group has an outsourced internal audit function with KPMG who attend each Audit and Risk Committee meeting and provide key updates from reviews undertaken during the period. Each report receives a rating which allows the Board to evaluate the effectiveness of the internal controls over key risks. The Board has the opportunity to challenge the outcome of the reports and request additional controls are put in place over key areas. During the year the Board was satisfied that the outcome of the reports issued resulted in appropriate controls across the Group.

KPMG provides additional oversight assurance to the Committee by discharging its responsibilities, performing internal audit reviews over key areas and identifying risks and gaps in controls which require mitigation.

The Committee Chair maintains regular contact with the internal audit team. During the year, the Committee approved the annual internal audit plan which is developed to address key risks across the business as well as covering core governance, financial and commercial processes. The Committee undertakes an annual assessment of the effectiveness of the internal audit function. In conducting this review, the Committee considers the quality and insightfulness of internal audit reports, the robustness of findings and recommendations, management's responsiveness to actions raised, progress against the approved audit plan, the independence and objectivity of the internal audit team, and the adequacy of internal audit resources and expertise.

The Committee also considers feedback from management and Committee members, the quality of reporting to the Committee and the extent to which internal audit activity provides assurance over the Group's principal risks, key controls and governance processes.

Following its review, the Committee concluded that the internal audit function continued to provide effective independent assurance to the Board and Audit and Risk Committee and remained appropriately resourced and effective in supporting the Group's risk management and internal control framework.

Risk management and internal control

The Committee has delegated responsibility from the Board to consider the potential risks impacting the Group and the risk appetite and overall risk management framework of the Group and whether they are at a level acceptable to achieving the strategic objectives of the Group.

The Committee reviewed the alignment between principal risks, risk appetite, key controls and sources of assurance. Particular focus was given to whether the framework provides an appropriate basis for monitoring emerging risks and for escalating control matters to the Committee and Board in a timely manner. Details of our risk framework, together with principal and emerging risks, can be found on pages 56 to 63.

The Committee also receives regular updates on policies, procedures and controls which are embedded within business processes. Compliance is monitored through regular review and via the internal audit plan where appropriate for the year.

These regular updates enable the Board to monitor changes in the Company's risk profile and assess whether the risk management framework remain appropriate.

Board review of effectiveness

During the year, the Board, supported by the Audit and Risk Committee, undertook its annual review of the effectiveness of the Group's risk management and internal control systems. In performing this review, the Board considered reports from management, internal audit reviews, external audit observations, compliance reports, whistleblowing matters, fraud reporting, principal risk assessments and updates on remediation activities.

The review covered financial, operational, compliance and reporting controls and considered the adequacy of the Group's three lines of assurance model and sources of assurance across the business.

Based on the work performed during the year, the Board concluded that the Group's risk management and internal control framework remained appropriate for the size, complexity and risk profile of the business and that processes were in place to identify, assess, manage and monitor risk.

Where enhancement opportunities were identified through assurance activities and ongoing monitoring, management developed remediation plans which were overseen by the Audit and Risk Committee and reported to the Board.

Provision 29

The UK Corporate Governance Code introduces the requirement for the Board to provide a declaration of how the Board has monitored and reviewed the effectiveness of the internal control framework and provide a declaration of the effectiveness of its material controls as at the balance sheet date and to disclose any material controls which have not operated effectively (including action taken or proposed to be improved). It specifically states that the Board's monitoring and review should cover all material controls, including financial, operational, reporting and compliance controls.

The revised Code including Provision 29 does not apply to CVS Group plc until our financial year ending 30 June 2027; however, management has a clear roadmap and provides regular updates to the Audit and Risk Committee on progress to ensure the Group is well prepared for this date. The Group's financial controls framework is based on a "Three Lines of Assurance" model, which is explained in more detail in our Risk Management section on pages 56 to 63. The roadmap includes mapping our principal risks as well as wider controls across financial reporting, operational, compliance and non-financial reporting processes to the revised governance framework with clear accountabilities allocated to a member of our Executive Committee.

During the year, management progressed the identification and documentation of material controls across financial reporting, operational, compliance and reporting processes. Particular focus was given to the alignment of principal risks, risk appetite, key controls and sources of assurance.

During FY27, the Group intends to undertake formal operating effectiveness testing of identified material controls and conduct a dry-run assessment of the processes supporting the future Provision 29 declaration. The Committee will continue to monitor progress, review the outcome of testing activities and oversee remediation plans where improvement opportunities are identified.

The Board believes that the programme remains on track to support compliance with the revised Code requirements applicable to the Group's financial year ending 30 June 2027.

Whistleblowing/fraud

The Board and Committee review any significant fraudulent activity and whistleblowing by colleagues or other parties, and action is taken to remedy control weaknesses identified.

Non-audit services and fees

The Committee formally approved the Group's policy on non-audit services, which restricts the engagement of the external auditor in relation to non-audit services. The purpose of the policy is to ensure that any additional services provided by the external auditor do not impact the independence and objectivity of the external audit process. The policy clearly outlines the services which can be provided by the external auditor and those which are specifically excluded. It also outlines the engagement fee levels and those which require pre-approval from the Committee. It has been adopted to ensure the external auditor is only appointed where it is the most suitable supplier of that service. During the year the external auditor undertook the role as Reporting Accountant, which is an FRC-permitted whitelisted service, and also performed a limited scope agreed upon procedures engagement related to the Group's consolidated interim statements. The Committee satisfied itself that the external auditor was able to undertake these services without impacting its independence.

Audit and Risk Committee effectiveness

During the year, the Committee's effectiveness was reviewed as part of the annual Board performance review. The review concluded that the Committee operated effectively, with continued focus planned on technology risk oversight as the Group becomes more digitally enabled. Subsequent to the year end, the Board conducted an external effectiveness review. Further information on this year's review can be found on page 92.

Audit and Risk Committee minimum standards

The Committee has applied the requirements of the FRC's Audit Committees and the External Audit: Minimum Standard as incorporated within the UK Corporate Governance Code. During the year, the Committee undertook activities relating to auditor appointment and tendering, audit quality, auditor independence, effectiveness assessments, non-audit services, engagement with the external auditor and oversight of the audit process. The Committee is satisfied that its activities during the year were consistent with the requirements of the Minimum Standard.

The Committee seeks to ensure sufficient rigour and independence in the external audit process, including through oversight of audit planning, audit quality, auditor independence, non-audit services and the effectiveness of the audit process. The Committee also welcomes feedback from shareholders and is available for discussion of any matters of interest or concern. There were no shareholder requests for specific matters to be covered in the audit during the year and there were no regulatory inspections of the quality of the Company's audit. An explanation of the application of the Group's accounting policies is provided in note 2 to the financial statements.

What the Committee will do in 2027

During the year ending 30 June 2027, the Committee will build on its focus during the year ended 30 June 2026 and to discharge its responsibilities as set out in its terms of reference. The Committee will continue to monitor emerging and maturing risks and will oversee the continued development of the Group's control environment. This will include oversight of improvements to internal controls, taking into account the revised UK Corporate Governance Code and the preparation required for the Provision 29 material controls declaration for financial years beginning on or after 1 January 2026. The Committee will continue to monitor instances of fraud and the effectiveness of controls across the business. It will also support the development of the Group's climate-related scenario planning and reporting, including consideration of relevant FRC expectations, and will maintain a focus on cyber security, resilience and IT governance through the internal audit plan for FY27.

Approval

The members of the Audit and Risk Committee have reviewed the financial statements and the content of the draft Annual Report and Financial Statements to ensure that they are fair, balanced and understandable and, accordingly, the Audit and Risk Committee resolved to recommend that the Board makes the Directors' Responsibilities Statement set out on page 113.

Joanne Shaw
Audit and Risk Committee Chair
24 September 2026

Strengthening governance and Board effectiveness



David Wilton
Nomination Committee Chair

The Nomination Committee is responsible for reviewing the structure, size and composition, skills, independence, knowledge and experience, of the Board. It is also responsible for the co-ordination of the annual evaluation of the performance of the Board and of its Committees, and for ensuring appropriate succession plans are in place. All Directors engage in the evaluation and appropriate action is taken in light of the assessment.

The Committee is responsible for making recommendations to the Board on all Board appointments and on the succession plans for both Executive Directors and Non-Executive Directors.

The Committee's roles and responsibilities are covered in its terms of reference which are available on our corporate website www.cvsukltd.co.uk/investor-centre/corporate-governance/.

Committee composition during the year to 30 June 2026

David Wilton (Nomination Committee Chair with effect from 1 April 2026)
Richard Gray (Nomination Committee Chair until 31 March 2026)
Deborah Kemp (resigned 30 June 2026)
Joanne Shaw
Helen Keays (appointed 1 April 2026)
Jane Bednall (appointed 1 April 2026)
Laura Hagan (appointed 1 May 2026)

The Committee member attendance table is shown on page 67. In addition to formal meetings during the year, there were regular informal discussions on succession plans and appointments at the Senior Leadership Group level.

Introduction

On behalf of the Board, I am pleased to present the Nomination Committee Report for the year ended 30 June 2026. The Committee plays a key role in ensuring that the Board and its Committees maintain the appropriate balance of skills, experience, independence and diversity required to support the Company's long-term strategy and sustainable success. We recognise that effective governance begins with strong leadership and a Board that is equipped to oversee the opportunities and risks facing the business in an increasingly dynamic operating environment.

Board succession and appointments

The Committee adopts a formal and transparent procedure for the appointment of Directors to the Board. External consultants are used to assist in identifying suitable candidates for Non-Executive roles, as well as for Executive roles. A written specification is produced for each appointment. The Chair is responsible for providing a shortlist of candidates for consideration by the Nomination Committee which then makes its recommendation to the Board for final approval. The Nomination Committee is led by the Senior Independent Director (SID) when dealing with the appointment of a successor to the Board Chair.

Following the move to the Main Market of the London Stock Exchange, having been advised that such was normal practice for companies on that market, David assumed the role of Chair of the Nomination Committee with effect from 1 April 2026.

Independent Non-Executive Directors

Retirement of Deborah Kemp

Deborah Kemp, who joined the Board in January 2018 and who has served as SID, Employee Engagement Director, Chair of the Remuneration Committee and Interim Chair, retired and stepped down from the Board and all Board Committees on 30 June 2026.

Appointment of independent Non-Executive Directors

The Board is committed to ensure appropriate diversity across its roles and signalled in the 2025 Annual Report its appetite to make further appointments to the Board. In light of this and the retirement of Deborah Kemp, the Nomination Committee appointed the external recruitment consultant Odgers to undertake a search resulting in the appointment of Helen Keays and Jane Bednall on 1 April 2026 and Laura Hagan on 1 May 2026. Odgers has no other connection with the Company or individual directors.

From the date of her appointment, Helen Keays became Chair Designate of the Remuneration Committee and also a member of the Group's Audit and Risk Committee and Nomination Committee. Helen formally became Chair of the Remuneration Committee with effect from 1 July 2026.

From the date of their appointments, Jane Bednall and Laura Hagan became members of the Group's Remuneration Committee, Audit and Risk Committee and Nomination Committee.

Laura Hagan became SID and Employee Engagement Director with effect from 1 July 2026.

Director biographies are shown on pages 70 and 71.

Executive succession

On 30 March 2026, Richard Fairman announced his intention to retire after seven years at CVS including six years as CEO. Richard remains in post and committed to the role of CEO until an appropriate successor is appointed with a sufficient handover period.

The Committee has appointed independent search firm MWM Consulting to support with the process. MWM Consulting has no other connection with the Company or individual directors.

Following the year end, on 22 July 2026, the Committee approved the setting up of a sub-committee consisting of David Wilton, Joanne Shaw and Laura Hagan to manage the CEO succession process referred to herein.

Broader succession planning

The Committee has spent a significant amount of time considering Board succession planning during the year, and engaged the support of Odgers to conduct a talent mapping review for the CEO as part of its routine succession planning. Its report was presented to and considered by the Nominations Committee in November 2025.

The Committee also reviewed the succession plans for the wider Senior Leadership Group consisting of 37 members, to ensure there continues to be the development of a high-calibre and diverse pipeline for succession to the Board and Executive Committee across immediate, short and longer-term timescales. In doing so, it emphasises the importance of identifying candidates who will support delivery of CVS's strategy, as well as increasing the diversity of the Board.

In light of this review, it was identified that the role of Chief Client Officer would augment the current Executive Committee and support the delivery of CVS's strategy. The role would be responsible for developing the customer strategy that will drive revenue growth via customer engagement and satisfaction. CVS has appointed independent search firm Fortune Hill to undertake a search for this role.

Board composition and skills

The Committee reviewed a skills matrix which captured the core skills, knowledge, experience and diversity represented by the Board members. Our skills matrix explicitly identifies technology, brand development and mergers and acquisitions and in 2026 we added additional skillsets of AI, cyber and digital to support succession planning and ongoing oversight of the Group. This skills matrix provided a framework for considering the skills to focus on when preparing role specifications and evaluating potential new Board candidates. Our current Board members each bring a broad range of individual skills, knowledge and experience. A summary of the skills of our Directors is shown on page 67.

Conflicts of interest

The Board has established robust procedures for monitoring conflicts of interest in accordance with the Group's Articles of Association and conflicts of interest policy. All Directors are required to make the Board aware of any other commitments and potential conflicts of interest are approved by the Board where appropriate, and recorded in the conflicts register. The Board has delegated authority to the Nomination Committee to keep under review any actual or potential conflict of interest situations authorised by the Board, and to determine whether it is appropriate for such matter(s) to remain so authorised.

During the financial year to 30 June 2026, the Committee noted that none of the Directors have interests or external appointments which gave rise to material conflicts of interest.

Board evaluation

The Committee scrutinises the performance of the Executive Directors, taking into account the performance of the business against agreed plans. The Nomination Committee also considers the other commitments of Directors and is satisfied that all Directors devote appropriate time to the Group's affairs.

The Committee undertook an external Board effectiveness review in August 2025. The Committee was satisfied that the Board remains effective and has the right balance of skills and experience to provide continued effective stewardship of the Group.

Gould Consulting was appointed to undertake the external Board effectiveness review in 2025 following a tender process. The Committee considers the advice that it receives from Gould Consulting to be independent. There are no relationships between Gould Consulting and either the Company or individual Directors to be disclosed.

Find out more about the external Board review on page 92.

Diversity and inclusion

Appointments to the Board and its Committees, as with other positions within the Group, are made on merit according to the balance of skills and experience offered by prospective candidates. As a Company, we acknowledge the benefits of diversity in terms of business experience and individual appointments are made irrespective of personal characteristics such as race, religion or gender. The Committee will always seek to appoint the candidate with the most appropriate skills and experience.

CVS's Equity, Diversity and Inclusion policy sets out our support for diversity. We actively support a culture of inclusion, to ensure that all our employees are valued and treated with dignity and respect. We recognise that for the business to continue to be successful we must ensure that we can recruit from as wide a pool of talent as possible. This policy is to treat all employees fairly and equally, regardless of gender, sexual orientation, marital status, race, colour, nationality, religion, ethnic or national origin, age, disability or union membership status and we do not have a separate formal policy for the Board and its Committees as the all-employee policy is applicable.

As at the date of this report, women represent 44.0% of our Board, above the gender diversity target of 40.0% set out in the UK Listing Rules. Further analysis of employees by gender is provided in the Strategic Report on page 66. We satisfy the Parker Review recommendation to have at least one Board Director from an ethnic minority background.

The Company meets all three targets on Board diversity set out in UK Listing Rule 6.6.6(9) being:

I. at least 40.0% of the individuals on its Board of Directors are women (44.0%);

II. at least one of the senior positions on its Board of Directors is held by a woman (Laura Hagan holds the role of SID); and

III. at least one individual on its Board of Directors is from a minority ethnic background.

In line with UK Listing Rule 6.6.6(10) requirements, the table below sets out numerical data on the ethnic background and gender identity of the Company's Board, Executive Committee and Senior Leadership Group as at the year end.

	Number of Board members	Percentage of Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Committee	Percentage of Executive Committee	Number in Senior Leadership Group	Percentage of Senior Leadership Group
Gender identity							
Men	5	56%	3	3	75%	18	49%
Women	4	44%	1	1	25%	19	51%
Not specified/prefer not to say	—	—	—	—	—	—	—
Ethnic background							
White British or other White	8	89%	3	3	75%	21	57%
Mixed/multiple ethnic groups	1	11%	1	1	25%	2	5%
Asian/Asian British	—	—	—	—	—	—	—
Black/African/Caribbean/Black British	—	—	—	—	—	—	—
Other ethnic group	—	—	—	—	—	1	3%
Not specified/prefer not to say	—	—	—	—	—	13	35%

Approach to collating diversity data: data is from our employee database containing all permanent colleague details as at 30 June 2026. Diversity information for ethnicity is based on voluntary self-declaration.

Electing and re-electing Directors

The Committee has reviewed the independence of the Non-Executive Directors and the Chair and concluded that all have sufficient time to meet their Board responsibilities in accordance with the criteria set out in the UK Corporate Governance Code. The Committee has also satisfied itself that all five Non-Executive Directors are independent.

The Committee will recommend to the Board and the shareholders that all serving Directors, including Richard Fairman, CEO, unless a successor has appointed, should be submitted for re-election at the Company's 2026 AGM.

David Wilton
Nomination Committee Chair
24 September 2026

Director appointment process

When making a new appointment, the Committee takes the following steps:



Director induction

Following appointment, all Directors receive a comprehensive and tailored induction programme. All newly appointed Directors are required to devote the time required to complete the induction programme. The time commitments are set out in their respective letters of appointment. Induction programmes are designed by the Company Secretary in conjunction with the Chair, Senior Independent Non-Executive Director and Chief Executive Officer.

Induction programmes are varied and include a selection of:

Meetings with the Board	One-to-one meetings with the Executive Directors, Non-Executive Directors, and the Group General Counsel and Company Secretary.
Meetings with the Executive Committee and senior management	One-to-one meetings with members of the Executive Committee, as well as meetings with key members of senior management from a variety of departments and business units, with the content of meetings varying depending on the Director being inducted and their background and individual experience.
Meetings with the auditor	Meetings with the internal and external audit partners (particularly for newly appointed Directors who are members of the Audit and Risk Committee).
Self-study	Documents provided via the electronic Board portal covering key information relating to the Group including financial performance, Board policies and procedures and governance matters. These documents are also available to all other Board members as continuing points of reference.
Site visits and workforce engagements	Visits to key operational sites, offering a chance to meet the workforce. Directors continue to make regular site visits throughout their tenures, gaining valuable insight into operations and feedback from the workforce.
Meetings with key shareholders and stakeholders	Supported by the Chair and the Company Secretary, the induction programme will, as appropriate, include a schedule of meetings with major shareholders and key stakeholders in order to support newly appointed Directors' understanding of shareholder and stakeholder views, and the discharge of their Directors' duties under Section 172 of the Companies Act 2006.
Education and training	If any gaps in skills or experience are identified within the interview process, internal and external training will be provided and tailored to the needs of the Director. Directors engage in an ongoing programme of education and training throughout their tenures to continually enhance their knowledge and skills. This is reviewed as part of the annual Board evaluation.

Board effectiveness

An evaluation of the Board and its Committees is undertaken each year. This process helps to ensure that the Board and its Committees operate effectively, information supplied to Board and Committee meetings is appropriate, Directors spend sufficient time discussing key issues, the Board has the appropriate composition, and succession plans are in place.

The Board engaged Gould Consulting to undertake an external evaluation of the Board and its effectiveness in July and August 2025 with the findings presented to the Nomination Committee at its meeting on 6 October 2025.

The Chair engages with each individual Director during the year to discuss their contribution and the Chair and Non-Executive Directors meet separately each year without the Executive Directors present.

The Senior Independent Director at the time, undertook a review of the Chair's contribution during August 2025 with input from the other Directors. A similar review will be undertaken internally each year.

External assessment undertaken in August 2025

The findings of this exercise were that the Board and its Committees were considered effective and well functioning with a collegiate and generally effective dynamic. This external review of Board effectiveness involved a number of elements:

- tailoring the scope of the review to CVS through discussions with the Chair and Company Secretary;
- review of previous Board and Committee papers;
- attendance at the Board and Remuneration Committee meetings held in July 2025 to observe Board discussions and interactions;
- completion of tailored and comprehensive questionnaires by each individual Director and the Company Secretary;
- completion of a tailored questionnaire by members of the Executive Committee;
- individual interviews with the Directors and members of the Executive Committee and Company Secretary;
- preparation of a detailed draft report for discussion with the Chair and Company Secretary;
- final report setting out recommendations; and
- discussion of key findings with the Nomination Committee.

Recommendations, which were endorsed by the Nomination Committee were made to further enhance Board effectiveness and the actions taken during the year ended 30 June 2026 are:

Proposal	Recommendations arising	Actions taken to address
Undertaken an external evaluation of the Group's evolved strategy to ensure it is appropriate	• Conduct a comprehensive market review, addressing competitive landscape, geographies, competitors, identify emerging trends, strategic challenges and opportunities.	• Addressed in Q1 2026 through detailed review of strategy undertaken with external strategy consultant OC&C.
	• Revise three-to-five-year goals and milestones.	• Revised five-year plan developed.
Re-orienting Board conversations onto matters of more strategic nature	• Signposting of key topics for discussion.	• Now using a key topics document for all papers with succinct summary front sheets.
	• Reshaping the agenda to capture strategic topics.	• Reviewed the 2026 corporate calendar to plan for and allocate future agenda times for strategy matters. Guests addressed by reference to strategic issues and discussion rather than "standard" attendees. • Scheduling sessions in 2026 assessing: 1) How consistently values (not simply culture) are embedded, and actions to improve; 2) Material risks; and 3) Executive talent and succession planning.
	• Review presentation approach by Executive Committee at Board and Committee meetings.	• More focus on taking papers as read/verbal updates to emphasise key strategic issues and themes.
	• Add strategy-based dinners to corporate calendar.	• Dates have been added to calendar.
	• Line manager of any staff members attending Board meeting to also attend Board meeting.	• Process in place as appropriate for future meetings.
Planning for successful Board transitions	• Review induction process for new NEDs ahead of joining.	• Document prepared setting out planned timetable, materials, briefings and inductions completed for the new NEDs appointed in the year.

Remuneration Committee report

Maintaining remuneration policies in line with best practice



Helen Keays
Remuneration Committee Chair

The Committee meets frequently throughout the year to consider remuneration matters of the Group, including assisting the Board in ensuring appropriate remuneration policies are in place, ensuring Executive Director remuneration is aligned to the strategic priorities of the Group and its performance, assessing feedback from shareholders on remuneration matters and making appropriate recommendations to the Board.

Following its move to the Main Market in January 2026, CVS Group plc is required to comply with Schedule 8 of the Large and Medium-sized Companies and Groups Accounts and Reports Regulations 2008. The information sections which are subject to audit are highlighted.

The Committee's roles and responsibilities are covered in its terms of reference which are available on our corporate website www.cvsukltd.co.uk/investor-centre/corporate-governance/.

Committee composition during the year to 30 June 2026

Helen Keays (appointed 1 April 2026, Remuneration Committee Chair with effect from 1 July 2026)
Deborah Kemp (resigned 30 June 2026, Remuneration Committee Chair until 30 June 2026)
David Wilton
Richard Gray
Joanne Shaw
Jane Bednall (appointed 1 April 2026)
Laura Hagan (appointed 1 May 2026)

The Committee member attendance table is shown on page 67.

Introduction

As Chair of the Remuneration Committee, I am delighted to present our Directors' Remuneration Report for the year ended 30 June 2026.

The report is split into three sections:

- this introductory statement;
- the Directors' Remuneration Policy (the Policy) which is subject to a binding vote at the 2026 AGM; and
- the Annual Report on Remuneration (the Report) which is subject to an advisory vote at the 2026 AGM.

These reports are unaudited unless otherwise stated.

Policy review

The current Policy was approved by way of an advisory vote at the 2025 AGM with 83.1% of votes in favour, with the Remuneration Report approved with 77.7% of votes in favour. The status of this vote was advisory as the Company was then AIM-listed.

In accordance with the UK Corporate Governance Code the Company engaged with the minority of shareholders who voted against the resolution to understand their concerns. The issues raised were covered and subsequently addressed as part of the wider consultation referred to below. The Company provided further explanations and information to address some of the issues raised.

CVS has over many years applied high governance standards and many of these Main Market-level requirements had already been addressed in our 2025 Policy. Following the transfer of the Company's shares from AIM to the Main Market in January 2026 the Policy was reviewed in light of the additional governance and regulatory requirements which are now directly relevant for the Company. These include a requirement for a binding Policy vote at the first AGM after re-listing on the Main Market which will be held at the 2026 AGM in November 2026.

The new Policy is set out on pages 97 to 102 and was the subject of a comprehensive review and shareholder engagement which covered almost two-thirds of the share register. A priority of the review was to ensure that remuneration practices support management retention and the meeting of the Company's near and long-term objectives and that they remain competitive and proportionate. The Committee was mindful that the size and scale of the business has continued to increase and with it the roles and responsibilities of the Executives. Over the past five years, our revenues have increased 39.7% (CAGR 6.9%), adjusted EBITDA 45.1% (CAGR 7.7%), adjusted profit before tax 28.2% (CAGR 5.1%) and cash generated from operations 27.0% (CAGR 4.9%), with over 1,000 more colleagues within the Group. The geographic scope has also increased with our expansion into Australia.

Introduction continued

Policy review continued

To support this review, the Committee commissioned a full benchmarking exercise covering similar sized Main Market companies in the second half of calendar year 2025. Following this review, the Committee recognised it was necessary to adjust some elements of remuneration alongside implementing close compliance with Main Market requirements and expectations. In summary, the changes which are proposed to the Policy are:

- alignment of Executive Directors' pension provision with the UK workforce (including for existing Executive Directors) (Provision 39). This reduces current pension contributions for Executive Directors to £2,700 per annum, from £40k for the CEO, £27k for the CFO and £23k for the CVO;
- no change to the maximum annual bonus in the Policy, but the intention to operate FY27 bonuses and beyond at the maximum level under the existing Policy (150% base salary);
- introduction of annual bonus deferral so that 50% of any bonus earned is deferred for two years (33% of any bonus if the shareholding guideline has been met);
- normal LTIP annual award policy to increase to 200% of salary, which is the intended grant level for FY27, with the exceptional limit increased to 300% of salary per annum. In accordance with the new Executive Share Plan, LTIPs have been renamed Executive Share Plans (ESPs) in the remainder of this report; and
- introduction of a post-cessation shareholding requirement from 1 July 2026 which applies for two years at the lower of holding on departure and the in-employment shareholding requirement of 200% base salary. Shares owned prior to 29 January 2026 (move to the Main Market) and shares purchased from own funds will be excluded from this obligation.

The Committee believes that these changes, alongside the salary adjustments discussed in more detail below are necessary to ensure the overall Executive Director packages have appropriate scope to be retentive and provide optimal incentivisation to deliver our long-term growth prospects without creating undue risk in our approach. The changes are considered to represent balanced progression with the increase in incentive potential aligned to longer time horizons until value can be realised. The Committee will continue to monitor the operation of the Policy.

Executive Director changes

As shared on 30 March 2026, Richard Fairman announced an intention to retire from the Board for personal reasons in due course. He remains in post until a successor is appointed and an orderly handover is implemented. As he remains in post and not formally under notice he will continue to be subject to our Policy in the same way as other Executives. We intend to provide an update on the remuneration arrangements for Richard's leaving arrangements and the terms of any successor at the appropriate time; those remuneration arrangements will also be reflective of our Policy.

Year in review

The current year showed continued positive momentum against our strategic goals with growth in revenue (+5.9%), adjusted EBITDA (+5.1%), and adjusted EPS (+6.9%). This year marked the conclusion of the Competition and Markets Authority (CMA) market investigation into the veterinary sector with remedies we find mostly acceptable. The Company made good progress with its acquisition strategy in Australia with a further six completed acquisitions comprising 14 practice sites for initial consideration of £45.8m, including the purchase of a minority interest in the year. Australia now represents c.11% of Group revenue and c.15% of Group adjusted EBITDA.

The 2026 annual bonus had a maximum of 100% of salary and was subject to adjusted EBITDA (80% weighting) and non-financial (20% weighting) measures. The Committee assessed performance against the target range and details of this are set out on page 104. In summary, adjusted EBITDA performance was below the threshold and therefore no bonus was payable.

The ESP award granted in 2023 was subject to adjusted EPS growth (50% weighting) and relative total shareholder return (TSR) (50% weighting) measures which had a performance period ending 30 June 2026. The outcome of assessing performance against the targets was that neither threshold had been met and so the award will lapse in full.

The Committee has not used any discretion in approving the final outcomes for FY26 incentives.

The Committee made ESP awards in July 2025 for the three-year performance period to 30 June 2028. The Committee brought forward the issue from the normal October issue date due to the CMA extending its timetable of the review into the veterinary sector. The timing of the CMA announcement may have created complications in relation to the timing of ESP grants during calendar Q4 2025. The Committee issued awards to the CEO, CFO and CVO of 200% of their base salary, the maximum amount specified under our then policy, to incentivise the Executive Directors over the medium term and align their interests with shareholders and the Group. The Committee determined to make awards above the then normal award level (125% for CEO and 100% for CFO and CVO of base salary) to provide enhanced incentivisation and to aid retention of its Executive Directors in light of the uncertainty created by the extended CMA investigation and its impact on the Company and in-flight ESP awards.

Share ownership across our colleagues

CVS is a proud advocate of employee share ownership.

The Board believes this supports colleagues sharing in CVS's success, being owners of our business, and aligns with our shareholders' interests.

The Group operates a savings scheme for all colleagues, including the Executive Directors, being the CVS Save As You Earn (SAYE) plans. Across our UK colleagues, around 2,500 colleagues hold over £14.0m of SAYE options in our CVS SAYE plan.

The Committee is pleased that despite the external economic environment the take-up of its latest SAYE scheme remained strong with 1,491 colleagues subscribing.

In light of the competitive landscape and the continued shortage of veterinary professionals in the UK and Australia, the Committee in support of the Board will continue to consider rewards and benefits across the Group to ensure that CVS remains well positioned to attract and retain talent.

Directors' remuneration in respect of 2026/27

Annual salary

As a reminder, the pay review in July 2025 resulted in no salary increase for Executive Directors (wider workforce 4.5%). As part of the comprehensive Policy review during 2026, the Committee considered the appropriate pay positioning of Executive Directors.

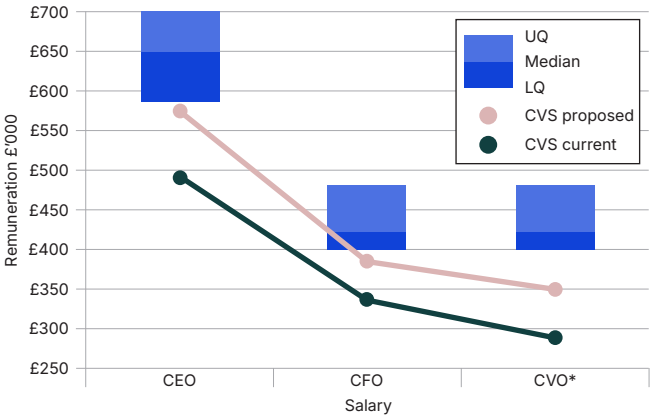
Base salaries have not kept pace with the size and scale of the business, especially since moving to the Main Market. Taking these factors into account, the Committee believes that corrective action is now necessary. However, given the materiality of the changes required, the Committee felt it was better that these uplifts to base salaries should be phased across two years. As such, the CEO base salary is increased to £570,000 (c.16%), the CFO base salary is increased to £385,000 (c.14%) and the CVO base salary is increased to £345,000 (c.19%) from 1 July 2026.

Further increases (of similar growth levels to this year) may also be applied from 1 July 2027 to complete the corrective positioning but only if individual and corporate performance warrants the increase at the time.

The Committee is mindful that when looking at salaries in isolation the increases are higher than the general average workforce increase of 3.6% for 2026/27, and moving beyond employee-level increases is not a matter the Committee undertakes lightly at any time. The Company's outlook is to maintain a costs-focused approach on remuneration (see the Executive Directors' pay freeze in 2025/26 when employees received 4.5%, and also the recent change on pensions which has currently capped all Executive Directors' pensions at £2,700 per annum). However, it is considered appropriate to make the change on our Executive Directors' base salaries at this time to recognise the increasing size and complexity of the business as well as the competitive environment in which we recruit and retain talent.

As shown in the following chart, the first stage of the increases results in an improved, but still modest, position for base salaries against the interquartile range of the benchmark peer group[1].

Base salary



* For illustrative purposes, the CVO pay position is also shown against the CFO peer data as there are insufficient reference points to show a robust role specific benchmark.

The proposed increases were part of the overall Policy engagement process with shareholders. Following feedback, the Committee reiterated that any second stage increase was subject to performance and broader circumstances allowing for it.

Annual bonus

The annual bonus scheme in which the Executive Directors participate is based on a combination of financial and non-financial targets. For 2026/27 the bonus will be assessed against:

- adjusted EBITDA growth 20.0% weighting;
- adjusted EPS growth 20.0% weighting;
- return on capital employed (ROCE) 20.0% weighting;
- free cash flow per share growth 20.0% weighting;
- like-for-like sales growth 5.0% weighting;
- employee Net Promoter Score 5.0% weighting;
- client Net Promoter Score 5.0% weighting; and
- reduction in carbon 5.0% weighting.

The widening of measures was considered appropriate to ensure performance is assessed on a rounded basis and was reflective of shareholder feedback in the Policy engagement.

For the year ended 30 June 2027, the maximum bonus for the CEO, CFO and CVO is 150.0% of salary, with 50.0% of any bonus deferred for two years. The Committee considered the quantum of the bonus as appropriate in the light of changes made to base salaries, the introduction of bonus deferral and better alignment with the median of the benchmark peer group.

1. A broad range of animal health companies, human health companies and consumer or support service multi-site operators of a broadly comparable scale: Pets at Home, Hays, Spire Healthcare, ME Group, Zigup, Mitie, Mitchells & Butler, Genus, Indivior, SSP Group, Uniphar and Johnson Service.

Introduction continued

Directors' remuneration in respect of 2026/27 continued

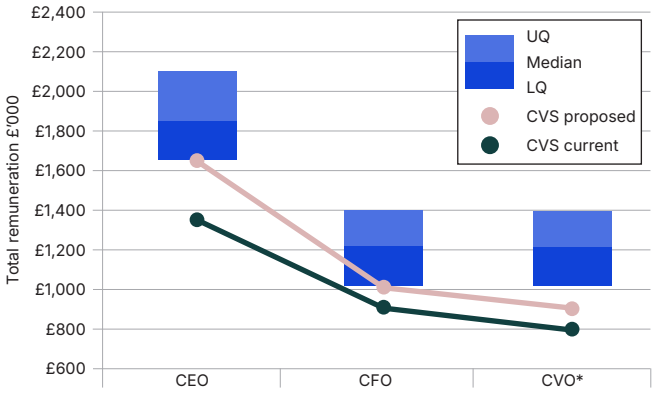
Long-term incentives (Executive Share Plans)

For 2026/27 the proposed award levels will be 150% for the CFO/CVO. The Committee intends to grant the CEO an award of 200% of salary if at the time of the award, the CEO recruitment process remains ongoing. The Committee intends to grant the awards following the AGM in November 2026. The Committee considered the award levels appropriate when compared to Main Market peers and the need to support retention and incentivisation. Awards vest after three years subject to performance and continued service with an additional two-year post-vesting holding period.

Awards remain subject to a relative TSR measure (50% weighting) and adjusted EPS growth (50% weighting) measures. The targets are set out on page 105.

Total remuneration

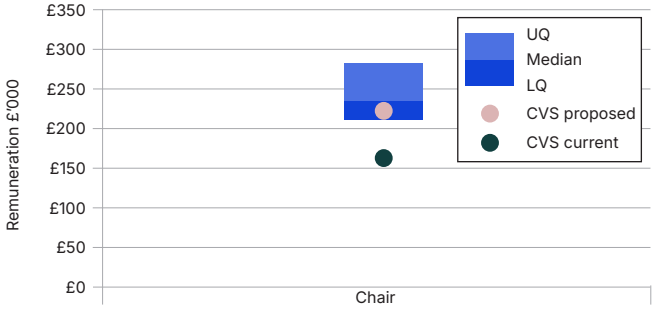
The Committee is aware that the changes noted above represent a notable potential increase in total remuneration (total fixed pay plus on-target bonus plus fair value of ESPs). However, they are considered to be reasonable when compared to market benchmarking. The chart below shows overall pay positioning against a pan-sector group of 40 companies (+/-20 companies above and below CVS six-month average market capitalisation as at 30 June 2026). For CVS this positioning also reflects the current reduced pension levels at £2,700 per annum (6% of the of annual base salary between £6,000 and £50,000).



* For illustrative purposes, the CVO pay position is also shown against the CFO peer data as there are insufficient reference points to show a robust role specific benchmark.

Chair fees

The Committee also reviewed the Chair fee during the year and approved an increase to £220,000. The fee is considered to be appropriate as evidenced by the chart below which is based on the same pan-sector group of twelve companies as used for the Executive Director total remuneration benchmarking.



The Chair fee increase is lower than originally planned and was revised following shareholder feedback. The fee will be reviewed again in 2027.

Non-Executive Director fees

The Non-Executive Director base fee increased to £59,500, with additional responsibility fees of £12,000 for undertaking the Senior Independent Director role, £10,000 for undertaking the Employee Engagement Director role and £12,000 for chairing a Board Committee.

Concluding remarks

The Committee believes that the proposed Policy and its intended operation for 2026/27 are appropriate in the context of the size and scale of the Executive roles and are reflective of Main Market practice and investor expectations. We look forward to receiving shareholder support for the Remuneration Policy and Report resolutions at the 2026 AGM, alongside resolutions on the Adoption of the new SAYE plans and Executive Share Plans which were last voted on in 2017. I very much welcome any feedback or comments on the Directors' Remuneration Report. I can be contacted via the following email address: company.secretary@cvsvets.com.

Helen Keays

Remuneration Committee Chair
24 September 2026

Supporting our colleagues

It is very important to us to recognise the dedication and professionalism of colleagues as they continue to work tirelessly to ensure CVS gives the best possible care to animals.

FY26 has been a challenging year, with the continued uncertainty brought on by the Competition and Markets Authority Market Investigation and sustained weakness in the macro-economic environment. Our focus throughout has been to protect jobs and focus on the long-term growth that can be delivered.

Despite this backdrop, the Remuneration Committee, in conjunction with the Board, approved an annual colleague pay review effective from 1 July 2026 which allowed local leaders the autonomy to make pay decisions based on both market rate and the colleague's individual performance.

Read more about our people and culture on **pages 28 to 31**

Gender pay gap

In our latest Gender Pay Report, published in April 2026, our median gender pay gap remained stable at 37.9% (from 37.6% in 2025), reflecting a declining picture over the past four years. This longer-term reduction trend in the pay gap is supported through our ongoing Equity, Diversity and Inclusion initiatives, opportunities for career development for all colleagues, and improved pay transparency through our published salary ranges.

https://www.cvsukltd.co.uk/careers/gender-pay-gap-report/

Directors' Remuneration Policy

This part of the Directors' Remuneration Report sets out the detailed Remuneration Policy of the Company with regard to its Executive and Non-Executive Directors. The Policy will be put to a binding shareholder vote at the 2026 AGM and is intended to operate for a three-year period.

Purpose and strategic rationale for remuneration policies and structures

The Group's Remuneration Policy is designed to ensure that it can attract, retain and motivate Executives and senior management of the right calibre to enable it to fulfil its strategic objectives and deliver long-term sustainable growth. The retention of key management and the alignment of management incentives with the creation of shareholder value are key objectives of this Policy. In addition, the Committee seeks to keep Executive Director remuneration aligned with the Company's culture and values and to take account of the effects of Executive Directors' remuneration on the workforce and other stakeholders.

A significant proportion of total remuneration is performance-based using structures which are common among Main Market companies including bonus deferral and the annual grant of performance shares. This aids discussion with shareholders and proxy agents for whom the structures are familiar. The Group's strategy is set out on pages 16 and 17 and is designed to enable the business to grow both its revenues and profitability. We seek to provide the best clinical care, to create a great place to work and have a career and to provide great facilities and equipment. We take our environmental, health and safety, people and professional responsibilities seriously.

We believe these policies help the Company to continue to grow profitably through the successful execution of its strategy as well as providing alignment between the interests of shareholders and all employees who can share in the Company's success.

Purpose and link to strategy	Operation	Potential remuneration	Performance metrics
Base salary			
Base pay is designed to reflect Executive Directors' experience, capabilities and role within the business. To be set at a level which is sufficiently competitive to recruit and retain individuals of the appropriate calibre to deliver the Group's strategy.	Salaries are reviewed periodically and benchmarked against listed Main Market companies of similar size and complexity. The review takes into account: • Company performance and increase in scale and complexity; • the role, experience and performance of the individual Director; and • average workforce salary adjustments within the Company. Salaries are normally reviewed, but not necessarily increased, annually.	The actual base salaries paid to the Executive Directors and those set for the current year are disclosed in the Remuneration Report. Annual increases will normally be in line with the average increase for employees except in exceptional circumstances, including but not limited to a change in the scope and scale of the organisation, change in role, the need for accelerated pay progression, internal differentials and external relativities.	Not applicable.
Benefits			
To complement base salary by providing market-competitive benefits to attract and retain Executive Directors.	Reviewed from time to time to ensure that benefits, when taken together with other elements of remuneration, remain market competitive. Benefits for the Executive Directors currently include the provision of a company car and medical and life insurance. Additional benefits may be provided within the Policy for other reasonable business reasons such as relocation, whether domestic or international. Executive Directors are eligible to participate in other benefit schemes, including all-employee share schemes, on the same terms as other employees.	The cost of providing these benefits varies year on year depending on the schemes' premiums. The Committee monitors the overall cost of the benefits package.	Not applicable.
Pension			
To provide retirement benefits which, when taken together with other elements of the remuneration package, will enable the Company to attract and retain appropriately qualified Executive Directors.	Contribution or cash allowance in lieu (or a combination) with the maximum value intended to be in line with the average contribution available to all employees.	Aligned to UK workforce with a matched contribution of up to 6.0% applied to salary from £6,000 to £50,000. Executive Director pensions will continue to align to any developments in UK workforce pensions.	Not applicable.

Directors' Remuneration Policy continued

Purpose and strategic rationale for remuneration policies and structures continued

Purpose and link to strategy	Operation	Potential remuneration	Performance metrics
Annual bonus			
To drive and reward exceptional performance.	The Executive Directors are eligible to participate in a discretionary, annual, performance related bonus scheme. Targets are set at the beginning of each year based on the recommendations of the Committee linked to the strategic priorities of the business at the time. Half of any bonus payable will be deferred into a Deferred Bonus Award, under the Executive Share Plan, for a period of two years and then issued as shares. The deferral requirement reduces to 33.0% of the bonus if an Executive Director has already met their shareholding requirement. Annual bonus payments are subject to malus and clawback provisions as detailed on page 100.	The maximum bonus potential for Executive Directors is 150.0% of salary.	Bonus awards are based on annual performance against stretching financial targets and non-financial targets. Targets are set by the Committee at the beginning of each year. The Committee has the discretion to vary targets and weightings from year to year. The level of payment commences from zero at the threshold target increasing on a straight-line basis to full payment at the maximum target.
Executive Share Plan (ESP) (previously Long-Term Incentive Plan (LTIP))			
To drive and reward exceptional performance over the medium term and to align the interests of Executive Directors and shareholders.	The Executive Directors are entitled to be considered for the grant of conditional awards and nil-cost options (which can have a nil or nominal exercise price) under the Group's ESP scheme, over a specified number of ordinary shares, as well as a cash equivalent of either. Awards are not transferable or assignable. Awards vest after a performance period of three years, subject to certain performance and service conditions being met. There is an additional two-year holding period for the awards for Executive Directors, other than for settling related tax liabilities. On vesting, an amount equal to the dividends paid by the Company over the performance period (Dividend Equivalent) can be settled through cash or shares. Participation is at the discretion of the Committee. Awards will typically be made annually based on a percentage of annual salary.	The Committee would in normal circumstances expect to make annual ESP awards to Executive Directors of up to 200.0% of base salary. The maximum award permissible under this policy is 300.0% of base salary per financial year, not including Buy-Out Awards referred to on page 100 and Deferred Bonus Awards referred to above.	The vesting of ESP awards is conditional upon the successful achievement of performance conditions over the performance period, which are set at the grant date of the award. Typically 25.0% of awards vest at threshold performance. Performance conditions and weightings may be varied from year to year but are likely to include measures linked to the Company's strategic growth objectives. Each year the Committee assesses what performance conditions and associated weightings it considers appropriate in supporting the Company's strategy and longer-term objectives. In addition, and irrespective of the targets, no award will vest unless, in the opinion of the Committee, the underlying performance of the Group has been satisfactory over the measurement period. The Committee has discretion to vary award vesting for circumstances that were unexpected or unforeseen at the Grant Date and to override formulaic outcomes.
Save As You Earn (SAYE)			
To encourage all employees, including Executive Directors, to save and invest in the Company's shares in a tax-efficient way and align interests of employees and shareholders.	The Group operates a saving related share plan for employees, including Executive Directors, through the SAYE Plan, of which employees are invited to participate in the plan annually. Awards are made at a maximum 20.0% discount, or such other percentage as permitted by the applicable legislation from time to time, to the closing mid-market price on the day before the invitation date.	Maximum participation level aligned to HMRC limits.	Not applicable.

Purpose and link to strategy	Operation	Potential remuneration	Performance metrics
Shareholding guideline			
To align interests of Executive Directors with those of shareholders.	Executive Directors are expected to build a shareholding in the Company with a value equal to a specified percentage of base salary within a reasonable timeframe from their appointment to the Board. The Committee will monitor progress against the guideline on an annual basis. It is expected that the full guideline will normally be met within five years of employment. Shares acquired to the lower of actual holding and the in-employment minimum requirement shareholding of 200.0%, will be subject to a further two-year post-cessation shareholding requirement. Shares purchased from own funds, and shares owned prior to 28 January 2026 will be excluded from this obligation.	The target value to be achieved for Executive Directors is 200.0% of base salary.	Not applicable.
Non-Executive remuneration			
Fees are set at a level to attract and retain high-quality and experienced Non-Executive Directors at an appropriate cost.	The Non-Executive Chair fee is set by the Committee. It is an all-encompassing fee. Non-Executive Directors fees are set by the Board excluding Non-Executive Directors. They are paid a basic annual fee. Additional fees may be paid to Non-Executive Directors who chair a Committee, act as a Senior Independent Director or undertake other roles with additional responsibilities, as appropriate. Fees are reviewed annually. The Company's approach to setting Non-Executive Directors' fees is by reference to fees paid at similar companies and reflects the time commitment and responsibilities of each role. The Chair and the other independent Non-Executive Directors are entitled to be reimbursed for reasonable business expenses.	Fees are normally reviewed, but not necessarily increased, annually. There is no limit for fees payable to the Non-Executive Directors, although the aggregate fees are set in accordance with the limit set in the Articles of Association (which, adjusted for RPI inflation, is currently £3.5m).	Not applicable.

Performance conditions explanation

Performance conditions applied to annual bonus and long-term incentives are intended to support sustainable profitable growth through the successful execution of strategy and to align Executives to long-term Company performance and the experience of shareholders.

Annual bonus targets are set for a one-year period and balance financial and non-financial targets. The Committee chooses the metrics for each performance period to reflect the strategically important objectives at the time.

ESP performance conditions will include metrics which focus on long-term sustainable growth. The measures and weightings may vary for each award to reflect the priorities of the business for the following performance period.

Targets are set taking into account a number of factors, including, but not limited to, internal business plans, external analyst consensus, economic environment and market conditions. Targets are intended to be challenging at the top end of the range without encouraging undue risk taking.

Remuneration Committee discretion

In line with market practice and the Executive Share Plan, the Committee retains discretion relating to operating and administering the annual bonus and ESPs. This discretion includes, but is not limited to, the matters below.

The Annual Bonus Plan: the scheme participants; the review, setting and weighting of annual performance targets; the determination and calculation of any bonus payment; the timing of any bonus payments; the determination of the treatment of leavers depending on the circumstances; the determination of bonuses for new joiners during the year depending on the circumstances; and the determination of bonuses in the event of a change in control.

The ESP: the scheme participants; the form and timing of the grant of an award; the size of awards made within the specified limits; the setting of appropriate and assessment of performance measures; determining the treatment of leavers depending on the circumstances; discretion relating to vesting in the event of a change of control of the Company; substitutes a cash equivalent in place of shares; making appropriate adjustments to awards required in certain circumstances, e.g. demerger, special dividend or other similar event which affects the value of any award.

Performance measures: the Committee also retains the ability, within the Directors' Remuneration Policy, if events occur that cause it to determine that the conditions set in relation to an annual bonus plan or a granted ESP award are no longer appropriate or unable to fulfil their original intended purpose, to adjust targets and/or set different measures or weightings for the applicable annual bonus plan and ESP awards. Any such changes would be explained in the subsequent Directors' Remuneration Report and, if appropriate, be the subject of consultation with the Company's major shareholders.

In line with the UK Corporate Governance Code, in respect of both annual bonus and ESP awards, the Committee may exercise its discretion to override formulaic outcomes derived from performance conditions. This may include, without limitation, to reflect overall corporate performance and circumstances that were unexpected or unforeseen at the Grant Date.

Directors' Remuneration Policy continued

Malus and clawback

In respect of the annual bonus and ESP, the Committee has the authority to apply malus and clawback within three years of payment or the normal vesting date. The Committee considers this period to be appropriate and proportionate, providing sufficient time for material issues relating to performance, conduct or risk management to be identified and addressed.

This malus and clawback authority may be exercised in cases, inter alia, of material misstatement, error or inaccuracy in performance assessments, a material failure in risk management, serious reputational damage, corporate failure, serious misconduct, a serious breach or non-observance of any code of conduct, personal hedging to undermine the shareholding policy, any breach of the employment contract and any other circumstances similar to the above.

Under this authority the Committee may require any awards which have not vested to lapse in whole or in part immediately, and/or may require Executives to repay to the Company the before or after-tax value of some or all of the value received under annual bonus or ESP during the relevant period.

Service contracts and letters of appointment

The service contracts and letters of appointment of the Directors include the following terms:

Executive Directors	Initial contract/ service agreement commencement	Most recent service agreement	Notice
R Fairman	1 August 2018	18 September 2026	12 months
R Alfonso	8 July 2019	18 September 2026	12 months
P Higgs	14 August 2018	18 September 2026	12 months

The maximum notice period for an Executive Director is twelve months.

Non-Executive Directors	Date of appointment	Most recent service agreement	Term	Notice
D Wilton	24 September 2021	1 May 2024	3 years	3 months
R Gray	16 July 2020	16 July 2026	3 years	3 months
J Shaw	1 July 2023	1 July 2026	3 years	3 months
L Hagan	1 May 2026	1 May 2026	3 years	3 months
H Keays	1 April 2026	1 April 2026	3 years	3 months
J Bednall	1 April 2026	1 April 2026	3 years	3 months

The service contracts are available for inspection at the Company's registered office. The service contract of any new appointment is expected to be consistent with that of current Executive Directors.

Policy on recruitment

When hiring a new Executive Director, the Committee will consider the overall remuneration package with reference to the Remuneration Policy set out in this report. Salary levels will be set so as to be competitive with comparable roles in companies in similar sectors, and also taking into account the experience, seniority and the scope of responsibility of the appointee coming into the role. New Executive Directors will be able to participate in the annual bonus scheme on a pro-rated basis for the portion of the financial year for which they are in post. New Executive Directors may receive benefits and pension contributions in line with the Company's existing Policy. ESP awards are made on an ongoing basis in line with our policy for Executive Directors and other Senior Executives. In the year of recruitment, a higher award may be made to the new recruit within the limits of the Remuneration Policy. The maximum level of variable remuneration which may be granted to a new recruit (excluding the value of any buy-out award) would be in line with the Policy limits.

The approach in respect of compensation for forfeited remuneration from a previous employer will be considered on a case-by-case basis taking into account all relevant factors, such as the form of compensation forfeited, performance achieved or likely to be achieved, and the proportion of the performance period remaining. If any compensation for forfeited remuneration is paid, it may be awarded outside the ESP, through a Buy-Out Award, (provided it is settled with market-purchase shares or cash) and may be made with non-standard performance conditions, or without performance conditions and with a shorter vesting period and without a holding period to reflect the profile of forfeited awards. Any such arrangements would be disclosed in the following year's Annual Report. This discretion reflects that available to companies under the UK Listing Rules.

In the case of an internal appointment to an Executive Director role, any variable pay element, annual bonus or ESP awarded in respect of a prior non-Board role would be allowed to pay out according to its terms.

Discretion to vary from the Policy may also be exercised in the following circumstances: (1) for a short-term/interim appointment; (2) where the Chair or a Non-Executive Director is appointed to an Executive role for a short period; (3) where an Executive Director is appointed mid-year, performance conditions for annual bonus and ESP may be tailored for this; (4) where an Executive Director is hired from a location with different benefits that the Committee sees appropriate to buy out (but not variable remuneration which is covered above); (5) relocation expenses – one-off and/or ongoing including tax equalisation; and (6) legal and similar expenses.

Policy on payments for loss of office

Leaver provisions

The Committee will take into account the specific circumstances of the departure, the contractual entitlements, and rules of the relevant incentive plans when determining the termination treatment which is summarised below:

Basic salary: This will be paid over the contractual notice period and is subject to mitigation. However, the Company has the discretion to make a lump sum payment for termination in lieu of notice.

Benefits and pension contributions: These will continue to be provided over the contracted notice period. Any outstanding all-employee awards will be treated in line with the relevant HMRC regulations.

Annual bonus: If an employee ceases employment before the bonus payment date, their entitlement to an annual bonus will generally lapse. However, in the case of a "good leaver", the Committee may exercise discretion to award a time pro-rated bonus based on the period of service and performance achieved. Any bonus payment to a good leaver is subject to the usual performance conditions and Company discretion and may not become payable until the normal payment date. Outstanding deferred bonus awards will ordinarily continue to vest on their normal vesting date, unless on death where they will be released immediately as a matter of course.

ESP: If an award holder leaves employment before their award vests, the award will ordinarily lapse. However, in "good leaver" circumstances, a time pro-rated award may still vest based on the period of service, subject to performance assessment, unless the Committee determines that a lesser reduction is appropriate. The remaining award will either vest at the normal vesting date or at an earlier date if the Committee determines so.

The Group will pay any amounts it is required to in accordance with or in settlement of a Director's statutory employment rights and in accordance with their service contract. The Committee may reimburse reasonable legal costs associated with the termination. If felt appropriate, the Committee may provide a contribution towards outplacement support. A Director's service contract may be terminated without notice and without any further payment or compensation, except for sums accrued up to the date of termination, on the occurrence of certain events such as serious dishonesty, gross misconduct, or wilful neglect of duty.

Differences in Remuneration Policy for employees vs Executive Directors

The principles behind the Remuneration Policy for Executive Directors are cascaded down through the Group. They aim to attract and retain the best people and to focus their remuneration on the delivery of long-term sustainable growth by using a mix of salary, benefits, bonus and longer-term incentives. As a result, no element of the Executive Director Remuneration Policy is operated exclusively for Executive Directors other than the two-year post-vesting holding period and the shareholding guideline:

- The annual bonus scheme for Executive Directors is largely the same as that of the rest of the Executive Committee.
- Participation in the ESP is extended to the rest of the Executive Committee and Senior Leadership Group.
- A pension scheme is operated for all permanent employees. The contribution levels for existing Executive Directors are aligned with the same level of contribution for the majority of other UK employees.

The main difference in pay between Executive Directors and employees is that, for Executive Directors, there is a higher weighting towards the variable element of total remuneration. The total remuneration opportunity is higher to reflect that more is at risk and has a longer-term timeframe.

How the views of employees are taken into account

The Board has established a Designated Non-Executive Director (DNED) for Employee Engagement as a direct response to the UK Corporate Governance Code, giving the workforce a voice in Board matters.

The role of the Employee Engagement Director is to review and monitor employee insight informed by engagement activities and employee engagement surveys. The DNED, who was Deborah Kemp until being replaced by Laura Hagan from 1 July 2026, engaged with the workforce during 2026 at meetings with colleagues, practice visits and our annual leadership conference, and feedback was sought across these forums. In 2027, the DNED will continue to engage with colleagues through practice visits and at our annual leadership conference and is planning a series of employee listening groups.

The Committee considers the pay and conditions of employees throughout the Group when determining the remuneration arrangements for Directors although no direct comparison metrics are applied. In particular, the Committee considers the relationship between general changes to UK employees' remuneration and Executive Director reward. While the Committee does not directly consult with employees as part of the process of determining Executive pay, the Board does receive feedback from employee surveys that take into account remuneration in general.

Statement of consideration of shareholder views

Shareholder views are considered when evaluating and setting remuneration strategy. The Company welcomes dialogue with its shareholders over matters of remuneration. When significant changes or decisions are in contemplation, the Chair of the Committee may consult major shareholders in advance as was the case with the development of this Policy. The Committee also considers feedback received as part of the AGM process as well as the views of relevant proxy agencies. The Chair of the Committee is available for contact with institutional investors concerning the approach to remuneration.

Legacy arrangements

The Company will honour existing awards, incentives, benefits and contractual arrangements made to individuals prior to their promotion to the Board and/or prior to the approval and implementation of this Policy. This will last until the existing incentives vest (or lapse) or the benefits or contractual arrangements no longer apply.

External appointments

Executive Directors may accept one external non-executive directorship with the prior written agreement of the Board, provided it does not conflict with the Group's interests and the time commitment does not impact upon the Executive Directors' ability to perform their primary duty. The Executive Directors may retain the fee from external directorships.

Currently no Executive Directors have external appointments.

Directors' Remuneration Policy continued

Illustrations of the application of the Remuneration Policy

The table and charts below represent estimates under four performance scenarios ("Minimum", "Target", "Maximum" and "Maximum with growth" (assuming a +50.0% share price appreciation) between award and vesting under the ESP) of the potential remuneration outcomes for each Executive Director resulting from the application of the 2026 base salaries to awards made in accordance with the proposed Policy. The majority of Executive Directors' remuneration is delivered through variable pay elements, which are conditional on the achievement of stretching targets.

The Committee will review the actual remuneration outcomes taking into account the quality of performance outcomes and, if appropriate, use its discretion to adjust these, taking into account CVS's performance, the operation of the remuneration structures and any other relevant factors, to ensure that the highest variable pay outcomes are only achieved in years with the highest performance.

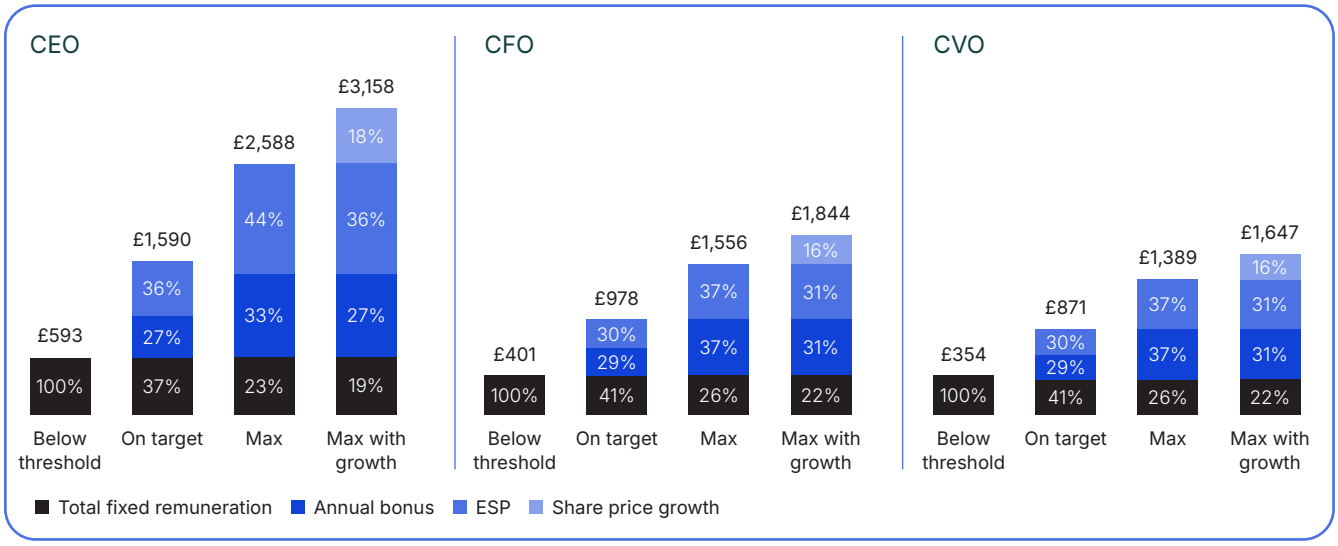
The pay scenarios are forward looking and only serve to illustrate the Policy as proposed to be operated for the year ended 30 June 2027. The scenarios are based on the current CEO, CFO and CVO roles.

Performance scenarios

		Minimum	Target	Maximum	Maximum + 50%
Fixed remuneration	Base salary[1]	Yes	Yes	Yes	Yes
	Benefits[2]	Yes	Yes	Yes	Yes
	Pension[3]	Yes	Yes	Yes	Yes
Annual bonus		Nil	Set at 50% of maximum opportunity 75% of salary	150% of salary	150% of salary
Performance Share Awards		Nil	Set at 50% of maximum opportunity CEO – 100% of salary CFO and CVO – 75% of salary	Set at maximum opportunity CEO – 200% of salary CFO and CVO – 150% of salary	Full vesting as under maximum with 50% share price appreciation

1. Base salary from 1 July 2026.
2. Taxable value of annual benefits for year ended 30 June 2026.
3. Pension at 6% of salary earned between £6,000 and £50,000.

Illustrations of application of Remuneration Policy (£'000)



Annual Report on Remuneration

Introduction

This Annual Report on Remuneration sets out information about the remuneration of the Directors of the Company for the year ended 30 June 2026.

Remuneration received by Directors for the year ended 30 June 2026 – audited

The following table sets out the Directors' remuneration for the year ended 30 June 2026 (or for performance periods ended in that year in respect of long-term incentives) together with comparative figures for the year ended 30 June 2025.

Directors' emoluments

		Fixed pay				Variable pay			
		Basic salary allowance and fees £'000	Benefits in kind £'000	Pension £'000	Total fixed pay £'000	Performance related bonus £'000	Value of share ESP awards vested during the year[3] £'000	Total variable pay £'000	Total pay £'000
Executive Directors									
R Fairman	**2026**	**493**	**20**	**40**	**553**	**—**	**—**	**—**	**553**
	2025	493	17	39	549	172	—	172	721
R Alfonso	**2026**	**338**	**13**	**27**	**378**	**—**	**—**	**—**	**378**
	2025	338	11	27	376	118	—	118	494
P Higgs[1]	**2026**	**290**	**6**	**23**	**319**	**—**	**—**	**—**	**319**
	2025	267	6	21	294	99	—	99	393
B Jacklin[2]	**2026**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
	2025	394	10	32	436	—	—	—	436
Non-Executive Directors									
D Wilton	**2026**	**155**	**—**	**—**	**155**	**—**	**—**	**—**	**155**
	2025	155	—	—	155	—	—	—	155
D Kemp[4]	**2026**	**58**	**—**	**—**	**58**	**—**	**—**	**—**	**58**
	2025	57	—	—	57	—	—	—	57
R Gray	**2026**	**54**	**—**	**—**	**54**	**—**	**—**	**—**	**54**
	2025	54	—	—	54	—	—	—	54
J Shaw	**2026**	**58**	**—**	**—**	**58**	**—**	**—**	**—**	**58**
	2025	56	—	—	56	—	—	—	56
L Hagan[5]	**2026**	**9**	**—**	**—**	**9**	**—**	**—**	**—**	**9**
	2025	—	—	—	—	—	—	—	—
H Keays[6]	**2026**	**13**	**—**	**—**	**13**	**—**	**—**	**—**	**13**
	2025	—	—	—	—	—	—	—	—
J Bednall[6]	**2026**	**13**	**—**	**—**	**13**	**—**	**—**	**—**	**13**
	2025	—	—	—	—	—	—	—	—

1. P Higgs was appointed to the Board with effect from 25 July 2024.
2. B Jacklin resigned from the Board with effect from 8 July 2024, and concluded his notice period on 17 June 2025.
3. In respect of 2026 and 2025, no ESP awards vested and therefore the value is £nil.
4. D Kemp resigned from the Board with effect from 30 June 2026.
5. L Hagan was appointed to the Board with effect from 1 May 2026.
6. H Keays and J Bednall were appointed to the Board with effect from 1 April 2026.

Annual Report on Remuneration continued

Remuneration received by Directors for the year ended 30 June 2026 – audited continued

Salaries

There were no changes to Executive Directors' salaries during the year.

Benefits

Benefits include the provision of a company car and medical and life insurance.

Discretionary bonus

For 2026, the maximum bonus entitlement for the Executive Directors was 100% of base salary, weighted 80% on adjusted EBITDA and 20% on five strategic components, each representing up to 4% of bonus payable on a straight-line basis.

The bonus scheme targets for the financial year were as follows:

Measure	Weighting	Target range	Outcome	% achieved
Adjusted EBITDA target range (with targets increased to reflect acquisitions and disposals)	80%	£142.6m for zero bonus and £152.1m for maximum bonus	£141.5m	Nil
Like-for-like sales growth	4%	>+4%	+2.1%	Nil
Return on capital employed (ROCE)	4%	>12%	16.4%	4%
Client Net Promoter Score	4%	>80.0	80.6	4%
Employee Net Promoter Score	4%	>5.0	5.8	4%
Non-medical waste recycling	4%	>41% non-medical waste to be recycled	45.5%	4%

As the primary financial target of the bonus was not met, the non-financial element of the bonus is not payable.

In light of the above, the Committee determined that no bonus payment would be made for 2026 (2025: 34.9%).

ESP vesting

ESP awards for the three-year performance period ended 30 June 2026 due to vest in September 2026 (ESP17) will lapse in full. The vesting of these awards was subject to meeting adjusted EPS and total shareholder return targets as set follows:

Adjusted EPS (50% weighting)

Adjusted EPS for the year ended 30 June 2026 was 85.6p. This compares to adjusted EPS of 96.0p[1] for the year ended 30 June 2023, a compound annual growth rate (CAGR) of -7.2% below inflation. The target CAGR for threshold and full vesting of ESPs issued in September 2023 was 1.0% and 6.0% above inflation, respectively. This target has not been met and therefore none of the options granted have vested (max 50%).

Total shareholder return (TSR) (50% weighting)

Total shareholder return for the three years to 30 June 2026 was -38.8%, and in the lower quartile when benchmarked against the FTSE 250 Index (less investment trusts), measured over the same period. The Committee believes sentiment has impacted the share price due to the CMA investigation. The target has not been exceeded and therefore none of the options granted have vested (max 50%).

As a result of neither the adjusted EPS nor TSR targets being met no options have vested for ESP17.

ESP awards

On 31 July 2025, the Company granted awards under ESP19 to its Executive Directors as detailed in the tables on page 105. The face value of these awards, each reflecting 200% of salary at the time of award, is £986,420 for the CEO, £675,740 for the CFO and £580,000 for the CVO. The face value was calculated by multiplying the average share price on the five dealing days prior to the date of grant by the number of shares awarded with the share price of £12.40.

The Committee considers that the performance measures are aligned to long-term business strategy and appropriately stretching reflecting the prevailing environment.

1. 2023 adjusted EPS as reported and prior to the re-presentation following the divestment of the Netherlands and Republic of Ireland operations.

Share scheme interests as of 30 June 2026 – audited

Details of plans at the reporting date that have not yet vested are set out below:

Award	Grant date	Vesting period
ESP17	30 September 2023	3 years
ESP18	4 October 2024	3 years
ESP19	31 July 2025	3 years

The performance targets for award ESP17, ESP18 and ESP19 are based on achieving adjusted EPS growth in excess of inflation and total shareholder return in comparison to the FTSE 250.

Adjusted EPS growth (50% weighting)

50.0% of the awards will vest if adjusted EPS growth in excess of inflation is achieved as follows:

- less than 1.0% CAGR – no award subject to this condition;
- 1.0% to 6.0% CAGR – awarded on a straight-line basis between 25.0% and 100.0% of total award subject to this condition; or
- more than 6.0% CAGR – full award subject to this condition.

Total shareholder return (TSR) (50% weighting)

50.0% of the awards will vest if TSR in comparison to the FTSE 250 Index (excluding investment trusts) is achieved as follows:

- below median comparable performance – no award subject to this condition;
- median comparable performance – 25.0% of awards subject to this condition;
- median to upper quartile comparable performance – 25.0% to 100.0% of awards subject to this condition measured on a straight-line basis; or
- upper quartile comparable performance – 100.0% of awards subject to this condition.

Options over Ordinary shares awarded to Executive Directors under the ESP and SAYE schemes in place on 30 June 2026 are as follows:

Scheme	Date of grant	Market price of shares on date of grant	Earliest exercise date and date of vesting of shares	Exercise price	Number of shares at 30 June 2025[1]	Granted	Lapsed	Exercised	Number of shares at 30 June 2026[1]
R Fairman									
ESP16	30 September 2022	1,690p	30 June 2025	0.2p	30,773	—	(30,773)	—	—
ESP17	29 September 2023	1,630p	30 June 2026	0.2p	34,419	—	—	—	34,419
ESP18	04 October 2024	1,058p	30 June 2027	0.2p	55,581	—	—	—	55,581
ESP19	31 July 2025	1,228p	30 June 2028	0.2p	—	79,550	—	—	79,550
SAYE15	25 November 2022	1,515p	01 January 2026	1,515p	380	—	(380)	—	—
SAYE16	24 November 2023	1,530p	01 January 2027	1,146p	550	—	—	—	550
SAYE17	26 November 2024	798p	01 January 2028	847p	722	—	—	—	722
SAYE18	26 November 2025	1,192p	01 January 2029	1,136p	—	507	—	—	507
R Alfonso									
ESP16	30 September 2022	1,690p	30 June 2025	0.2p	15,990	—	(15,990)	—	—
ESP17	29 September 2023	1,630p	30 June 2026	0.2p	17,884	—	—	—	17,884
ESP18	04 October 2024	1,058p	30 June 2027	0.2p	30,460	—	—	—	30,460
ESP19	31 July 2025	1,228p	30 June 2028	0.2p	—	54,495	—	—	54,495
SAYE15	25 November 2022	1,515p	01 January 2026	1,515p	403	—	(403)	—	—
SAYE16	24 November 2023	1,530p	01 January 2027	1,146p	550	—	—	—	550
SAYE17	26 November 2024	798p	01 January 2028	847p	680	—	—	—	680
SAYE18	26 November 2025	1,192p	01 January 2029	1,136p	—	538	—	—	538
P Higgs									
ESP16	30 September 2022	1,690p	30 June 2025	0.2p	4,732	—	(4,732)	—	—
ESP17	29 September 2023	1,630p	30 June 2026	0.2p	6,212	—	—	—	6,212
ESP18	04 October 2024	1,058p	30 June 2027	0.2p	26,144	—	—	—	26,144
ESP19	31 July 2025	1,228p	30 June 2028	0.2p	—	46,774	—	—	46,774
SAYE16	24 November 2023	1,530p	01 January 2027	1,146p	517	—	—	—	517
SAYE17	26 November 2024	798p	01 January 2028	847p	722	—	—	—	722
SAYE18	26 November 2025	1,192p	01 January 2029	1,136p	—	538	—	—	538

1. Share price for the purposes of calculating number of shares to grant is the average of closing share price for preceding five days in line with scheme rules.

Annual Report on Remuneration continued

Loss of office

No payments were made during the year in respect of loss of office.

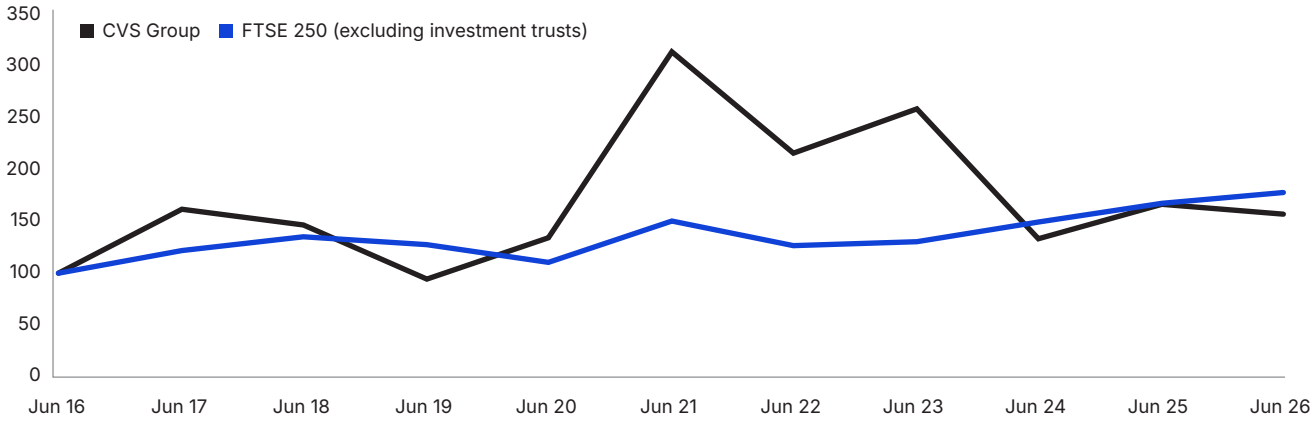
As announced on 30 March 2026, Richard Fairman has indicated an intention to retire from the Board for personal reasons in due course. He remains in post until a successor is appointed to ensure an orderly handover. As he remains in post and not formally under notice he will continue to be subject to our Policy in the same way as other Executives. We intend to provide an update on the remuneration arrangements for Richard's leaver arrangements and those of any successor at the appropriate time; those remuneration arrangements will also be reflective of our Policy.

Payments to former Directors

No payments were made during the year to former Directors.

Performance graph

The graph below illustrates CVS Group plc's TSR performance against the FTSE 250 (excluding investment trusts) since 1 July 2016.



Given the Company's market capitalisation the Committee considers this an appropriate peer group.

Chief Executive Officer's historical remuneration – audited

The table below sets out the total remuneration of the individual undertaking the role of Chief Executive Officer over the last ten years for the period such individual was undertaking the CEO role, valued using the methodology applied to the single total figure remuneration (shown in the Directors' emolument table on page 103).

Year	CEO	Total remuneration £'000	Annual bonus payment level achieved (% of maximum opportunity)	ESP vesting level achieved (% of maximum opportunity)
2026	**Richard Fairman**	**553**	**Nil**	**Nil**
2025	Richard Fairman	721	34.9%	Nil
2024	Richard Fairman	593	12.0%	Nil
2023	Richard Fairman	1,564	90.4%	100%
2022	Richard Fairman	1,808	98.4%	100%
2021	Richard Fairman	1,622	100%	100%
2020	Richard Fairman*	378	Nil	N/A
2020	Simon Innes*	790	Nil	Nil
2019	Simon Innes	780	Nil	66%
2018	Simon Innes	885	Nil	100%
2017	Simon Innes	1,606	100%	100%

* Simon Innes left the role of CEO in November 2019 from which point Richard Fairman was appointed CEO.

CEO pay ratio

Pay ratio information in relation to the total remuneration of the Director undertaking the role of CEO

The table below sets out the ratio of the total remuneration received by the Group CEO during the year ended 30 June 2026 to the total remuneration received in the same period by our UK employees at the median, 25th and 75th percentiles.

Year	Methodology	25th percentile pay ratio	50th percentile pay ratio	75th percentile pay ratio
2026*	**Option B**	**20:1**	**17:1**	**12:1**
2025 restated*	Option B	28:1	23:1	15:1
2024	Option B	25:1	20:1	14:1
2023	Option B	69:1	56:1	37:1
2022	Option B	89:1	69:1	45:1

* The gender pay gap reporting for the period to 5 April 2026 had yet to be published at the last reporting date and therefore the CEO pay ratio was completed against the three colleagues identified in the 5 April 2025 gender pay reporting. 2025 has been restated now the 2025 gender pay gap reporting has been published.

	2026		2025 restated		2024	
	Basic salary £'000	**Total pay and benefits £'000**	Basic salary £'000	Total pay and benefits £'000	Basic salary £'000	Total pay and benefits £'000
Group CEO	**493**	**553**	493	721	468	593
UK employees 25th percentile	**26**	**27**	25	26	24	24
UK employees 50th percentile	**32**	**33**	30	31	29	29
UK employees 75th percentile	**46**	**48**	45	47	42	43

Given that the majority of our workforce are practice based, with a significant number of part-time colleagues, calculating a full-time equivalent rate is complex. Consequently, under option B of the legislation this methodology means that we use gender pay gap data, which is readily available, to identify the 25th, 50th and 75th percentile of UK colleagues using the 5 April 2025 snapshot date. A full-time equivalent total pay figure is then derived using the single figure methodology for the three colleagues. To ensure these are representative colleagues, we have also analysed the total pay of colleagues adjacent to the three colleagues.

For the CEO pay ratio, we have used the CEO's total pay as detailed in the Directors' emolument table on page 103. The CEO's remuneration package includes a significant variable component to align outcomes to Company performance. Therefore, the pay ratio can fluctuate year to year based on business performance and incentive outcomes. The decrease in the pay ratio this year is attributed to Company performance and the bonus not being payable.

The Committee considers the pay ratios alongside other reference points. It believes the median pay ratio this year aligns with our pay, reward and progression policies for UK colleagues, reflecting our pay for performance philosophy.

Relative importance of spend on pay – audited

The following table shows the Group's actual spend on pay for all Group employees (continuing operations) relative to dividends and pre-tax profit.

	2026 £m	2025 £m	Change %
Overall spend on pay, including Executive Directors	**348.2**	325.9	+6.8%
Adjusted EBITDA for continuing operations	**141.5**	134.6	+5.1%
Profit before tax for continuing operations	**32.0**	32.6	-1.8%
Capital expenditure[1]	**36.4**	34.2	+6.4%
Dividends	**6.1**	5.7	+7.0%

1. Capital expenditure has been included in the above table as it represents a key expenditure, being the Group's investment in infrastructure to drive future growth.

Annual Report on Remuneration continued

Advisors to the Remuneration Committee

During the year, h2g Remuneration Advisory (h2g) advised the Committee on certain aspects of remuneration matters. Fees of £110,390 exclusive of VAT were paid to h2g on a time incurred basis. FIT Remuneration Consultants LLP (FIT) was appointed following the year end to provide additional support with the development and reporting of the Remuneration Policy. h2g and FIT are members of the Remuneration Consultants Group and, as such, voluntarily adhere to its Code of Conduct. The Committee considers the advice that it receives from h2g and FIT to be independent as both solely advise the Company on remuneration matters. There are no relationships between h2g, FIT and either the Company or individual Directors to be disclosed.

Directors' interests in shares – audited

The interests of the Directors who served during the year when combined with their spouses' holdings as of 30 June 2026 in the shares of the Company were:

	2026 Beneficially owned	Outstanding awards subject to performance	Outstanding awards not subject to performance	% of basic salary at 30 June 2026	Shareholder guideline met
D Wilton	**12,500**	—	—	N/A	N/A
D Kemp*	**10,453**	—	—	N/A	N/A
R Gray	**9,600**	—	—	N/A	N/A
J Shaw	**2,387**	—	—	N/A	N/A
L Hagan	**—**	—	—	N/A	N/A
H Keays	**—**	—	—	N/A	N/A
J Bednall	**—**	—	—	N/A	N/A
R Fairman	**79,751**	—	—	190%	No
R Alfonso	**25,247**	—	—	88%	No
P Higgs	**4,931**	—	—	20%	No

* Resigned 30 June 2026.

Apart from the interests in shares disclosed above, and share options disclosed on page 105, the Directors had no other interest in shares of Group companies.

Since the year end, the following shares transactions have occurred:

- R Alfonso has purchased a further 768 Ordinary shares, bringing his total interests in Ordinary shares to 26,015.
- D Wilton has purchased a further 1,500 Ordinary shares, bringing his total interests in Ordinary shares to 14,000.
- J Shaw has purchased a further 1,592 Ordinary shares, bringing her total interests in Ordinary shares to 3,979.

The shareholding guideline was increased to 200.0% of base salary with effect from 1 July 2023. The Committee recognises the Directors will take time to bring their respective holdings to this level and is comfortable with the level of current holding and each Director's commitment to continue to increase this.

On 30 June 2026, the market price of the Ordinary shares was 1,173p.

Implementation of Policy for year ended 30 June 2027

Fixed pay

The CEO base salary will be increased to £570,000 (c.16%), the CFO base salary will be increased to £385,000 (c.14%) and the CVO base salary will be increased to £345,000 (c.19%) from 1 July 2026. The corrective increases are considered necessary to provide a competitive package. Even with these changes, salary is considered to be modestly positioned against benchmark data.

There are no changes planned for benefits. The pension provision will be reduced for current Executive Directors so that it is fully aligned with pension provision for the UK workforce, which is currently a 6.0% contribution for salary between £6,000 and £50,000.

Annual bonus

The maximum bonus for the CEO, CFO and CVO is 150.0% of salary, with 50.0% of any bonus deferred for two years, unless the shareholding guideline is met in which case 33.0% of any bonus would be deferred.

The bonus will be assessed against:

- adjusted EBITDA growth 20.0% weighting;
- adjusted EPS growth 20.0% weighting;
- return on capital employed (ROCE) 20.0% weighting;
- free cash flow per share growth 20.0% weighting;
- like-for-like sales growth 5.0% weighting;
- employee Net Promoter Score 5.0% weighting;
- client Net Promoter Score 5.0% weighting; and
- reduction in carbon 5.0% weighting.

The widening of measures was considered appropriate to ensure performance is assessed on a rounded basis and was reflective of shareholder feedback.

Long-term incentives (Executive Share Plans)

For 2026/27 the proposed award levels will be 150% for the CFO/CVO. The Committee intends to grant the CEO an award of 200% of salary if, at the time of the award, the CEO recruitment process remains ongoing.

Awards will subject to a relative TSR measure (50% weighting) with a market standard median to upper quartile target range and an adjusted EPS growth (50% weighting) target range of 3.0% to 10.0% CAGR. The adjusted EPS target range was set following due consideration of internal forecasts, external consensus and the current view of market conditions. The targets are considered to be challenging, particularly to achieve the top end.

Threshold vesting will result in 25% of the award vesting, rising on a straight-line basis to full vesting for achieving the stretch target.

Non-Executive Director fees

The Chair and Non-Executive Director fees are stated in the table below:

	1 July 2026 £	1 July 2025 £
Group Chair	**220,000**	155,000
Non-Executive Director base salary	**59,500**	51,419
Senior Independent Director	**12,000**	—
Employee Engagement Director fee	**10,000**	—
Audit and Risk/Remuneration Chair Board Committee fee	**12,000**	6,640
Nomination Chair Board Committee fee	—	3,566

Statement of voting

At the Annual General Meeting on 18 November 2025, the resolutions were approve for the Remuneration Report and Remuneration Policy:

Resolution	Votes for	Votes against	Total votes	Votes withheld
Remuneration Report	39,871,101 (77.7%)	11,423,497 (22.3%)	51,294,598	3,865,070
Remuneration Policy	42,609,859 (83.1%)	8,685,184 (16.9%)	51,295,013	3,865,070

1. Votes "for" include discretionary votes.
2. Percentages above are rounded to one decimal place.
3. Issued share capital at meeting date: 71,433,195.
4. A vote withheld is not a vote in law and is not counted in the calculation of the proportion of votes "for" or "against" a resolution.

The reasons for the adverse voting and the Company's response are covered in the introduction to this report.

Annual General Meeting

Our Remuneration Report and our Remuneration Policy will be subject to votes at our AGM to be held on 25 November 2026.

Helen Keays
Remuneration Committee Chair
24 September 2026

Directors' report

The Directors present their Annual Report and Financial Statements together with the audited consolidated financial statements for the year ended 30 June 2026.

Principal activities and results

The principal activities of the Group are to operate animal veterinary practices, complementary veterinary diagnostic businesses and an online retail business. The principal activity of CVS Group plc is that of a holding company.

The Group made a profit after taxation of £17.8m (2025: £53.0m).

Particulars of events which have occurred since the end of the financial year have been disclosed in note 33 to the financial statements.

Business review

The information that fulfils the requirements of the business review, including details of the 2026 results, key performance indicators, principal risks and uncertainties and the outlook for future years, is set out in the Chair's Statement (pages 22 and 23), the Chief Executive Officer's Review (pages 24 to 27), and the Financial Review (pages 48 to 54), including key performance indicators (pages 18 and 21) and principal risks and uncertainties (pages 56 to 63).

Dividends

In respect of the year under review, the Directors recommend a final dividend payment of 9.0p (2025: 8.5p), amounting to £6.2m (2025: £6.1m).

The aggregate dividends recognised as distributions in the year ended 30 June 2026 amounted to £6.1m (2025: £5.7m).

No interim dividends (2025: £nil) have been paid during the year.

Dividend policy

The Group has established an ordinary dividend policy that is both progressive and sustainable, based on growing the ordinary dividend per share over time. The rate of growth of the ordinary dividend will be decided by the Board in light of the circumstances at the time.

The ability of the Group to pay a dividend is also subject to constraints including the availability of distributable reserves and the Group's financial and operating performance.

Distributable reserves are determined as required by the Companies Act 2006 by reference to a company's individual financial statements.

Share buyback

The Board also gives due consideration to the return of capital through the use of special dividends or share buybacks. During the year, the Group completed a £20.0m share buyback programme and announced a further £50.0m share buyback programme in May 2026 which remains ongoing.

During the year, the Company purchased and cancelled 2,542,125 Ordinary shares of 0.2p each in the capital of the Company as part of its share buyback programme, which was undertaken in two tranches. The shares acquired represented an aggregate nominal value of £31.7m. All shares acquired during the year were cancelled and no shares were held in treasury at any time. At the end of the financial year, the Company's issued share capital comprised 69,199,749 Ordinary shares of 0.2p each.

The second tranche of the share buyback, totalling £50.0m, remains ongoing, with £11.7m spent in the year ended 30 June 2026.

Directors

The following Directors held office during the year and up to the date of signing the financial statements unless otherwise stated:

R Fairman	H Keays (appointed 1 April 2026)
R Alfonso	J Shaw
P Higgs	J Bednall (appointed 1 April 2026)
D Wilton	D Kemp (resigned 30 June 2026)
L Hagan (appointed 1 May 2026)	R Gray

Biographical details of the Directors are provided on pages 70 and 71.

Re-election of Directors

The Articles of Association of the Company require all Directors to be re-elected at intervals of not more than three years. The Board has decided that it is appropriate for all Directors to be re-appointed each year, so in accordance with that decision, all Directors, including Richard Fairman, CEO, unless a successor has been appointed, will stand for re-election at the Annual General Meeting.

Directors' remuneration and interests

The Remuneration Committee Report is set out on pages 93 to 109. It includes details of Directors' remuneration, interests in the shares of the Company, share options and pension arrangements.

Environment

The Group recognises the importance of environmental responsibility and carries out clinical compliance reviews and employee training to ensure compliance with environmental standards.

Details of the Group's approach to sustainability and ESG are set out on pages 32 to 45.

Health and safety

The Group is fully aware of its obligations to maintain high health and safety standards at all times, and the safety of our colleagues and customers are of paramount importance.

The Group's operations are managed at all times in such a way as to ensure, as far as is reasonably practicable, the health, safety and welfare of all of our colleagues and all other people who may be attending our premises.

Corporate governance

The Board's Corporate Governance Statement is set out on pages 72 to 78.

Going concern

In adopting the going concern basis for preparing the financial statements, the Directors have considered the Group's projections, forecasts and business activities as set out on pages 1 to 63, the financial position of the Group, its cash flows, liquidity position and borrowing facilities as set out in the Financial Review on pages 48 to 55, the Group's financial risk management objectives and exposures to liquidity and financial risks as set out in note 3 to the financial statements, as well as the Group's principal risks and uncertainties as set out on pages 56 to 63.

Based on the Group's projections and cash flow forecasts, the Board expects the Group to have adequate resources to continue in operation, meet its liabilities as they fall due, retain sufficient available liquidity and not breach covenants under its loan facilities for the foreseeable future, being a period of at least twelve months from the approval of the financial statements. The Board therefore considers it appropriate for the Group to adopt the going concern basis in preparing its financial statements.

See note 24 to the financial statements for more information on our loan facilities.

Viability statement

The process of considering the Group's viability includes financial forecasting, risk assessment, regular budget reviews as well as scenario planning incorporating industry trends, considering any emerging issues and economic conditions. Our strategy aims to enhance our long-term prospects by making sure our operations and finances are sustainable.

The UK Corporate Governance Code requires the Directors to issue a "viability statement" declaring whether they believe the Group can continue to operate and meet its liabilities, considering its current position and principal risks and uncertainties. The overriding aim is to encourage Directors to focus on the longer term and be more actively involved in risk management and internal controls. In assessing viability, the Board considered several key factors, including the Group's business model (see pages 10 and 11), its strategy (see pages 16 and 17), its approach to risk management (see pages 56 to 58) and its principal risks and uncertainties (see pages 59 to 63).

Assessment of viability period

The Board is required to assess the Group's viability period over a longer period than the twelve months required by the "going concern" provision and in keeping with the way the Board views developments of the business over the longer term. A period of five years is believed to be appropriate for this assessment since this is consistent with the Group's long-term strategic planning, other assessment periods included within the Annual Report, for example impairment reviews and typically the initial term it finances its debt over.

Assessment approach

The Directors' assessment has been made by reference to the Group's financial position as at 30 June 2026, its prospects, the Group's strategy, the Board's risk appetite and the Group's principal risks, all of which are described in the Strategic Report. The assessment also considers scenario analysis over the key principal risks to the business, how the Group is resilient to those risks and how the Group can mitigate the effects of those risks.

The Directors' assessment of the Group's viability is underpinned by a paper prepared by management. The paper is supported by comprehensive and detailed analysis and modelling, containing financial projections for a detailed one-year plan and extended five-year period. The longer-term plan is reviewed each year by the Board as part of the strategy review process. Once approved by the Board, the plan is cascaded across the Group and provides the basis for setting all detailed financial budgets and strategic actions that are subsequently used by the Board to monitor performance.

The five-year plan provides a robust planning tool against which strategic decisions can be made. In making the viability assessment, the Board has taken into consideration that financing facilities are maintained for the duration of the forecast. The loan facility totalling £350.0m, of which £132.0m is undrawn at 30 June 2026, was amended and restated, and is now repayable on 20 May 2030, with the option to extend by one year to 2031. For the purposes of assessing the Group's viability, the Directors have reviewed the risks as detailed on pages 56 to 63; whilst all the risks identified could have an impact on the Group's performance, most risks could be aggregated to have a similar impact of reduced revenue or additional cost.

Viability assessment

The outputs of the above have been reviewed against the Group's current and projected future cash and liquidity position. At the year end, the Group had cash and cash equivalents of £18.4m, a drawn term loan of £125.0m, a drawn RCF of £93.0m, an unutilised RCF of £132.0m and an unutilised overdraft facility of £5.0m. The Directors have considered the available cash, the undrawn overdraft facility and cash flow forecasts, and consider that the Group will be able to meet its liabilities in full as they fall due. The Group monitors cash flow on a daily basis and maintains sufficient cash reserves to ensure both solvency and liquidity within the Group.

In making this assessment, the Board has assumed that there is no material adverse change in the legislative or operational environment in the practice of veterinary medicine as a result of the CMA market investigation. It is recognised, however, that such future assessments are subject to a level of uncertainty that increases with time and therefore future outcomes cannot be guaranteed or predicted with certainty. On this basis and in conjunction with other matters considered and reviewed by the Board during the year, the Board has reasonable expectations that the Group will be able to continue in operation and meet its liabilities as they fall due over the five financial years used for its assessment.

Financial instruments

Details of the Group's financial risk management objectives and policies are included in note 3 to the financial statements.

Share capital and substantial shareholdings

Fund manager	Shares	% at 9 September 2026
Tweedy Browne	**6,989,248**	10.3
Global Alpha Capital Management	**5,400,653**	8.0
BlackRock Inc	**4,748,154**	7.0
Kempen Capital Management	**4,470,157**	6.6
Invesco	**2,951,509**	4.4
Janus Henderson	**2,389,935**	3.5
Gumshoe Capital Management	**2,268,793**	3.3
Aberdeen Group plc	**2,109,233**	3.1

Details of the share capital of the Company as at 30 June 2026 are set out in note 26 to the financial statements. Each share carries the right to one vote at general meetings of the Company.

At 9 September 2026, the Company has been notified of the substantial shareholdings detailed in the table above comprising 3.0% or more of the issued Ordinary share capital of the Company.

The Board is satisfied that no major shareholder presents a conflict of interest or exerts undue influence over the Board's independent judgement.

Employees

Consultation with employees takes place through a number of regional meetings throughout the year and a monthly colleague survey. The aim is to ensure that employees' views are taken into account when decisions are made which are likely to affect their interests and that all employees are aware of the general progress of their business units and of the Group as a whole.

Deborah Kemp was the Board's dedicated Non-Executive Director for employee engagement, being succeeded by Laura Hagan as of 1 July 2026. During the year, Deborah consulted with employees through online meetings with the Company's Senior Leadership Group, visits to our businesses, attendance at the annual leadership conference and regular reviews of the Group's monthly employee Net Promoter Score. Laura Hagan will continue to engage with colleagues through practice visits and at our annual leadership conference and is planning a series of employee listening groups.

The Group regularly consults with, and seeks feedback from, employees and the Board monitors employee engagement.

Applications for employment by disabled people are always fully considered, bearing in mind the respective aptitude and ability of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of a disabled person should be, as far as possible, identical to that of a person who does not have a disability.

The Group operates a Executive Share Plan for Executive Directors, Executive Committee and other members of senior management. Details are included in note 8.

The Group also has a Save As You Earn (SAYE) scheme, under which employees are granted an option to purchase Ordinary shares in the Company in three years' time, dependent upon them entering into a contract to make monthly contributions to a savings account over the relevant period. These savings are used to fund the option exercise value. The exercise price in respect of options issued in the year was at a 10.0% discount to the shares' market value at the date of invitation. The scheme is open to all UK Group employees, including the Executive Directors. Details of the scheme are included in the Remuneration Committee Report on pages 93 to 109.

Directors' third-party indemnity provision

A qualifying third-party indemnity provision as defined in Section 234 of the Companies Act 2006 was in force during the year and also at the consolidated and Company statement of financial position date for the benefit of each of the Directors in respect of liabilities incurred as a result of their office with the Company and any associated company to the extent permitted by law. In respect of those liabilities for which Directors may not be indemnified, the Company maintained a Directors' and Officers' (D&O) liability insurance policy throughout the financial year.

Research and development

In the course of their ordinary work, the Group's colleagues perform work which advances the overall knowledge in the veterinary field and seeks to resolve scientific and technological uncertainties; some of this expenditure is recognised as research and development expenditure.

Directors' responsibilities statement

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations. Company law requires Directors to prepare financial statements for each financial year. Under that law, the Directors are required to prepare the Group financial statements in accordance with the United Kingdom-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006. The Directors have also chosen to prepare the parent company financial statements under United Kingdom-adopted International Accounting Standards. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Company and the Group for that period.

In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting framework is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Disclosure of information to auditor

Each of the persons who is a Director at the date of approval of this Annual Report and Financial Statements confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Resolutions concerning the re-appointment of Deloitte LLP as auditor and authorising the Audit and Risk Committee to set its remuneration will be proposed at the AGM.

Approval

The Strategic Report on pages 1 to 63 and Directors' Report on pages 110 to 113 were approved by the Board of Directors on 24 September 2026.

Authorised by order of the Board

Scott Morrison
Company Secretary
24 September 2026

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What makes us CVS

Turning research into better patient care

We support nurses in building confidence and skills in evidence-based practice through our bimonthly Vet Nurse Journal Club. This online forum explores topics that empower nurses while providing opportunities to connect and discuss emerging evidence. In 2026, a session on nurse-led chronic condition clinics examined practical approaches to supporting patients with diabetes, arthritis, heart disease and renal disease. These initiatives help nurses share best practice, build confidence and enhance patient care.

"It's about access. These forums offer the opportunity to discuss cutting-edge articles, share insights and build a community of like-minded individuals dedicated to advancing knowledge and skills."

David and Honey – Severn Edge Veterinary Hospital, Bridgnorth

Independent auditor's report
to the members of CVS Group plc

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of CVS Group plc (the 'parent company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the parent company's affairs as at 30 June 2026 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom adopted International Accounting Standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated and company statement of financial position;
- the consolidated and company statements of changes in equity;
- the consolidated and company statement of cash flow; and
- the related notes 1 to 35.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted International Accounting Standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Group and the parent company for the year are disclosed in note 6 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group or the parent company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • Revenue recognition – Healthy Pet Club • Valuation of the Research and Development Expenditure Credit (RDEC) • Business combinations
Materiality	The materiality that we used for the Group financial statements was £4.2m (2025: £4.0m) which represents 5.0% (2025: 5.1%) of adjusted profit before tax and was determined by reference to a range of income statement measures.
Scoping	We have scoped in components for procedures on one or more classes of transactions, account balances or disclosures that together represent 89% of revenue (2025: 85%), 90% of expenses (2025: 87%) and 92% of net assets (2025: 91%). These components have a range of performance materialities between £1.2m and £2.4m. The remainder of the components of the Group were subject to analytical procedures at Group level.
Significant changes in our approach	There have been no significant changes to our audit approach in the current year.

4. Conclusions relating to going concern

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

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

- Assessment of the available financing facilities of £350.0m and evaluation of repayment terms and covenant requirements;
- Evaluation of the assumptions used in the forecasts such as revenue growth, gross margin changes and cash flow movements, and whether these are appropriate in line with historical performance;
- Assessment of the level of headroom in the financing facilities under the base case forecast;
- Assessment of the arithmetical accuracy and integrity of the forecast;
- Assessment of the accuracy of the forecast through comparing actual performance to forecast;
- Assessment of the reasonable downturn case scenario performed by management against the principal risks, including consideration of mitigations, and consideration of whether the adverse variance in cash flows required to produce a covenant breach represents a remote possibility; and
- Assessment of the appropriateness of the going concern disclosures in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

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

5. Key audit matters

The key audit matters communicated below are matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year and included the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Revenue recognition – Healthy Pet Club

Key audit matter description	The Group earns revenue via the Healthy Pet Club (HPC) scheme whereby customers sign up for a monthly or annual direct debit arrangement in exchange for a programme of preventative products and treatments. The Group recognised £95.5m (2025: £92.2m) of HPC revenue during the year and has approximately 509,000 (2025: 519,000) active members as at the year end. The revenue recognition for this scheme is judgemental since IFRS 15, 'Revenue from Contracts with Customers' requires revenue to be recorded either at a point in time or over time according to when the performance obligation is satisfied. In the case of HPC revenue, satisfaction of the performance obligation is not aligned to the timing of cash receipts due to the weighting of treatments towards the earlier months of the scheme. Revenue must also be adjusted for anticipated animal deaths (whereby outstanding fees will be waived) and irrecoverable debts. Additional adjustments are also required where a customer does not receive their treatment during the scheduled month and hence forgoes the service, or where cash has been received from the customer, but the service has not yet been provided. The Group's accounting policy is to record revenue in line with the performance obligations being satisfied. In the current year, the estimation methodology used to apply this policy has been changed, from a cost input to a revenue input. This was due to additional information being available in response to the Competition Market Authority remedies that a standalone selling price is required for individual products or services included within the HPC scheme. The change in accounting estimate did not result in a material change to the revenue recognised. The Audit Committee also considered this as a significant matter as discussed in the Audit Committee Report on pages 83 to 87 with the accounting policy discussed in note 2 to the financial statements.

5. Key audit matters continued

5.1. Revenue recognition – Healthy Pet Club continued

How the scope of our audit responded to the key audit matter	Our procedures to address this key audit matter included the following: • obtained an understanding of relevant controls over HPC revenue recognition, including controls over supporting data and assumptions; • assessed the change in estimation inputs in allocating revenue from a cost profile to a standalone selling price for appropriateness; • assessed the methodology used in calculating the adjustments to revenue for treatments which are missed, future cancellations and deferral of treatments; • assessed the accuracy and completeness of the membership data that drives the HPC revenue calculation by agreeing to membership contract and bank receipt; • assessed the accuracy and completeness of the data of the assumed standalone selling prices used in the revenue recognition profile for the different treatments offered for each pet type under the scheme to published standalone selling price lists; • performed a recalculation of accrued revenue based on member data; • performed a recalculation of revenue subsequently deferred due to missed treatments, based on operational and sales data used to estimate the level of missed treatments occurring across the Group; • evaluated assumptions around animal deaths and cancellations through comparison and benchmarking against direct debit collection rates and operational data around animal life expectancy; and • evaluated the appropriateness of the disclosures in the financial statements.
Key observations	Based on the audit procedures performed, we concluded that revenue recognition in respect of the HPC scheme is appropriate. We also consider the disclosure in note 2 to be reasonable.

5.2. Valuation of the Research and Development Expenditure Credit (RDEC)

Key audit matter description	The Group continues to submit claims for RDEC arising from qualifying R&D expenditure, having previously submitted claims in respect of FY19 through to FY25. The scheme rules are subjective and, for claims where the HMRC enquiry window has not yet elapsed, there remains the possibility of challenge and clawback of some or all of the balance claimed should HMRC determine that some or all of the expenditure is non-qualifying. Significant judgement is therefore required when determining the level of discounting to apply against claims already submitted, and the estimate of amounts that should be accrued in respect of qualifying expenditure in financial periods where a claim has not been submitted. Due to increased history of making successful claims, and volume and accuracy of project-based data collection used to support the claims, management deem there is less uncertainty in the unsubmitted claims. As a result, the level of discounting applied has been reduced. The impact in FY26 is recognition of an additional £6m of income relating to both and prior year and current year. Refer to note 2 for details. In the current year, the Group recognised £12.2m in respect of their estimated claim for FY26, £2.6m in respect of claims submitted for FY25, and a further £2.1m in respect of earlier years. The total RDEC in the consolidated income statement is therefore £16.9m (2025: £16.7m), which is presented in note 6 net of associated R&D costs. £2.9m of the calculated claims remains unrecognised. The Audit Committee also considered this as a significant matter as discussed in the Audit Committee Report on pages 83 to 87 with the accounting policy discussed in note 2 of the financial statements. The Directors have included RDEC as a source of estimation uncertainty in note 2 to the financial statements.
How the scope of our audit responded to the key audit matter	Our procedures to address this key audit matter included the following: • obtained an understanding of relevant controls over the determination of the RDEC provision, including supporting data and assumptions; • with the involvement of our internal RDEC tax specialists, inspected documentation in respect of claims made during the year and discussed with management's specialist advisors, evaluating the appropriateness of the underlying methodology against HMRC requirements; • evaluated the appropriateness of the reduction in the discount percentage through inspection of the revised RDEC methodology and communication with HMRC in respect of prior-year submitted claims; • assessed the methodology and input to estimate the FY26 claim using the FY25 claim as the basis for the current-year expenditure; • validated the status of each submitted claim to supporting evidence such as bank statements, HMRC communications and submitted tax computations; and • evaluated the appropriateness of the disclosures in the financial statements, including in respect of estimation uncertainties, and tied through to the underlying RDEC claim.

5. Key audit matters continued

5.2. Valuation of the Research and Development Expenditure Credit (RDEC) continued

Key observations	Based on the audit procedures performed, we concluded that the downwards revision of the discounting percentage to the FY25 and earlier submitted claims and the FY26 unsubmitted claim, and the valuation of the Research and Development Expenditure Credit and the disclosures made in note 2 are appropriate.

5.3. Business combinations – valuation of Patient Data Record (PDR) intangibles

Key audit matter description	The Group has completed 12 (2025: 7) acquisitions in the current year, all in Australia, for a consideration totalling £43.8m (2025: £29.3m) net of cash acquired. In accordance with IFRS 3, 'Business Combinations', CVS recognises the identifiable customer contracts and related customer relationships and order backlog, known as the patient data records (PDR) assumed when the entities are acquired as an intangible asset. Of the consideration paid, £26.6m (2025: £15.7m) represents the fair value of PDR acquired. See note 15 for further details. Significant estimation and judgement are required in determining the valuation of the PDR intangible asset upon acquisition, including the long-term growth rate, attrition rate, useful economic life, and discount rate. Based on the continued acquisition activity and magnitude, including the estimation and judgement involved, we deem the valuation of the Patient Data Record intangible a key audit matter.
How the scope of our audit responded to the key audit matter	Our procedures to address this key audit matter included the following: • obtained an understanding of relevant controls over the valuation of the PDR intangibles upon acquisition; • assessed management's valuation models to assess whether intangible assets have been identified and valued in accordance with the requirements of IFRS 3, 'Business Combinations' and IAS 38, 'Intangible Assets'; • with the involvement of our valuation specialists, determined the appropriateness of management's valuation of acquired patient data records intangibles for acquisitions made during the year, including the discount rate applied in the PDR valuation model; • assessed the appropriateness of management's determined long-term growth rate, attrition rate, and useful economic life, used in the valuation of acquired PDR intangibles for all acquisitions made during the year. This included performing benchmarking of the long-term growth rate used to independent third-party economic projections, testing the attrition rate to internal customer data, and comparing the useful economic lives against peer companies; • considered the potential impact of external economic and other factors; • assessed the mechanical accuracy and integrity of the PDR valuation model prepared by management; and • assessed the appropriateness of the disclosures in the financial statements.
Key observations	Based on the audit procedures performed, we concluded that the valuation of Patient Data Record (PDR) intangibles and the disclosures made are appropriate.

6. Our application of materiality

6.1. Materiality

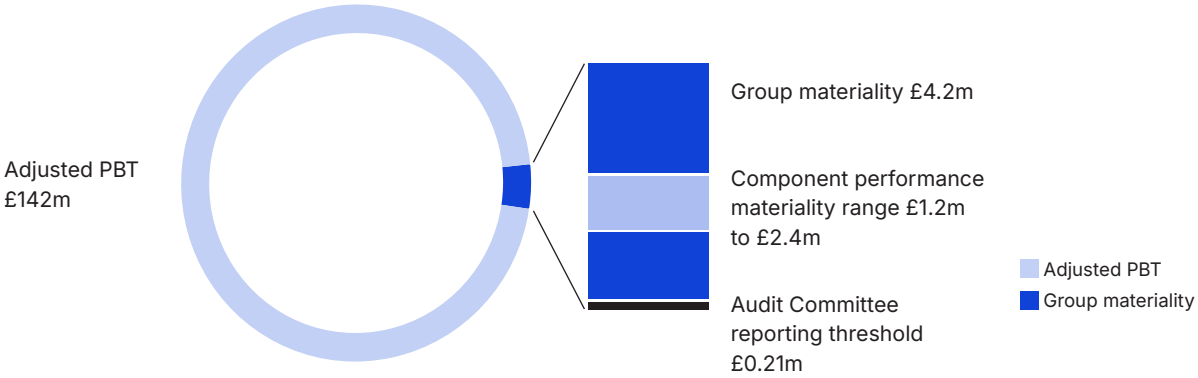
We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	£4.2m (2025: £4.0m)	£2.3m (2025: £2.2m)
Basis for determining materiality	Materiality was determined by reference to a range of income statement measures. The £4.2m current year materiality represents 5.0% of adjusted profit before tax. Prior year materiality represented 5.1% of adjusted profit before tax from continuing operations.	Parent company materiality equates to 1.5% (2025: 1.5%) of net assets, capped at 55% of Group materiality.
Rationale for the benchmark applied	The primary metrics are adjusted profit before tax of £84.9m, adjusted EBITDA of £141.5m, and revenue of £712.8m. These are the metrics that are deemed to be of most importance to stakeholders as disclosed on page 2. Adjusted profit before tax is calculated as profit before tax adjusted for amortisation, costs associated with business combinations and exceptional items.	As a holding company, net assets were considered the most relevant benchmark to users of the parent company financial statements.

6. Our application of materiality continued

6.1. Materiality continued



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
Performance materiality	70% (2025: 70%) of Group materiality	70% (2025: 70%) of parent company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the overall quality of the Group's control environment and whether we were able to rely on controls, as well as the number and nature of uncorrected misstatements in previous audits.	

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to them all audit differences in excess of £210,000 (2025: £200,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identify when assessing the overall presentation of the financial statements.

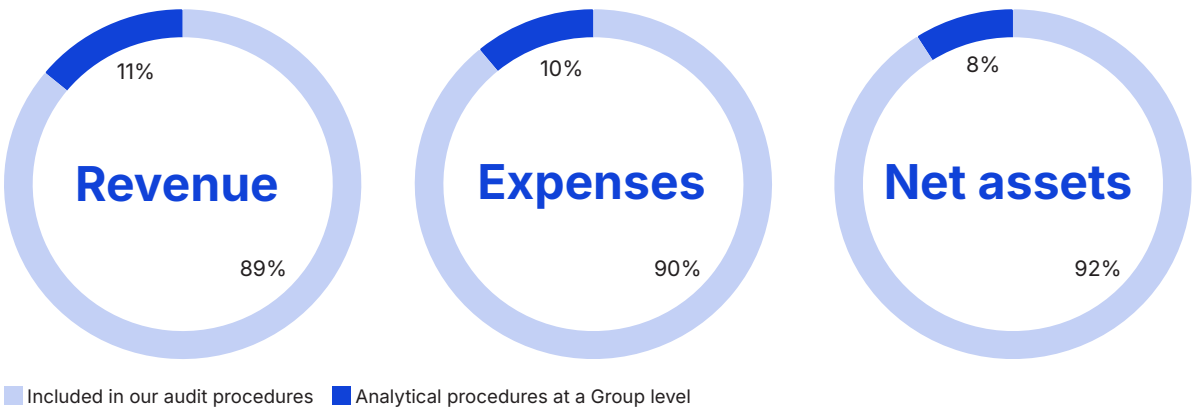
7. An overview of the scope of our audit

7.1. Identification and scoping of components

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement.

CVS Group plc consists of entities across the UK and Australia. Our scoping of our Group audit focuses on a risk-based approach by developing an appropriate audit plan for each significant account (determined in reference to performance materiality and qualitative factors). We have subjected one component to a full-scope audit and the remaining components to audits of specified classes of transactions, account balances or disclosures that together cover 89% of revenue (2025: 85%), 90% of expenses (2025: 87%) and 92% (2025: 91%) of net assets. The remainder of the Group was subject to analytical procedures at the Group level. Testing was performed to component materiality ranging from £1.1m and £2.4m (2025: £1.1m to £2.2m).

All audit work, except for the audit work on the Australian components subject to audit of specified classes of transactions, account balances or disclosures, which was carried out by the Australian component auditors, was carried out by the UK Group engagement team.



7. An overview of the scope of our audit continued

7.2. Our consideration of the control environment

We obtained an understanding of the control environment, including the underlying key IT systems (Navision and Provet), and general IT controls. The Navision IT system is the main financial reporting system adopted by the Group. The Provet IT system is a cloud-based practice management software which reports all transactions within individual practices for the UK components. We did not plan to rely on the general IT controls associated with Navision and Provet.

We also obtained an understanding of relevant controls over significant account balances and cycles, including but not limited to: Veterinary practice revenue, Laboratory revenue, Online retail business revenue, RDEC valuation, valuation of acquired Patient Data Record intangibles, rebate valuation, payroll, cash, inventory, leases, impairment and cash flow forecasts. We tested the relevant controls over Healthy Pet Club revenue and PPE. We did not plan to take a controls reliance approach except for PPE and Healthy Pet Club revenue. For the account balances where we did not plan to take a controls reliance approach, we performed a fully substantive audit and note the Audit Committee's discussion of the control environment in their report on pages 83 to 87.

7.3. Our consideration of climate-related risks

We have obtained an understanding of management's process and related controls to consider and identify the impact of climate risks. The risks identified during the period are complete and consistent with our understanding of the Group's operations.

The key climate risks disclosed by management in the Principal Risks section of the Strategic Report include the following:

- disruptions to supply chain leading to stock shortage and financial loss;
- adverse weather conditions leading to a decline in client demand; and
- changes in regulations increasing the cost of operations.

With the involvement of our climate change specialists, we:

- considered the impact of climate issues on our key audit matters;
- reviewed and challenged the Group's climate risk assessment, including consideration of the impact of climate matters on other areas of the financial statements. Management have assessed that there is currently no material impact arising from climate change on the judgements and estimates within the financial statements;
- evaluated the financial statements disclosures to assess whether climate risk assumptions underpinning specific account balances were appropriately disclosed; and
- read the climate change-related statements (as disclosed in the Strategic Report) and considered whether the information included in the narrative reporting is materially consistent with the financial statements and our knowledge obtained in the audit.

7.4. Working with other auditors

The Group audit was conducted by the UK Group audit team supported by a component team in Australia. The component auditors tested specified account balances under the direction, supervision and review of the Group audit team. The extent of our involvement which commenced from the planning phases included:

- setting the scope of the component auditor's work and assessment of the component auditor's independence;
- designing the audit procedures for areas to be addressed by the component auditor and issuing Group audit instructions detailing the nature and form of the reporting required by the Group engagement team;
- holding frequent calls and meetings with the component audit team led by the Group engagement team;
- providing direction on enquiries made by the component auditors through online and telephone conversations; and
- reviewing the component auditor's engagement file by a senior member of the Group engagement team.

8. Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

9. Responsibilities of Directors

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

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

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

10. Auditor's responsibilities for the audit of the financial statements continued

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

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for Directors' remuneration, bonus levels and performance targets;
- the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- results of our enquiries of management, internal audit, the Directors and the Audit Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team, including component audit teams and relevant internal specialists, including tax, valuations, IT, analytics and ESG specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area of revenue recognition – Healthy Pet Club.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act 2006, UK Listing Rules issued by the FCA, UK Corporate Governance Code 2024, and tax legislation, and remedies required as a result of the Competition and Markets Authority remedies into the veterinary industry.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included the Group's compliance with the Royal College of Veterinary Surgeons regulations applicable to all practices and qualified nurses in the UK, Australian Corporations Act 2001, The Australian and New Zealand College of Veterinary Scientists applicable in Australia, General Data Protection Regulations, UK Veterinary Surgeons Act 1966, UK Animal Welfare Act 2006, UK Veterinary Medicines Regulations 2013, UK The Animal Act 1986, Australian Prevention of Cruelty to Animals Act.

11.2. Audit response to risks identified

As a result of performing the above, we identified revenue recognition – Healthy Pet Club as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit Committee and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and regulators including the Competition Markets Authority (CMA); and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

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

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

13. Corporate Governance Statement

The UK Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 111;
- the Directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 111;
- the Directors' statement on fair, balanced and understandable set out on page 113;
- the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 56 to 63;
- the section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on pages 56 to 58; and
- the section describing the work of the Audit Committee set out on page 83.

14. Matters on which we are required to report by exception

14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in respect of these matters.

14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made or the part of the Directors' Remuneration Report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters which we are required to address

15.1. Auditor tenure

Following the recommendation of the Audit Committee, we were appointed by the Directors in 2016 to audit the financial statements for the year ending 30 June 2017 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 10 years, covering the years ending 30 June 2017 to 30 June 2026.

15.2. Consistency of the audit report with the additional report to the Audit Committee

Our audit opinion is consistent with the additional report to the Audit Committee we are required to provide in accordance with ISAs (UK).

16. Use of our report

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

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

Julian Rae (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Cambridge, United Kingdom
24 September 2026

Consolidated income statement
for the year ended 30 June 2026

Continuing operations	Note	2026 £m	2025 £m
Revenue	4	**712.8**	673.2
Cost of sales	6	**(397.2)**	(387.5)
Gross profit		**315.6**	285.7
Administrative expenses	6	**(268.0)**	(235.9)
Operating profit		**47.6**	49.8
Finance expense	5	**(15.6)**	(17.2)
Profit before tax	4	**32.0**	32.6
Tax expense	9	**(14.2)**	(13.5)
Profit from continuing operations		**17.8**	19.1
Profit from discontinued operations	32	**—**	33.9
Profit for the year		**17.8**	53.0
Profit attributable to:			
Owners of CVS Group plc		**17.3**	52.8
Non-controlling interests		**0.5**	0.2
		17.8	53.0
Earnings per Ordinary share (EPS) for profit from continuing operations attributable to the ordinary equity holders of the Company:			
Basic	10	**24.4p**	26.3p
Diluted	10	**24.3p**	26.2p
Earnings per Ordinary share (EPS) for profit attributable to the ordinary equity holders of the Company:			
Basic	10	**24.4p**	73.7p
Diluted	10	**24.3p**	73.6p

Reconciliation of alternative performance measures

The Directors believe that adjusted measures, including adjusted EBITDA, adjusted PBT and adjusted EPS, provide additional useful information for shareholders. These measures are used by the Board and management for planning, internal reporting and setting Director and management remuneration. In addition, they are used by the investor analyst community and are aligned to our strategy and KPIs. These measures are not defined by IFRS and therefore may not be directly comparable with other companies' adjusted measures.

Alternative performance measures are defined in the glossary on pages 176 to 180. The following table provides the calculation of adjusted EBITDA:

Alternative performance measure: adjusted EBITDA	Note	**2026 £m**	2025 £m
Profit before tax from continuing operations		**32.0**	32.6
Adjustments for:			
Finance expense	5	**15.6**	17.2
Gain on bargain purchase		**(0.5)**	—
Amortisation of intangible assets	12	**26.0**	26.0
Impairment of intangible assets	12	**2.0**	—
Depreciation of property, plant and equipment	13	**21.0**	20.4
Depreciation of right-of-use assets	14	**17.7**	18.1
Loss on disposal of property, plant and equipment and disposal and impairment of right-of-use assets	4	**2.3**	1.1
Depreciation, amortisation and profit on disposal attributable to discontinued operations	4	**—**	(1.7)
Costs relating to business combinations[1]	15	**14.8**	14.9
Exceptional items	6	**10.6**	6.0
Adjusted EBITDA	4	**141.5**	134.6
Adjusted earnings per share (EPS):			
Adjusted EPS	10	**85.6p**	80.1p
Diluted adjusted EPS	10	**85.4p**	80.1p

1. Business combinations costs include amounts accrued in respect of contingent consideration (IAS 19) in relation to acquisitions in prior years expensed to the income statement and acquisition fees. Business combination costs have been excluded from adjusted EBITDA as they are non-operating costs directly attributable to business combinations and are not considered indicative of underlying trading performance.

Consolidated statement of comprehensive income
for the year ended 30 June 2026

	Note	2026 £m	2025 £m
Profit for the year		**17.8**	53.0
Other comprehensive income/(expense) – items that will or may be reclassified to profit or loss in future periods			
Cash flow hedges:			
Net movement on cash flow hedge	17	**(0.6)**	(0.1)
Deferred tax on cash flow hedge	25	**0.1**	—
Exchange differences on translation of foreign operations		**10.8**	(9.0)
Other comprehensive income/(expense) for the year, net of tax		**10.3**	(9.1)
Total comprehensive income for the year		**28.1**	43.9
Total comprehensive income for the year attributable to:			
Owners of CVS Group plc		**27.4**	43.6
Non-controlling interest		**0.7**	0.3
		28.1	43.9
Total comprehensive income for the year attributable to owners of CVS Group plc:			
Continuing operations		**27.4**	9.7
Discontinued operations	32	**—**	33.9
		27.4	43.6

Consolidated and Company statement of financial position
as at 30 June 2026

Company registration number: 06312831

	Note	Group 2026 £m	Group 2025 £m	Company 2026 £m	Company 2025 £m
Non-current assets					
Intangible assets	12	**385.0**	337.6	**—**	—
Property, plant and equipment	13	**134.7**	124.0	**—**	—
Right-of-use assets	14	**99.6**	98.4	**—**	—
Investments	16	**—**	—	**81.3**	79.2
Amounts owed by Group undertakings	34	**—**	—	**171.5**	64.0
Derivative financial instruments	17	**0.2**	0.8	**—**	—
		619.5	560.8	**252.8**	143.2
Current assets					
Inventories	19	**29.7**	28.5	**—**	—
Trade and other receivables	20	**74.9**	69.4	**—**	—
Current tax receivable		**25.3**	21.4	**—**	—
Cash and cash equivalents	21	**18.4**	16.1	**—**	—
		148.3	135.4	**—**	—
Total assets	4	**767.8**	696.2	**252.8**	143.2
Current liabilities					
Trade and other payables	22	**(105.8)**	(105.0)	**—**	—
Provisions	23	**(1.0)**	(0.5)	**—**	—
Current tax liabilities		**(2.8)**	(2.6)	**—**	—
Lease liabilities	14	**(16.5)**	(15.2)	**—**	—
		(126.1)	(123.3)	**—**	—
Non-current liabilities					
Trade and other payables	22	**(0.8)**	(0.4)	**—**	—
Borrowings	24	**(214.1)**	(145.2)	**—**	—
Lease liabilities	14	**(89.7)**	(88.4)	**—**	—
Deferred tax liabilities	25	**(41.5)**	(37.2)	**—**	—
		(346.1)	(271.2)	**—**	—
Total liabilities	4	**(472.2)**	(394.5)	**—**	—
Net assets		**295.6**	301.7	**252.8**	143.2
Shareholders' equity					
Share capital	26	**0.1**	0.1	**0.1**	0.1
Share premium	27	**109.1**	109.1	**109.1**	109.1
Capital redemption reserve		**0.6**	0.6	**0.6**	0.6
Cash flow hedge reserve		**(0.1)**	0.4	**—**	—
Merger reserve		**(61.4)**	(61.4)	**—**	—
Foreign exchange translation reserve		**1.9**	(8.7)	**—**	—
Retained earnings		**239.9**	259.7	**143.0**	33.4
		290.1	299.8	**252.8**	143.2
Non-controlling interest	35	**5.5**	1.9	**—**	—
Total equity		**295.6**	301.7	**252.8**	143.2

The Company reported a total comprehensive income for the financial year ended 30 June 2026 of £145.3m, including dividends received from subsidiary companies of £150.0m (2025: loss of £1.3m). The notes on pages 132 to 174 are an integral part of these consolidated and Company financial statements.

The financial statements on pages 124 to 131 were authorised for issue by the Board of Directors on 24 September 2026 and were signed on its behalf by:

Richard Fairman
Director

Robin Alfonso
Director

Consolidated statement of changes in equity
for the year ended 30 June 2026

	Note	Share capital £m	Share premium £m	Capital redemption reserve £m	Cash flow hedge reserve £m	Merger reserve £m	Foreign exchange translation reserve £m	Retained earnings £m	**Total £m**	Non-controlling interest £m	Total equity £m
At 1 July 2025		0.1	109.1	0.6	0.4	(61.4)	(8.7)	259.7	**299.8**	1.9	301.7
Profit for the year		—	—	—	—	—	—	17.3	**17.3**	0.5	17.8
Other comprehensive income and loss											
Cash flow hedges:											
Fair value loss	17	—	—	—	(0.6)	—	—	—	**(0.6)**	—	(0.6)
Deferred tax on cash flow hedge	25	—	—	—	0.1	—	—	—	**0.1**	—	0.1
Exchange differences on translation of foreign operations		—	—	—	—	—	10.6	—	**10.6**	0.2	10.8
Total other comprehensive (loss)/income		—	—	—	(0.5)	—	10.6	—	**10.1**	0.2	10.3
Total comprehensive (loss)/income		—	—	—	(0.5)	—	10.6	17.3	**27.4**	0.7	28.1
Transactions with owners											
Issue of Ordinary shares	26	—	—	—	—	—	—	—	—	—	—
Own shares purchased for cancellation	26	—	—	—	—	—	—	(31.7)	**(31.7)**	—	(31.7)
Credit to reserves for share-based payments	11	—	—	—	—	—	—	2.1	**2.1**	—	2.1
Deferred tax relating to share-based payments	25	—	—	—	—	—	—	—	**—**	—	—
Non-controlling interest on acquisition of subsidiary	15	—	—	—	—	—	—	—	**—**	3.8	3.8
Transactions with non-controlling interest	35	—	—	—	—	—	—	(1.4)	**(1.4)**	(0.7)	(2.1)
Dividends paid	26	—	—	—	—	—	—	(6.1)	**(6.1)**	(0.2)	(6.3)
Total transactions with owners		—	—	—	—	—	—	(37.1)	**(37.1)**	2.9	(34.2)
At 30 June 2026		**0.1**	**109.1**	**0.6**	**(0.1)**	**(61.4)**	**1.9**	**239.9**	**290.1**	**5.5**	**295.6**

	Note	Share capital £m	Share premium £m	Capital redemption reserve £m	Cash flow hedge reserve £m	Merger reserve £m	Foreign exchange translation reserve £m	Retained earnings £m	**Total £m**	Non-controlling interest £m	Total equity £m
At 1 July 2024		0.1	109.0	0.6	0.5	(61.4)	0.4	211.2	**260.4**	0.1	260.5
Profit for the year		—	—	—	—	—	—	52.8	**52.8**	0.2	53.0
Other comprehensive income and loss											
Cash flow hedges:											
Fair value loss	17	—	—	—	(0.1)	—	—	—	**(0.1)**	—	(0.1)
Deferred tax on cash flow hedge	25	—	—	—	—	—	—	—	**—**	—	—
Exchange differences on translation of foreign operations		—	—	—	—	—	(9.1)	—	**(9.1)**	0.1	(9.0)
Total other comprehensive (loss)/income		—	—	—	(0.1)	—	(9.1)	—	**(9.2)**	0.1	(9.1)
Total comprehensive (loss)/income		—	—	—	(0.1)	—	(9.1)	52.8	**43.6**	0.3	43.9
Transactions with owners											
Issue of Ordinary shares	26	—	0.1	—	—	—	—	—	**0.1**	—	0.1
Own shares purchased for cancellation	26	—	—	—	—	—	—	—	**—**	—	—
Credit to reserves for share-based payments	11	—	—	—	—	—	—	1.2	**1.2**	—	1.2
Deferred tax relating to share-based payments	25	—	—	—	—	—	—	0.2	**0.2**	—	0.2
Non-controlling interest on acquisition of subsidiary		—	—	—	—	—	—	—	**—**	1.7	1.7
Transactions with non-controlling interest	35	—	—	—	—	—	—	—	**—**	—	—
Dividends paid	26	—	—	—	—	—	—	(5.7)	**(5.7)**	(0.2)	(5.9)
Total transactions with owners		—	0.1	—	—	—	—	(4.3)	**(4.2)**	1.5	(2.7)
At 30 June 2025		0.1	109.1	0.6	0.4	(61.4)	(8.7)	259.7	**299.8**	1.9	301.7

Company statement of changes in equity
for the year ended 30 June 2026

	Note	Share capital £m	Share premium £m	Capital redemption reserve £m	Retained earnings £m	Total equity £m
At 1 July 2025		0.1	109.1	0.6	33.4	143.2
Total comprehensive income for the year		—	—	—	145.3	145.3
Transactions with owners						
Own shares purchased for cancellation	26	—	—	—	(31.7)	(31.7)
Capital contribution arising on share-based payment	11	—	—	—	2.1	2.1
Dividends to equity holders of the Company	26	—	—	—	(6.1)	(6.1)
Total transactions with owners		—	—	—	(35.7)	(35.7)
At 30 June 2026		**0.1**	**109.1**	**0.6**	**143.0**	**252.8**

	Note	Share capital £m	Share premium £m	Capital redemption reserve £m	Retained earnings £m	Total equity £m
At 1 July 2024		0.1	109.0	0.6	39.2	148.9
Total comprehensive loss for the year		—	—	—	(1.3)	(1.3)
Transactions with owners						
Issue of Ordinary shares	26	—	0.1	—	—	0.1
Capital contribution arising on share-based payment	11	—	—	—	1.2	1.2
Dividends to equity holders of the Company	26	—	—	—	(5.7)	(5.7)
Total transactions with owners		—	0.1	—	(4.5)	(4.4)
At 30 June 2025		0.1	109.1	0.6	33.4	143.2

Consolidated and Company statement of cash flow
for the year ended 30 June 2026

	Note	Group 2026 £m	Group 2025 £m	Company 2026 £m	Company 2025 £m
Cash flows from operating activities					
Cash generated from operations	29	**102.0**	114.1	**37.8**	5.6
Taxation paid		**(16.1)**	(15.5)	**—**	—
Interest received		**1.2**	—	**—**	—
Interest paid		**(15.8)**	(16.5)	**—**	—
Net cash generated from operating activities		**71.3**	82.1	**37.8**	5.6
Cash flows from investing activities					
Business combinations (net of cash acquired)	15	**(43.7)**	(30.9)	**—**	—
Purchase of property, plant and equipment	13	**(28.5)**	(26.4)	**—**	—
Proceeds from sale of property, plant and equipment		**0.3**	—	**—**	—
Purchase of intangible assets	12	**(7.9)**	(7.8)	**—**	—
Receipts for financial assets at amortised cost		**—**	0.1	**—**	—
Proceeds from sale of discontinued operation	32	**0.4**	42.3	**—**	—
Net cash used in investing activities		**(79.4)**	(22.7)	**—**	—
Cash flows from financing activities					
Dividends paid to Company's shareholders	26	**(6.1)**	(5.7)	**(6.1)**	(5.7)
Dividends paid to non-controlling interests in subsidiaries	35	**(0.2)**	(0.2)	**—**	—
Proceeds from issue of Ordinary shares	26	**—**	0.1	**—**	0.1
Own shares purchased for cancellation	26	**(31.7)**	—	**(31.7)**	—
Purchase of additional interest in subsidiary from non-controlling interest	35	**(2.1)**	—	**—**	—
Repayment of obligations under right-of-use assets		**(17.3)**	(16.4)	**—**	—
Debt issuance costs		**(2.5)**	—	**—**	—
Repayment of borrowings	28	**(39.0)**	(117.0)	**—**	—
Increase in borrowings	28	**109.5**	80.0	**—**	—
Net cash generated from/(used in) financing activities		**10.6**	(59.2)	**(37.8)**	(5.6)
Effects of exchange rate changes loss		**(0.2)**	(0.6)	**—**	—
Net increase/(decrease) in cash and cash equivalents		**2.3**	(0.4)	**—**	—
Cash and cash equivalents at the beginning of the year		**16.1**	16.5	**—**	—
Cash and cash equivalents at the end of the year		**18.4**	16.1	**—**	—

Cash flows from discontinued operations are shown in note 32.

Notes to the consolidated financial statements
for the year ended 30 June 2026

1. General information
The principal activity of CVS Group plc, together with its subsidiaries (the Group), is to operate veterinary practices, complementary veterinary diagnostic businesses and an online pharmacy and retail business. The principal activity of CVS Group plc (the Company) is that of a holding company.

CVS Group plc is a public limited company, limited by shares, incorporated under the Companies Act 2006 and domiciled in England and Wales and its shares are listed on the Main Market of the London Stock Exchange (CVSG). Its company registration number is 06312831 and registered office is CVS House, Owen Road, Diss, Norfolk IP22 4ER.

2. Summary of material accounting policies
Basis of preparation
The consolidated and Company financial statements of CVS Group plc have been prepared in accordance with United Kingdom-adopted International Accounting Standards as applied in accordance with the provisions of the Companies Act 2006 and applicable law. The consolidated financial statements have been prepared on a going concern basis and under the historical cost convention, except for certain financial instruments that have been measured at fair value.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all years presented in these financial statements. The accounting policies which follow relate to the Group and are applied by the Company as appropriate.

Going concern
The financial statements have been prepared on a going concern basis. In adopting the going concern basis, the Board has considered the business activities as set out on pages 1 to 55, the financial position of the Group, its cash flows, liquidity position and borrowing facilities as set out in the Financial Review on pages 48 to 55, the Group's financial risk management objectives and exposures to liquidity and other financial risks as set out in note 3 and the principal risks and uncertainties as set out on pages 56 to 63. Management has considered the appropriate assessment period taking into account all available information.

The Group continues to maintain a robust financial position, providing it with sufficient access to liquidity, through a combination of cash and committed facilities, to meet its needs in the short and medium term. At 30 June 2026, the Group had cash balances of £18.4m and an unutilised overdraft facility of £5.0m. Total facilities of £350.0m are available to support the Group's organic and acquisitive growth initiatives over the coming years, comprising a term loan of £125.0m and an RCF of £225.0m, of which £132.0m is undrawn. The Group is fully compliant with all covenants in respect of these facilities. The Directors consider that the £5.0m overdraft and the £350.0m facility enable the Group to meet all current liabilities as they fall due. The loan facility contains two financial covenants which are tested half yearly, further information on which is available in note 24.

In adopting the going concern basis of preparation, the Board has assessed the Group's cash flow forecasts. While trading continues to be good, in forming its outlook on the future financial performance, the Board considered a variety of downsides that the Group might experience in the context of the current economic environment as a result of the ongoing cost of living crisis and continued inflationary pressures on the business and a severe but plausible downside scenario was applied to the plan. This included assumptions such as a negative like-for-like growth and increased costs. Under these latest forecasts, when adjusting for linked variable costs, the Group is able to continue to operate within its current liquidity headroom. The forecast cash flows also indicate that the Group will comply with all relevant banking covenants during the forecast period, being at least twelve months from the approval of the financial statements.

In addition, reverse stress testing has been applied to the model to determine the decline in sales that the Group could absorb before exhausting the Group's total liquidity or breaching banking covenants. Such a scenario, and the sequence of events which could lead to it, is considered to be extremely remote. As a result, the Board expects the Group to have adequate resources to continue in operation, meet its liabilities as they fall due, retain sufficient available liquidity and not breach the covenant under the loan facilities for the foreseeable future, being a period of at least twelve months from the approval of the financial statements. The Board therefore considers it appropriate for the Group to adopt the going concern basis in preparing its financial statements.

Critical accounting estimates and judgements
The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form a basis for making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects that period, or in the period of the revision and future periods if the revision affects both current and future periods. Due to the inherent uncertainty involved in making assumptions and estimates, actual outcomes will differ from those assumptions and estimates.

There are no key sources of uncertainty or critical accounting judgements in the Company only accounts.

2. Summary of material accounting policies continued

Critical accounting estimates and judgements continued

There are no critical judgements in relation to the Group accounts.

Accounting estimate (which is not a key source of estimation uncertainty): Research and Development Expenditure Tax Credit (RDEC)

Certain companies within the Group may be entitled to claim tax credits in relation to the Research and Development Expenditure Tax Credit (RDEC) scheme in the UK. Tax credits receivable under this scheme are determined to have the substance of a Government grant and accordingly these tax credits are accounted for under IAS 20. Further information can be found in the Government grants accounting policy.

Management's policy remains to discount the amount of RDEC claim recognised to reflect uncertainty, and to recognise the remainder of any submitted RDEC claim when the uncertainty has been removed through the expiry of the enquiry window. During the current and prior years, management has continued to assess the level of uncertainty inherent in the Group's RDEC claims. The Group now has a greater body of evidence from its established and increasing claims history, together with increased visibility over the nature and composition of the underlying qualifying activities and expenditure. This provides management with greater confidence in the reliability of the claim and has reduced the level of uncertainty. Consequently, the Group has applied a reduced discount to the amount of RDEC it recognises.

Under the previous recognition, the Group would have recognised £10.3m as follows:

Claim year	Total claim value £m	Recognised in previous periods £m	Recognised in 2026 £m	Provision outstanding £m
2024	12.2	9.2	—	3.0
2025	12.9	9.3	0.4	3.2
2026	**13.2**	**—**	**9.9**	**3.3**
Total	38.3	18.5	10.3	9.5

Under the new recognition, the Group has recognised £16.9m as follows:

Claim year	Total claim value £m	Recognised in previous periods £m	Recognised in 2026 £m	Provision outstanding £m
2024	12.2	9.2	2.1	0.9
2025	12.9	9.3	2.6	1.0
2026	**13.2**	**—**	**12.2**	**1.0**
Total	38.3	18.5	16.9	2.9

The net benefit of the RDEC scheme in the year was £15.7m after associated costs of £1.2m (2025: £15.1m after associated costs of £1.6m).

During the year the 2025 RDEC claim was submitted resulting in a revision to the estimate to £12.9m (disclosed in 2025: £12.4m).

The enquiry window for the 2024 and 2025 claim years remain open, and the claim in relation to the 2026 year is yet to be submitted and therefore the maximum amount that could be disallowed in the event of challenge from HMRC is £38.3m. Alternatively, the maximum income that will be recorded in future periods in relation to research and development expenditure that has already taken place is estimated to be £2.9m, which would arise if all previously submitted claims were paid in full and the estimate for 2026, which is yet to be filed with HMRC, was also recovered in full.

2. Summary of material accounting policies continued

Changes in accounting policies and disclosure

Standards adopted by the Group for the first time

Two new and revised standards, including the following, are effective for annual periods beginning on or after 1 January 2025:

- Amendments to IAS 21, 'Lack of Exchangeability'
- Amendments to the SASB standards to enhance their international applicability

Adoption of these amendments to the standards has not had an impact on the Group's financial statements.

Standards and interpretations of existing standards which are not yet effective and are under review as to their impact on the Group

The following standards and interpretations of existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 January 2026 or later periods but which the Group has not early adopted:

- IFRS S1, 'General Requirements for Disclosure of Sustainability-related Financial Information' (effective 1 January 2024)
- IFRS S2, 'Climate-related Disclosures' (effective 1 January 2024)
- Amendments to IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments (effective 1 January 2026)
- IFRS 18, 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027)
- IFRS 19, 'Subsidiaries without Public Accountability: Disclosures' (effective 1 January 2027)
- IFRS 20, 'Regulatory Assets and Regulatory Liabilities' (effective 1 January 2029)

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are not expected to have an impact on the Group's reported financial position or performance, with the exception of IFRS 18. At the date of this report the analysis of the impact of IFRS 18 is ongoing.

Basis of consolidation

The consolidated financial statements include the financial information of the Company and its subsidiary undertakings as at, and for the year ended, 30 June 2026.

Subsidiaries are all entities over which the Group has control. The results of companies and businesses acquired are included in the consolidated income statement from the date control passes. They are deconsolidated from the date that control ceases. Where the Group does not control a subsidiary, it is not consolidated. On acquisition of a company or business, all assets and liabilities that exist at the date of acquisition are recorded at their fair values, reflecting their condition at that date. Changes that arise during the measurement period that inform about conditions at the date of the acquisition are adjusted via goodwill, and changes that arise after the measurement period are credited or charged to the income statement.

Intra-Group transactions and profits are eliminated fully on consolidation. Accounting policies of subsidiaries have been aligned to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker (CODM). The CODM has been determined to be the Board of Directors, as it is primarily responsible for the allocation of resources to segments and the assessment of the performance of segments. The Group has three operating segments: Veterinary Practices, Laboratories and Online Retail Business. Further details of the Group's operating segments are provided in note 4 to the financial statements.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of assets transferred by the Group and liabilities incurred by the Group to the former owners of the acquiree. Acquisition related costs are recognised in the income statement as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair values.

Goodwill is measured as the excess of the sum of the consideration transferred over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the excess is recognised immediately in the income statement as a bargain purchase gain. For business combinations with a non-controlling interest, the Group makes an election for each business combination which typically is to measure non-controlling interests at their proportionate share of the acquiree's identifiable net assets unless deemed more appropriate to measure at fair value.

2. Summary of material accounting policies continued

Business combinations continued

When the consideration transferred by the Group in a business combination includes an asset or liability resulting from a contingent or deferred consideration arrangement, this additional consideration is either measured at its acquisition date fair value and included as part of the consideration transferred in a business combination or recorded in line with IAS 19, 'Employee Benefits'. Where included as part of the consideration transferred, changes in fair value of the contingent or deferred consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

Contingent or deferred consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IFRS 9 'Financial Instruments: Recognition and Measurement'.

Where contingent consideration is recorded in line with IAS 19, 'Employee Benefits', where the consideration is considered under the standard to represent payment for post-acquisition services rendered, the expense is recognised in accordance with the plans benefit formula and over the period of the employment service and recognised in the income statement.

Property, plant and equipment

Property, plant and equipment are stated at cost (being the purchase cost, together with any incidental costs of acquisition) less accumulated depreciation and any accumulated impairment losses. The assets' residual values and useful lives are reviewed annually and adjusted as appropriate. Depreciation is provided so as to write off the cost of property, plant and equipment, less their estimated residual values, over the expected useful economic lives of the assets in equal annual instalments at the following principal rates:

Freehold buildings	2% straight line
Leasehold improvements	Straight line over the life of the lease
Fixtures, fittings and equipment	6–33% straight line
Motor vehicles	25% straight line

Freehold land is not depreciated on the basis that it has an unlimited life.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Intangible assets

Goodwill

With the exception of the acquisition of CVS (UK) Limited, which was accounted for using the principles of merger accounting, all business combinations are accounted for by applying the acquisition method. Goodwill arising on acquisitions that have occurred since 1 July 2004 is stated after separate recognition of intangible assets and represents the difference between the fair value of the purchase consideration and the fair value of the Group's share of the identifiable net assets of an acquired entity. In respect of acquisitions prior to 1 July 2004, goodwill is included on the basis of its deemed cost, which represents the amount recorded under previous Generally Accepted Accounting Practice. Goodwill is carried at cost less accumulated impairment losses and is subject to annual impairment testing.

Patient data records and trade names

Acquired patient data records and trade names are recognised as intangible assets at the fair value of the consideration paid to acquire them and are carried at historical cost less provisions for amortisation and impairment.

The fair value attributable to these items acquired through a business combination is determined by discounting the expected future cash flows to be generated from that asset at the risk-adjusted post-tax weighted average cost of capital for a market participant. The residual values are assumed to be £nil. While the valuation involves the use of assumptions and estimates that are inherent in any discounted cash flow model, management does not consider these assumptions to be subject to a level of uncertainty that could reasonably result in a material change.

Patient data records and trade names are reviewed for impairment if conditions exist that indicate a review is required. Amortisation is provided so as to write off the cost over the expected economic lives of the assets in equal instalments at the following principal rates:

Patient data records	10% per annum
Trade names	10% per annum

Amortisation is charged to administrative expenses.

2. Summary of material accounting policies continued

Intangible assets continued

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring into use the specific software. These costs are amortised over their estimated useful lives of three to five years and charged to administrative expenses. Costs incurred in maintaining computer software programs are recognised as incurred and charged to administrative expenses.

Impairment of non-current assets

Assets that have indefinite useful lives are not subject to amortisation but are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount.

As permitted by IAS 36, 'Impairment of Assets', for the purposes of assessing impairment, individual cash-generating units (CGUs) are grouped at a level consistent with the Group's operating segments. Recoverable amounts for CGUs are based on value in use, which is calculated from cash flow projections using data from the Group's latest internal forecasts, being a one-year detailed forecast and extrapolated forecasts thereafter, the results of which are approved by the Board. The key assumptions for the value-in-use calculations are those regarding discount rates and growth rates. The Group has considered the Task Force on Climate-Related Financial Disclosures (TCFD) scenario analysis conducted in undertaking this assessment and concluded no changes were required to the Group's estimates or judgements in this area.

In respect of assets other than goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Impairment losses in respect of goodwill are not reversed.

Discontinued operations

Cash flows and operations that relate to a major component of the business or geographical region that has been sold or is classified as held for sale are shown separately from continuing operations.

Inventories

Inventories comprise goods held for resale and are stated at the lower of cost and net realisable value on a first-in, first-out basis. Net realisable value is based on estimated selling price less costs expected to be incurred on disposal. Where necessary, a provision is made for obsolete, slow moving or defective inventory.

Financial instruments

Financial assets and financial liabilities are recognised on the Group's consolidated and Company statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. A provision for impairment of trade and other receivables is recognised if there are considered to be expected credit losses. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the financial asset.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there may be no reasonable expectation of recovery include the failure of the debtor to engage in a payment plan and failure to make contractual payments within 90 days past due.

Investments

In the Company's financial statements, investments in subsidiary undertakings are initially stated at cost. Provision is made for any permanent impairment in the value of these investments.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are recorded initially at fair value and subsequently at amortised cost using the effective interest method, with interest related charges recognised as an expense in finance costs in the income statement. A financial liability is derecognised only when the obligation is extinguished. An equity instrument is any contract that gives a residual interest in the assets of the Group after deducting all of its liabilities.

2. Summary of material accounting policies continued

Financial instruments continued

Interest-bearing borrowings

Interest-bearing bank loans and overdrafts are initially recorded as the proceeds received, net of associated transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the consolidated and Company statement of financial position date. Non-substantial modifications are accounted for as a modification of the existing liability, with any modification gain or loss recognised immediately in profit or loss. Transaction costs incurred in connection with a non-substantial modification adjust the carrying amount of the liability and are amortised over the remaining term of the instrument using the effective interest method.

Trade and other payables

Trade and other payables are non-interest bearing and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derivative financial instruments and hedging activities

The Group uses derivative financial instruments to hedge its exposure to interest rate risks arising from financing activities. The Group does not hold or issue derivative financial instruments for trading purposes; however, if derivatives do not qualify for hedge accounting they are accounted for as such.

Derivative financial instruments are recognised and stated at fair value. The fair value of derivative financial instruments is determined by reference to market values for similar financial instruments, by discounted cash flows, or by the use of option valuation models. The fair value of interest rate swap arrangements is calculated as the present value of the estimated future cash flows. Where derivatives do not qualify for hedge accounting, any gains or losses on remeasurement are immediately recognised in the income statement.

Where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the hedge relationship and the item being hedged.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives, the strategy for undertaking various hedging transactions, the nature of the risks being hedged and the economic relationship between the item being hedged and the hedging instrument. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether or not the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

The fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than twelve months and as a current asset or liability when the remaining maturity of the hedged item is less than twelve months.

Cash flow hedging

Derivative financial instruments are classified as cash flow hedges when they hedge the Group's exposure to variability in cash flows that are either attributable to a particular risk associated with a recognised asset or liability, or a highly probable forecasted transaction.

The effective element of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement where material. Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects the income statement. The classification of the effective portion when recognised in the income statement is the same as the classification of the hedged transaction. Any element of the remeasurement of the derivative instrument which does not meet the criteria for an effective hedge is recognised immediately in the income statement within finance costs.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised in the income statement when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits with maturities of three months or less from inception. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purposes of the consolidated and Company statement of cash flow.

2. Summary of material accounting policies continued

Current and deferred tax

The tax expense represents the sum of the current tax payable, deferred tax and any adjustments in respect of previous periods.

The current tax payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the income statement because it excludes some items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or tax deductible. The Group's liability for current tax is calculated on the basis of tax laws and tax rates that have been enacted or substantively enacted by the consolidated and Company statement of financial position date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities used in computation of taxable profits and their carrying amounts in the consolidated financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax is also not accounted for if it arises from initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the consolidated and Company statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Current and deferred tax is charged or credited in the income statement, except where it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also recognised in other comprehensive income or equity respectively.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis, or to realise the asset and settle the liability simultaneously.

Revenue recognition

Revenue is measured in accordance with relevant accounting standards. For all contracts within the scope of IFRS 15, 'Revenue from Contracts with Customers', the Group determines whether enforceable rights and obligations have been created with the customer and recognises revenue based on total transaction price as estimated at the contract inception, being the amount which the Group expects to be entitled to and has present enforceable rights to under contract. Revenue is allocated proportionately across the contract performance obligations and recognised either over time or at a point in time as appropriate.

Service revenue

Revenue represents sales of veterinary services and laboratory diagnostic services which are recognised in accordance with IFRS 15, at the point in time when the performance obligation is satisfied. Revenue is recognised when the veterinary consultation, veterinary procedure, cremation or laboratory test is completed.

Members of customer membership schemes, for example the Healthy Pet Club, pay annually or monthly subscription fees and receive preventative consultations and treatments over a twelve-month period, being the life of the contract. Annual subscription fees are received annually in advance and monthly subscription fees are received evenly over a twelve-month period. Revenue is recognised in line with individual performance obligations as they are completed in accordance with the contract and not in line with the receipt of subscription fees. For the majority of customers who pay monthly, this results in revenue recognised in advance of cash received as performance obligations are weighted towards the beginning of the twelve-month contract.

The adjustments are made through deferred and accrued income and the contract asset and contract liability for this are shown in note 20 and note 22, respectively. Revenue is recognised net of the provision to reflect cancellations as a result of animal deaths, due to our policy not to invoice our customers in such an event. The provision is calculated based on historical membership data.

2. Summary of material accounting policies continued

Revenue recognition continued

Products

Revenue relating to the sale of veterinary products is recognised according to the terms of sale at the point in time when the performance obligations are satisfied.

Rebates received from manufacturers

Consistent with standard industry practice, the Group has agreements with suppliers whereby volume related allowances and various other fees are received in connection with the purchase of goods from those suppliers in the form of rebates. Rebates received from drug and consumable manufacturers in respect of the Group's purchases relating to inventories are held by the Group at the reporting date; the rebate is included within the cost of those inventories and recognised in cost of sales upon sale of those inventories.

Rebates negotiated on behalf of our buying Group members, MiVetClub and VetShare, are recorded in the statement of financial position as a receivable and the corresponding liability for the rebate due to the member is recorded as a payable. The associated commission receivable by the Group is recorded as revenue in the income statement when all obligations attached to the rebate have been discharged and the rebate can be measured reliably based on the terms of the contract which is taken as at the point at which the buying Group member purchases the drugs and consumables.

Leases

The Group as a lessee

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low-value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as operating expenses on a straight-line basis over the terms of the leases unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); and
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37.

2. Summary of material accounting policies continued

Leases continued

The Group as a lessee continued

Right-of-use assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the property, plant and equipment policy on page 135.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as expenses in the period in which the event or condition that triggers those payments occurs and are included in administration expenses in the income statement.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in the income statement on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in the income statement in the period in which they become receivable.

Certain companies within the Group may be entitled to claim tax credits in relation to the Research and Development Expenditure Tax Credit (RDEC) scheme in the UK. Tax credits receivable under this scheme are determined to have the substance of a Government grant and accordingly these tax credits are accounted for under IAS 20, 'Accounting for Government Grants', as described above. The tax credits are recognised within administration expenses within the income statement when there is reasonable assurance that the Group will comply with the relevant conditions and that the tax credits will be received. Given the uncertainty surrounding the claim, a discount is applied against the full RDEC claim and the remaining balance is recognised when the uncertainty has been removed by the expiry of the enquiry window.

Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event and that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Share-based payments

Certain employees of the Group receive part of their remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions). UK employees may also acquire shares in the Company through an HMRC-approved employee Save As You Earn (SAYE) scheme, where the employee makes monthly savings over a three-year period and has the option to purchase shares at the end of the period.

The fair values of equity-settled transactions are measured indirectly at the dates of grant using Monte Carlo or Black Scholes option pricing models, taking into account the terms and conditions upon which the awards are granted. The fair value of share-based payments under such schemes is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted at each reporting date for the effect of non-market-based vesting conditions.

The fair value of options awarded to employees of subsidiary undertakings is recognised as a capital contribution and recorded in investments the in CVS Group plc Company statement of financial position.

2. Summary of material accounting policies continued

Exceptional items

The Group separately discloses certain costs or incomes that derive from events or transactions that fall outside the normal activities of the Group and/or are excluded by virtue of their size or nature in order to reflect management's view of the performance of the Group. Judgement is applied in determining whether items are classified as exceptional, and the policy is applied consistently between reporting periods. Exceptional items are presented within the relevant line items of the consolidated income statement and are described in further detail in the notes to the financial statements. The separate reporting of exceptional items does not imply that similar items will not recur in future periods. Judgement applies when recognising an exceptional items which is consistently applied year on year.

Foreign currency translation

Functional and presentational currency

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in Sterling, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements, rounded to the nearest £0.1m, unless stated otherwise.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each year end, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in the income statement in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the consolidated and Company statement of financial position date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. The Group has elected to treat goodwill and fair value adjustments arising on acquisitions before the date of transition to IFRS as Sterling-denominated assets and liabilities. Exchange differences arising are recognised in other comprehensive income.

Research and development

Costs in relation to research and development are expensed to the income statement as incurred.

Retirement benefit costs

The Group makes contributions to stakeholder and employee personal pension defined contribution schemes in respect of certain employees. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense in the period to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.

Employment benefits

Provision is made in the financial statements for all employee benefits. Liabilities for wages and salaries, including annual leave and long-service leave recognised in Australia, are recognised in accruals.

Financing costs

Financing costs comprise interest payable on borrowings, debt finance costs, finance costs on the lease liability, and gains and losses on derivative financial instruments that are recognised in the income statement. Interest expense is recognised in the income statement as it accrues, using the effective interest method.

Share premium

The share premium reserve comprises the premium received over the nominal value of shares issued.

Treasury reserve

The treasury reserve comprises shares held by an Employee Benefit Trust (EBT) for the purposes of satisfying the exercise of certain share options vesting under the Group's Executive Share Plan (ESP), formerly known as the Long-Term Incentive Plan (LTIP), and SAYE schemes.

Capital redemption reserve

Upon cancellation of redeemable Preference shares on redemption, a capital redemption reserve was created representing the nominal value of the shares cancelled. This is a non-distributable reserve.

2. Summary of material accounting policies continued

Merger reserve

The merger reserve resulted from the acquisition of CVS (UK) Limited and represents the difference between the value of the shares acquired (nominal value plus related share premium) and the nominal value of the shares issued.

Profit/(loss) for the financial year

As permitted by Section 408 of the Companies Act 2006 the Company has elected not to present its own income statement or statement of comprehensive income for the year. The profit/(loss) attributable to the Company is disclosed in the footnote to the consolidated and Company statement of financial position.

Financial guarantees

Liabilities relating to bank guarantees issued by the Company on behalf of its group undertakings are initially recognised at fair value and subsequently measured at the higher of the expected credit loss allowance and the amount initially recorded less, when appropriate, accumulated amortisation.

3. Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (being foreign currency risk, interest rate risk and other price risks), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative instruments to manage its exposure to interest rate movements. It is not the Group's policy to actively trade in derivatives.

The Board monitors financial risk management. The policies set by the Board of Directors are implemented by the Group's finance department.

a) Market risk

i) Foreign exchange currency rate risk

The Group has a policy to minimise foreign exchange currency rate risk through the regular monitoring of foreign currency flows. The Group is largely able to manage the exchange rate risk arising from operations through the natural matching of payments and receipts denominated in the same currencies. Currency exposures are reviewed regularly and all significant foreign exchange transactions are approved by Group management.

For subsidiaries incorporated in Australia, a natural hedge is applied where both revenue and expenditure are denominated in Australian Dollars. Aside from this, the Group does not hedge any foreign currency transactions but continues to keep this approach under review.

The following tables illustrate the effect of changes in foreign exchange rates relative to the GBP on the profit before tax and net assets. The amounts are calculated retrospectively by applying the current-year exchange rates to the prior-year results so that the current-year exchange rates are applied consistently across both periods. Changing the comparative result illustrates the effect of changes in foreign exchange rates relative to the current-year result.

Applying the current-year exchange rates to the results of the prior year has the following effect on profit before tax and net assets:

AUD	2025 £m	Revised 2025 £m	Impact £m	Impact %
Loss before tax	8.2	9.0	0.8	9.0%
Net assets	71.8	78.3	6.5	9.0%

If the Australian Dollar strengthened or weakened by 10% against the Pound Sterling, the Group's functional currency, the effect on the income statement and items that are recognised directly in equity would be +/-£0.3m. The analysis covers only financial assets and liabilities held at the balance sheet date and assumes that all other variables, in particular interest rates, remain constant. The impact is prior to the effect of tax.

ii) Cash flow and fair value interest rate risk

The Group has interest-bearing assets and liabilities. The Group's income and operating cash inflows are substantially independent of changes in market interest rates. The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk.

At the year end, the Group had interest hedging arrangements in place covering £100.0m (2025: £100.0m) which expire in February 2028 at an average fixed rate of 3.8310%. This allows the Group to minimise its exposure to significant interest rate increases whilst enabling the Group to take advantage of interest rate reductions. The strategy for undertaking the hedge is to match a portion of the loan liability with a derivative that allows interest to float within an agreed range and thereby limits the cash flow exposure relating to interest. The remaining drawn debt of £118.0m (2025: £47.5m) is unhedged.

Excluding the impact of the interest rate swap arrangement, bank borrowings from 22 May 2026 bear interest at 1.25% to 2.50% (previously 1.45% to 2.70%) above SONIA. The applicable interest rate is dependent upon the bank test net debt to bank test EBITDA ratio. During the year the bank borrowings carried a rate averaging 1.6% above SONIA.

3. Financial risk management continued

Financial risk factors continued

a) Market risk continued

ii) Cash flow and fair value interest rate risk continued

At 30 June 2026, the Group has considered the impact of movements in interest rates over the past year and has concluded that a 1% movement is a reasonable benchmark. At 30 June 2026, if interest rates on Sterling-denominated borrowings had been 1% higher or lower, with all other variables held constant, post-tax profit and the movement in net assets for the year would have been approximately £0.8m (2025: £0.7m) lower or higher, mainly as a result of the movement in interest rates on the floating rate borrowings, net of the hedging derivative instrument in place.

b) Credit risk

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. A provision for impairment of trade receivables is recognised on trade receivables if there are considered to be expected credit losses. The amount of expected credit losses is calculated using the simplified approach as allowable under IFRS 9 and is updated at each reporting date to reflect changes in credit risk since initial recognition of the financial asset.

Losses arising from impairment are recognised in the statement of comprehensive income in administrative expenses.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Concentrations of credit risk with respect to trade receivables are limited due to the Group's diverse customer base. Sales made other than on a cash basis are limited to a small part of the Group's overall business, and within these business areas the Group has appropriate credit checking facilities and procedures in place. Customer accounts are also monitored on an ongoing basis and appropriate action is taken where necessary to minimise any credit risk. The Directors therefore believe there is no further credit risk provision required in excess of the normal provision for impaired receivables.

The maximum exposure to credit risk at 30 June 2026 is the fair value of each class of receivable as disclosed in note 20 to the financial statements, alongside cash and cash equivalents disclosed in note 21.

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. The Group actively maintains cash balances and a mix of long-term and short-term finance facilities that are designed to ensure the Group has sufficient available funds for operations and acquisitions. Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flow.

The table below summarises the remaining contractual maturity for the Group's financial liabilities. The amounts shown are the contractual undiscounted cash flows, which include estimated interest, analysed by contractual maturity. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the reporting date.

30 June 2026	Note	**In less than one year £m**	**In more than one year but not more than two years £m**	**In more than two years but not more than three years £m**	**In more than three years but not more than five years £m**	**In more than five years £m**	**Total £m**
Non-derivative financial liabilities							
Borrowings		**12.5**	**12.4**	**12.5**	**229.5**	**—**	**266.9**
Trade and other payables[1]	22	**68.1**	**—**	**—**	**—**	**—**	**68.1**
Lease liabilities	14	**21.4**	**19.8**	**17.6**	**27.5**	**42.4**	**128.7**
		102.0	**32.2**	**30.1**	**257.0**	**42.4**	**463.7**

30 June 2025	Note	In less than one year £m	In more than one year but not more than two years £m	In more than two years but not more than three years £m	In more than three years but not more than five years £m	In more than five years £m	Total £m
Non-derivative financial liabilities							
Borrowings		7.9	7.9	152.8	—	—	168.6
Trade and other payables[1]	22	66.2	—	—	—	—	66.2
Lease liabilities	14	19.9	19.0	17.6	28.6	41.6	126.7
		94.0	26.9	170.4	28.6	41.6	361.5

1. Trade and other payables exclude deferred income, social security and other taxes and employee benefit expense.

3. Financial risk management continued

Capital risk management

The Group's policy is to maintain a strong capital base, defined as bank facilities plus total shareholders' equity, so as to maintain investor, creditor and market confidence and to sustain future development of the business. Within this overall policy, the Group seeks to maintain an optimum capital structure with a mixture of debt and retained earnings.

The bank facilities include financial covenants and a number of general undertakings. There have been no breaches of the terms of the respective loan agreements, breaches of covenants or defaults during the current or comparative years.

Funding needs are reviewed periodically and also each time a significant acquisition is made. A number of factors are considered which include the bank test net debt/bank test EBITDA ratio, future funding needs (usually potential acquisitions) and Group banking arrangements.

	2026 £m	2025 £m
Bank test net debt	**199.6**	131.4
Bank test EBITDA	**122.1**	111.4
Ratio	**1.63**	1.18

The ratio above is calculated for the bank covenants as bank test net debt divided by bank test EBITDA.

Bank test net debt/net bank borrowings

Is defined as: drawn bank debt less cash and cash equivalents.

Bank test EBITDA

Is defined as: adjusted EBITDA annualised for the effect of acquisitions, adding back share option costs, and on an accounting basis prior to the adoption of IFRS 16 and excluding the share attributable to non-controlling interests. Refer to the Alternative performance measures glossary from page 176 for the calculation of adjusted EBITDA.

There were no changes to the Group's approach to capital management during the year.

The primary sources of funding for the Group are internally generated cash and syndicated borrowings. The Group's £5.0m overdraft facility was undrawn at 30 June 2026 (2025: undrawn) and £132.0m of the revolving credit facility was undrawn at 30 June 2026 (2025: £202.5m revolving credit facility undrawn).

Fair value measurement

The Group's financial assets and liabilities measured at fair value as at 30 June 2026 are categorised below according to the levels of the fair value hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

4. Segment reporting

Segment information is presented in respect of the Group's business and geographical segments. The primary format, operating segments, is based on the Group's management and internal reporting structure and monitored by the Group's Chief Operating Decision Maker (CODM).

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Trade between operating segments is eliminated through the Central administration segment. Unallocated items comprise mainly interest-bearing borrowings and associated costs, tax related assets and liabilities, acquisition costs which are included within costs relating to business combinations, and Head Office salary and premises costs.

Revenue comprises £504.1m of fees and £208.7m of goods (2025: £473.1m and £200.1m respectively).

4. Segment reporting continued

Operating segments

The Group is split into three operating segments (Veterinary Practices, Laboratories and Online Retail Business) and a centralised support function (Central administration) for business segment analysis. In identifying these operating segments, management generally follows the Group's service lines representing its main products and services.

Each of these operating segments is managed separately as each segment requires different specialisms, marketing approaches and resources. Intra-Group sales eliminations are included within the Central administration segment. Central administration includes costs relating to the employees and property and other overhead costs associated with the centralised support function together with finance costs arising on the Group's borrowings.

Year ended 30 June 2026	Veterinary Practices £m	Laboratories £m	Online Retail Business £m	Central administration £m	Group £m	Discontinued operations[1] £m
Revenue	648.2	35.0	51.0	(21.4)	712.8	—
Adjusted EBITDA	138.7	11.3	1.4	(9.9)	141.5	—
Profit/(loss) before tax	54.3	7.9	(0.3)	(29.9)	32.0	—
Total assets	686.9	24.3	25.2	31.4	767.8	—
Total liabilities	(191.8)	(3.2)	(21.7)	(255.5)	(472.2)	—
Reconciliation of adjusted EBITDA						
Profit/(loss) before tax	54.3	7.9	(0.3)	(29.9)	32.0	—
Finance expense/(income)	5.1	(0.1)	—	10.6	15.6	—
Gain on bargain purchase	(0.5)	—	—	—	(0.5)	—
Amortisation of intangible assets	24.5	—	1.5	—	26.0	—
Impairment of intangible assets	—	2.0	—	—	2.0	—
Depreciation of property, plant and equipment	19.2	1.4	—	0.4	21.0	—
Depreciation of right-of-use assets	17.1	0.1	—	0.5	17.7	—
Loss/(profit) on disposal of property, plant and equipment and disposal and impairment of right-of-use assets	2.4	—	—	(0.1)	2.3	—
Costs relating to business combinations	10.6	—	—	4.2	14.8	—
Exceptional items	6.0	—	0.2	4.4	10.6	—
Adjusted EBITDA	138.7	11.3	1.4	(9.9)	141.5	—

Year ended 30 June 2025	Veterinary Practices £m	Laboratories £m	Online Retail Business £m	Central administration £m	Group £m	Discontinued operations[1] £m
Revenue	616.1	31.4	45.9	(20.2)	673.2	7.9
Adjusted EBITDA	133.0	9.0	1.3	(8.7)	134.6	3.5
Profit/(loss) before tax	56.7	7.6	0.7	(32.4)	32.6	0.2
Total assets	572.7	58.3	20.2	45.0	696.2	—
Total liabilities	(194.2)	(2.7)	(15.2)	(182.4)	(394.5)	—
Reconciliation of adjusted EBITDA						
Profit/(loss) before tax	56.7	7.6	0.7	(32.4)	32.6	0.2
Finance expense/(income)	4.7	—	(0.1)	12.6	17.2	—
Amortisation of intangible assets	24.6	0.1	0.7	—	25.4	0.6
Impairment of intangible assets	—	—	—	—	—	—
Depreciation of property, plant and equipment	17.9	1.2	—	0.5	19.6	0.8
Depreciation of right-of-use assets	17.4	0.1	—	0.6	18.1	—
(Profit)/loss on disposal of property, plant and equipment and right-of-use assets	(0.2)	—	—	1.0	0.8	0.3
Costs relating to business combinations	10.6	—	—	4.3	14.9	1.6
Exceptional items	1.3	—	—	4.7	6.0	—
Adjusted EBITDA	133.0	9.0	1.3	(8.7)	134.6	3.5

1. Discontinued operations for 2025 relate to Crematoria operations; see note 32 for further details.

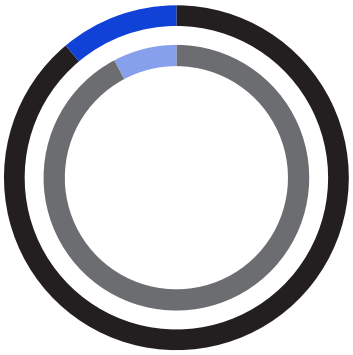
4. Segment reporting continued

Geographical segments

The business operates predominantly in the UK. As at 30 June 2026, it has 57 veterinary practice sites in Australia (2025: 43). It performs a small amount of laboratory work and teleradiology work for Europe-based clients and a small amount of teleradiology work for clients based in the rest of the world. In accordance with IFRS 8, 'Operating Segments', no segment results are presented for operations in Australia as it meets the aggregation criteria, or trade with clients in Europe or the rest of the world which is not considered material for separate disclosure. Neither Australian nor trade with clients in Europe and the rest of the world are reported separately for management reporting purposes.

Revenue and non-current assets (excluding financial instruments) split between the United Kingdom and Australia are shown below:

Revenue



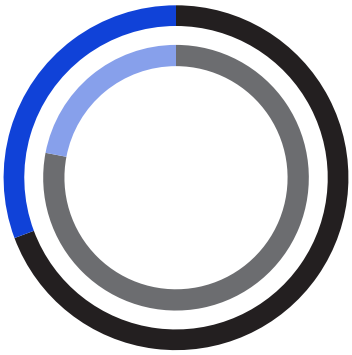
2026

UK	£633.7m
Australia	£79.1m

2025

UK	£621.1m
Australia	£52.1m

Non-current assets



2026

UK	£429.3m
Australia	£190.0m

2025

UK	£436.8m
Australia	£123.2m

5. Finance expense

	2026 £m	2025 £m
Interest received from bank accounts	**(1.2)**	—
Interest expense on bank loans and overdraft	**10.6**	11.2
Interest expense on lease liabilities	**5.3**	5.1
Amortisation of debt arrangement fees	**0.9**	0.9
Finance expense	**15.6**	17.2

All the interest received in the periods are related to financial assets measured at amortised cost.

6. Expenses/(income) by nature

	Note	2026 £m	2025 £m
Amortisation of intangible assets	12	**26.0**	26.0
Impairment of intangible assets	12	**2.0**	—
Gain on bargain purchase		**(0.5)**	—
Depreciation of property, plant and equipment	13	**21.0**	20.4
Depreciation of right-of-use assets	14	**17.7**	18.1
Loss on disposal of property, plant and equipment and disposal and impairment of right-of-use assets	4	**2.3**	1.1
Depreciation, amortisation and profit on disposal attributable to discontinued operations	4	**—**	(1.7)
Employee benefit expenses	7	**348.2**	325.9
Cost of inventories recognised as an expense (included in cost of sales)		**143.6**	138.5
Repairs and maintenance expenditure on property, plant and equipment		**8.3**	8.1
Movement in provision for expected credit losses	20	**1.8**	1.4
Exceptional items (see below)		**10.6**	6.0
RDEC income[1]		**(15.7)**	(15.1)
Other expenses		**99.9**	94.7
Total cost of sales and administrative expenses		**665.2**	623.4

1. In the course of their ordinary work, our colleagues perform work which advances the overall knowledge in the veterinary field and seeks to resolve scientific and technological uncertainties. In the current year, claims were submitted in respect of the 2025 financial year under the Research and Development Expenditure Credits (RDEC) scheme to HMRC. The amount of qualifying expenditure in relation to 2026 is yet to be determined, in part due to the uncertainty around all claims made to date, which is explained more fully in note 2. However, an estimate for 2026 has been recognised of £13.2m with a provision against this of £1.0m, resulting in a net £12.2m being recognised. The amount of research and development expenditure within cost of sales and administrative expenses is therefore not separately disclosed. RDEC income of £15.7m is made up of gross RDEC of £16.9m less directly associated costs of £1.2m (2025: £15.1m made up of gross RDEC of £16.7m less directly associated costs of £1.6m). Further details of this, disaggregated by claim year, are shown in note 2, on page 133.

Exceptional items

An exceptional item contains certain costs or incomes that derive from events or transactions that fall outside the normal activities of the Group and/or are excluded by virtue of their size or nature in order to reflect management's view of the performance of the Group. Judgement is applied in determining whether items are classified as exceptional, and the policy is applied consistently between reporting periods.

	2026 £m	2025 £m
Competition and Markets Authority investigation[1]	**1.7**	3.9
Competition and Markets Authority remedies[2]	**5.1**	—
Restructuring costs[3]	**—**	1.9
Main Market move[4]	**3.8**	—
Cyber incident legal costs[5]	**—**	0.2
	10.6	6.0

1. Cost incurred in relation to engagement with the Competition and Markets Authority investigation including legal and economist fees.
2. Cost incurred in relation to Competition and Markets Authority remedies, including rebranding costs.
3. Cost incurred regarding restructuring costs includes costs in relation to the Deputy CEO who was paid his notice in line with his service agreement whilst on gardening leave which resulted in additional costs and employment costs in relation to the closure of our Careline operations.
4. Costs incurred in relation to the Group's transition from the Alternative Investment Market (AIM) to the Main Market of the London Stock Exchange.
5. Costs in relation to the cyber incident which occurred in 2024 primarily include legal and specialist advisor costs.

6. Expenses/(income) by nature continued

Services provided by the Company's auditor and associates

During the year the Group obtained the following services from the Company's auditor at the costs detailed below:

	2026 £000	2025 £000
Audit services		
Fees payable to the Group's auditor for:		
The audit of the parent company and consolidated financial statements	**263**	263
The audit of the Company's subsidiaries pursuant to legislation	**637**	638
	900	901

	2026 £000	2025 £000
Other services		
Fees payable to the Group's auditor for:		
Reporting Accountant	**610**	—
Review of the consolidated interim financial statements	**10**	—
	620	—

7. Employee benefit expense and numbers

Group

Employee benefit expense for the Group	Note	2026 £m	2025 £m
Wages and salaries		**297.0**	284.0
Social security costs		**35.8**	29.0
Other pension costs	31	**13.3**	11.7
Share-based payments	11	**2.1**	1.2
		348.2	325.9

The employee benefit expense included within cost of sales is £244.5m (2025: £241.9m). The balance is recorded within administrative expenses. Contingent consideration of £10.5m (2025: £10.6m), accounted for under IAS 19, 'Employee Benefits', is expensed to the income statement and included within other expenses in note 6 of the financial statements.

The average monthly number of people employed by the Group, for continuing operations, (including Executive and Non-Executive Directors) during the year, analysed by category, was as follows:

	2026 Number	2025 Number
Veterinary surgeons and pathologists	**2,532**	2,447
Nurses, practice ancillaries and technicians	**6,175**	6,127
Central support	**331**	290
	9,038	8,864

Company

The average monthly number of people employed by the Company is five (2025: four), being the Non-Executive Directors. The Executive Directors received remuneration in respect of their services to the Company from a subsidiary company.

8. Directors' remuneration and key management compensation

	Highest-paid Director		Directors' emoluments	
	2026 £m	2025 £m	**2026 £m**	2025 £m
Salaries and other short-term employee benefits	**0.5**	0.7	**1.6**	1.8
Company contributions to money purchase schemes	**—**	—	**—**	—
	0.5	0.7	**1.6**	1.8

Retirement benefits are accruing to three Directors (2025: three) under a personal pension plan. The remuneration of the Executive Directors, amounting to £1.2m (2025: £1.5m), is borne by the subsidiary company CVS (UK) Limited, without recharge. The remuneration of the Non-Executive Directors, amounting to £0.4m (2025: £0.3m), is borne by the subsidiary company CVS (UK) Limited and recharged to the Company. Directors' remuneration is disclosed on an individual basis in the Remuneration Committee Report on pages 93 to 109.

Share options

Under the Company's SAYE schemes the Directors have the following options at the year end:

	SAYE scheme	Date of grant	Earliest exercise date and vesting date	Exercise price	Number of shares
R Fairman	SAYE16	24 November 2023	01 January 2027	1,146p	550
R Alfonso	SAYE16	24 November 2023	01 January 2027	1,146p	550
P Higgs	SAYE16	24 November 2023	01 January 2027	1,146p	517
R Fairman	SAYE17	26 November 2024	01 January 2028	847p	722
R Alfonso	SAYE17	26 November 2024	01 January 2028	847p	680
P Higgs	SAYE17	26 November 2024	01 January 2028	847p	722
R Fairman	SAYE18	26 November 2025	01 January 2029	1,136p	507
R Alfonso	SAYE18	26 November 2025	01 January 2029	1,136p	538
P Higgs	SAYE18	26 November 2025	01 January 2029	1,136p	538

Under the Company's Executive Share Plan (ESP), formerly named Long-Term Incentive Plans (LTIPs) the Directors have the following options at the year end:

	ESP	Date of grant	Market price on date of grant	Earliest exercise date and vesting date	Number of shares
R Fairman	ESP17	29 September 2023	1,630p	30 June 2026	34,419
R Alfonso	ESP17	29 September 2023	1,630p	30 June 2026	17,884
P Higgs	ESP17	29 September 2023	1,630p	30 June 2026	6,212
R Fairman	ESP18	04 October 2024	1,058p	30 June 2027	55,581
R Alfonso	ESP18	04 October 2024	1,058p	30 June 2027	30,460
P Higgs	ESP18	04 October 2024	1,058p	30 June 2027	26,144
R Fairman	ESP19	31 July 2025	1,228p	30 June 2028	79,550
R Alfonso	ESP19	31 July 2025	1,228p	30 June 2028	54,495
P Higgs	ESP19	31 July 2025	1,228p	30 June 2028	46,774

The exercise price for all shares awarded under ESPs is 0.2p.

No ESPs vested in the year; for further details of the above schemes see the Remuneration Committee Report on pages 93 to 109.

Key management compensation

Key management is considered to be those on the Executive Committee (being the Executive Directors and other senior management) and the Non-Executive Directors. The employment costs of key management are as follows:

	2026 £m	2025 £m
Salaries and other short-term employee benefits	**2.0**	2.4
Post-employment benefits	**0.1**	0.1
Share-based payments	**1.2**	1.1
	3.3	3.6

9. Tax expense

a) Analysis of tax expense recognised in the income statement

	Note	2026 £m	2025 £m
Current tax			
Current tax on profits for the year		**19.1**	17.2
Adjustments in respect of previous years		**(0.3)**	(1.4)
Total current tax charge		**18.8**	15.8
Deferred tax			
Origination and reversal of temporary differences		**(5.3)**	(4.6)
Adjustments in respect of previous years		**0.7**	2.1
Total deferred tax credit	25	**(4.6)**	(2.5)
Total tax expense		**14.2**	13.3
Income tax expense attributable to:			
Profit from continuing operations		**14.2**	13.5
Loss from discontinued operations	32	**—**	(0.2)
		14.2	13.3

b) Reconciliation of effective tax charge

The UK corporation tax rate is calculated using the UK standard rate of tax for the year of 25.0% (2025: 25.0%). Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. The total taxation charge for the year differs from the theoretical amount that would arise using the standard rate of UK corporation tax of 25.0% (2025: 25.0%) as explained below:

	2026 £m	2025 £m
Profit before tax for continuing operations	**32.0**	32.6
Profit before tax for discontinued operations	**—**	33.7
Profit before tax	**32.0**	66.3
Effective tax charge of 25.0% (2025: 25.0%)	**8.0**	16.6
Effects of:		
Expenses not deductible for tax purposes	**5.6**	4.0
Exempt gain on sale of subsidiaries and gain on bargain purchase	**(0.2)**	(8.4)
Adjustments to deferred tax charge in respect of previous years	**0.7**	2.1
Adjustments to current tax charge in respect of previous years	**(0.3)**	(1.4)
Impact of tax rates in overseas jurisdictions	**0.4**	0.4
Total tax expense	**14.2**	13.3

Factors affecting the current tax charge

The effective tax rate on reported profits is 44.4% (2025: 20.1%) and increased from prior year mainly due to the combined impact of the disposal of the subsidiaries in prior year resulting in non-taxable gains and an increase in non-deductible expenses associated with acquisitions.

The total tax charge of £14.2m (2025: £13.5m) on continuing operations would represent an effective tax rate on profit before tax for continuing operations of 44.4% (2025: 41.4%). The increase is due to an increase in expenses not deductible for tax purposes.

Changes in tax rates

The Group's future tax charge, and effective tax rate, could be affected by several factors including changes in tax laws and rates in the respective jurisdictions. There has been no impact in the current year from tax rate changes.

Uncertain tax position

The Group recognises taxation based on estimates of whether taxes will be due. No material uncertain tax positions exist at 30 June 2026.

9. Tax expense continued

b) Reconciliation of effective tax charge continued

OECD Pillar Two – global minimum tax

The OECD Pillar Two global minimum tax model rules of the OECD's Inclusive Framework on Base Erosion and Profit Shifting (the Pillar Two rules) legislation came into effect in the UK for accounting periods from 1 January 2024, making it effective for the Group from 1 July 2024.

The Group has applied the temporary exception from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two.

Under the Pillar Two rules, a top-up tax arises where the effective tax rate of the Group's operations in any individual jurisdiction, calculated using principles set out in Pillar Two legislation, is below a 15% minimum rate. Any resulting tax would be payable by CVS Group plc to the UK tax authority (HMRC) being the Group's ultimate parent. The Group has performed an assessment of the Group's potential exposure to Pillar Two income taxes. The assessment is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment, the Pillar Two effective tax rates in all jurisdictions in which the Group operated are above 15% and consequently no top-up tax liability has been recognised in the total tax charge in the year.

10. Earnings per Ordinary share

a) Reconciliation of earnings

	2026 £m	2025 £m
Profit from continuing operations	**17.8**	19.1
Less: profit attributable to non-controlling interest	**(0.5)**	(0.2)
Profit for the year from continuing operations attributable to equity holders of the Company	**17.3**	18.9
Profit for the year from discontinued operations attributable to equity holders of the Company	**—**	33.9
Profit for the year attributable to equity holders of the Company	**17.3**	52.8

b) Basic

	2026	2025
Weighted average number of Ordinary shares in issue	**70,821,844**	71,739,444
Basic earnings per share from continuing operations attributable to the ordinary equity holders of the Company (pence)	**24.4**	26.3
Basic earnings per share from discontinued operations attributable to the ordinary equity holders of the Company (pence)	**—**	47.4
Total basic earnings per share attributable to the ordinary equity holders of the Company (pence)	**24.4**	73.7

c) Diluted

For diluted earnings per share, the weighted average number of Ordinary shares in issue is adjusted to assume conversion of all dilutive potential Ordinary shares. The Group has two types of dilutive potential Ordinary shares, being: those share options granted to employees where the exercise price is less than the average market price of the Company's Ordinary shares during the year (SAYE) and unvested shares within the ESP scheme that have met the relevant performance conditions at the end of the reporting period.

	2026	2025
Weighted average number of Ordinary shares in issue	**70,821,844**	71,739,444
Adjustment for contingently issuable shares – ESPs	**5,914**	—
Adjustment for contingently issuable shares – SAYE schemes	**130,941**	9,187
Weighted average number of Ordinary shares for diluted earnings per share	**70,958,699**	71,748,631
Diluted earnings per share from continuing operations attributable to the ordinary equity holders of the Company (pence)	**24.3**	26.2
Diluted earnings per share from discontinued operations attributable to the ordinary equity holders of the Company (pence)	**—**	47.4
Total diluted earnings per share attributable to the ordinary equity holders of the Company (pence)	**24.3**	73.6

10. Earnings per Ordinary share continued

d) Alternative performance measure: adjusted earnings per share

	Note	2026 £m	2025 £m
Profit before tax for continuing operations		**32.0**	32.6
Adjustments for:			
Gain on bargain purchase		**(0.5)**	—
Amortisation of intangible assets	12	**26.0**	26.0
Amortisation of intangible assets attributable to discontinued operations	4	**—**	(0.6)
Impairment of intangible assets	12	**2.0**	—
Costs relating to business combinations	15	**14.8**	14.9
Exceptional items	6	**10.6**	6.0
Adjusted profit before tax		**84.9**	78.9
Tax expense amended for the above adjustments		**(23.3)**	(21.2)
Adjusted profit after tax		**61.6**	57.7
Less: adjusted profit after tax attributable to non-controlling interest		**(1.0)**	(0.2)
Adjusted profit after tax attributable to the parent		**60.6**	57.5
Weighted average number of Ordinary shares in issue		**70,821,844**	71,739,444
Weighted average number of Ordinary shares for diluted earnings per share		**70,958,699**	71,748,631

	Pence	Pence
Adjusted earnings per share	**85.6**	80.1
Diluted adjusted earnings per share	**85.4**	80.1

11. Share-based payments

Executive Share Plans (ESPs), formerly named Long-Term Incentive Plans (LTIPs)

The Group operates incentive schemes for certain senior management and Executive Directors, the CVS Group Executive Share Plans.

Under the ESP schemes, awards are made at an effective nil cost, vesting over a three-year performance period conditional upon the Group's adjusted earnings per share growth and total shareholder return (TSR). The ESP scheme arrangements are a mixture of equity settled and cash settled. Cash-settled ESP schemes are linked to a number of shares, the value of which is settled in cash upon exercise.

Details of the share options outstanding during the year under the ESP schemes are as follows:

	July 2025 scheme (ESP19/19(c)) Number of share awards	July 2024 scheme (ESP18/18(c)/18(d)) Number of share awards	July 2023 scheme (ESP17) Number of share awards	July 2022 scheme (ESP16/16(b)) Number of share awards
Outstanding at 1 July 2025	—	215,797	106,539	83,432
Granted during the year	287,296	—	—	—
Expired during the year	—	—	—	(77,517)
Forfeited during the year	(22,174)	(30,580)	(11,077)	—
Exercised during the year	—	—	—	—
Outstanding at 30 June 2026	**265,122**	**185,217**	**95,462**	**5,915**
Exercisable at 30 June 2026	**—**	**—**	**—**	**5,915**

Options are exercisable at 0.2p per share. The weighted average exercise price was 0.2p at the beginning and end of the period.

The options outstanding at the year end under ESP19, ESP19(c), ESP18, ESP18(c), ESP18(d), ESP17, ESP16 and ESP16(b) have a weighted average remaining contractual life of two years for ESP19/19(c), one year for ESP18/18(c)/18(d), and nil years for ESP17 and ESP16(b), respectively.

11. Share-based payments continued

Executive Share Plans (ESPs), formerly named Long-Term Incentive Plans (LTIPs) continued

The share-based payment charge for the year in respect of the options issued under the ESP schemes amounted to £0.8m (2025: £0.1m) and has been charged to administrative expenses. Employer National Insurance contributions and dividend equivalent payments of £0.1m (2025: £nil) have been charged to administrative expenses in respect of the ESP scheme transactions and are treated as cash-settled transactions.

Further details of the above schemes, to the extent that they relate to statutory Directors, are included in the Remuneration Committee Report on pages 93 to 109. Details of ESP16(b), ESP16(c), ESP18(b), ESP18(c), ESP18(d) ESP19(b), ESP19(c) and ESP19(d) are shown below:

The carrying amount included within trade and other payables relating to cash-settled schemes is £0.1m (2025: £0.1m).

Scheme	Date of grant	Market price of shares on date of grant	Earliest exercise date and date of vesting shares	Exercise price	Number of shares	Settlement	Vesting conditions
ESP16(b)	30 September 2022	£16.90	30 June 2025	0.2p	5,915	Equity settled	To remain employed until 30 September 2025
ESP16(c)	12 October 2022	£17.53	30 June 2025	0.2p	5,915	Cash settled	None
ESP18(b)	4 October 2024	£11.51	30 June 2027	0.2p	1,352	Cash settled	Same as ESP18
ESP18(c)	4 November 2024	£9.43	30 June 2027	0.2p	3,181	Equity settled	Same as ESP18
ESP18(d)	13 January 2025	£8.26	30 June 2027	0.2p	1,794	Equity settled	Same as ESP18
ESP19(b)	31 July 2025	£12.28	30 June 2028	0.2p	1,209	Cash settled	Same as ESP19
ESP19(c)	14 October 2025	£14.00	30 June 2028	0.2p	10,932	Equity settled	To remain employed until 14 October 2028
ESP19(d)	14 October 2025	£14.00	30 June 2028	0.2p	3,644	Cash settled	None

Save As You Earn (SAYE)

The Group operates an incentive scheme for all UK employees, the CVS Group SAYE plan, an HM Revenue & Customs approved scheme. Details of the share options outstanding during the year under the SAYE schemes are as follows:

	SAYE18 Number of share awards	SAYE17 Number of share awards	SAYE16 Number of share awards	SAYE15 Number of share awards	SAYE14 Number of share awards
Outstanding at 1 July 2025	—	581,361	410,069	192,332	94,261
Granted during the year	370,637	—	—	—	—
Forfeited during the year	(26,636)	(67,380)	(61,209)	(19,402)	(94,261)
Exercised during the year[1]	—	(1,044)	(646)	—	—
Outstanding at 30 June 2026	**344,001**	**512,937**	**348,214**	**172,930**	**—**
Exercisable at 30 June 2026	**917**	**1,953**	**1,847**	**169,318**	**—**

1. The weighted average share price at the date of exercise was £12.78.

11. Share-based payments continued

Save As You Earn (SAYE) continued

Further information on the SAYE schemes is shown in the table below:

	SAYE18	SAYE17	SAYE16	SAYE15
Date opened for subscription	November 2025	November 2024	November 2023	November 2022
Date options granted	January 2026	January 2025	January 2024	January 2023
Discount on closing mid-market price	10%	10%	20%	20%
Exercise price	£11.36	£8.47	£11.46	£15.15
Remaining contractual life	2 years 5 months	1 year 5 months	5 months	nil

All of the SAYE schemes vest over a three-year period. There are no performance conditions attached to the SAYE scheme.

The weighted average exercise price at the beginning of the period for the options outstanding was £11.26 and at the end of the period was £10.79.

The share-based payment charge for the year in respect of the options issued under the SAYE schemes amounted to £1.3m (2025: £1.1m) and has been charged to administrative expenses.

Options for all schemes were valued using either the Monte Carlo or Black Scholes option pricing model. The fair value per option granted in the year and the assumptions used in the calculation are as follows:

	ESP19	ESP19(b)	ESP19(c)	ESP19(d)	SAYE18
Grant date	31 July 2025	31 July 2025	14 October 2025	14 October 2025	26 November 2025
Share price at grant date	£12.26	£12.26	£14.00	£14.00	£11.92
Fair value per option	£10.00	£10.00	£14.00	£14.00	£4.18
Exercise price	0.2p	0.2p	0.2p	0.2p	£11.36
Number of employees	36	1	1	1	1,491
Shares under option at date of grant	276,364	1,209	10,932	3,644	370,637
Vesting period/option life/ expected life	3 years	3 years	3 years	3 years	3 years
Weighted average remaining contractual life	2 years	2 years	2 years	2 years	2 years 5 months
Expected volatility[1]	48.7%	48.7%	—	—	42.6%
Expected dividends expressed as a dividend yield	—	—	—	—	0.7%
Settlement	Equity settled	Cash settled	Equity settled	Cash settled	Equity settled

1. Expected volatility has been determined by reference to the historical share return volatility of CVS Group plc.

12. Intangible assets

Group	Note	Goodwill £m	Trade names £m	Patient data records £m	Computer software and websites £m	Total £m
Cost						
At 1 July 2024		221.7	1.5	322.5	14.5	560.2
Exchange differences		(5.9)	—	(4.5)	—	(10.4)
Additions arising through business combinations	15	17.6	—	15.7	—	33.3
Fair value adjustments in respect of prior periods	15	0.9	—	(0.1)	—	0.8
Other additions		—	—	—	7.8	7.8
Disposals		(2.6)	—	(7.6)	(1.4)	(11.6)
At 30 June 2025		231.7	1.5	326.0	20.9	580.1
Exchange differences		7.0	—	6.1	—	13.1
Additions arising through business combinations	15	28.2	—	26.6	—	54.8
Fair value adjustments in respect of prior periods	15	(0.1)	—	0.3	0.3	0.5
Other additions		—	—	—	7.9	7.9
Disposals		—	—	—	(3.2)	(3.2)
At 30 June 2026		**266.8**	**1.5**	**359.0**	**25.9**	**653.2**
Accumulated amortisation						
At 1 July 2024		—	1.5	216.6	7.2	225.3
Exchange differences		—	—	(0.3)	—	(0.3)
Amortisation for the year		—	—	24.0	2.0	26.0
Disposals		—	—	(7.4)	(1.1)	(8.5)
At 30 June 2025		—	1.5	232.9	8.1	242.5
Exchange differences		—	—	0.9	—	0.9
Amortisation for the year		—	—	21.8	4.2	26.0
Impairment		—	—	—	2.0	2.0
Disposals		—	—	—	(3.2)	(3.2)
At 30 June 2026		**—**	**1.5**	**255.6**	**11.1**	**268.2**
Net book amount						
At 30 June 2026		**266.8**	**—**	**103.4**	**14.8**	**385.0**
At 30 June 2025		231.7	—	93.1	12.8	337.6
At 30 June 2024		221.7	—	105.9	7.3	334.9

Amortisation and impairment are charged to administrative expenses in the income statement.

The patient data records and trade names were acquired as a component of business combinations. See note 15 for further details of current-year acquisitions.

There are no intangible assets that are individually material to the financial statements.

The components of goodwill are disclosed according to the group of CGUs to which they have been allocated. Due to the integrated nature of the Group, although each veterinary practice and laboratory is considered to be an individual CGU, the monitoring of goodwill is performed on an aggregated basis for groups of CGUs that are no larger than the operating segments, as determined in accordance with IFRS 8.

The majority of other assets are tested at the CGU level, to the extent that an impairment review is triggered following identification of an indicator of impairment by management. A small number of assets (typically patient data records acquired in a business combination with multiple sites or locations) are shared between sub-groups of CGUs and are tested for impairment when there are indicators of impairment at that level.

Goodwill per operating segment

	2026 £m	2025 £m
Veterinary Practices	**264.7**	229.6
Laboratories	**2.1**	2.1
Total	**266.8**	231.7

12. Intangible assets continued

Impairment tests and charge

The pre-tax discount rate applied to the cash flow projections is derived from the Group's pre-tax weighted average cost of capital. The risks relating to each of the CGUs are considered to be the same as a result of the Group's operations being entirely focused in the veterinary market and, as such, the discount rate applied to each CGU is the same. The use of the Group's weighted average cost of capital is consistent with the valuation methodology used when determining the offer price for business combinations and, therefore, is considered an appropriate discount rate.

During the year, the Group recognised an impairment charge of £2.0m in respect of internally developed software. The impairment arose following the replacement of the system in the laboratory division. The recoverable amount of the asset was determined based on its value in use and resulted in an impairment charge of £2.0m recognised within administrative expenses.

Value in use

In assessing value in use, being the net present value of future cash flows, the Group uses budgeted adjusted EBITDA for the next financial year adjusted for an assumption of capital expenditure as an approximation of cash flows. No adjustment is made for working capital as the impact of such adjustment is insignificant. A growth rate, which is considered to be broadly consistent between CGUs, is applied based on past experience and expectations of future changes to the market. Growth rate forecasts are extrapolated based on estimated long-term average growth rates for the markets in which the CGU operates (estimated at 4.0% for years one to five and a 3.0% long-term rate). The pre-tax discount rate used to calculate value in use is 12.4% at 30 June 2026 (2025: 12.5%).

A sensitivity analysis using reasonably possible changes in key assumptions has been performed. None of these changes result in the value of goodwill allocated to the CGUs being in excess of its recoverable amount and therefore no sensitivity analysis is presented.

13. Property, plant and equipment

Group	Note	Freehold land and buildings £m	Leasehold improvements £m	Fixtures, fittings and equipment £m	Motor vehicles £m	Total £m
Cost						
At 1 July 2024		25.5	84.5	106.0	8.8	224.8
Exchange differences		—	(0.1)	(0.1)	—	(0.2)
Additions arising through business combinations		—	—	2.1	—	2.1
Fair value adjustments in respect of prior periods		—	—	0.3	—	0.3
Additions		0.3	13.8	10.1	2.2	26.4
Disposals		(4.8)	(1.6)	(5.5)	(3.3)	(15.2)
At 30 June 2025		21.0	96.6	112.9	7.7	238.2
Exchange differences		—	0.3	0.3	—	0.6
Additions arising through business combinations	15	—	2.7	0.5	—	3.2
Additions		—	15.9	11.2	1.4	28.5
Disposals		—	—	(14.1)	(1.4)	(15.5)
At 30 June 2026		**21.0**	**115.5**	**110.8**	**7.7**	**255.0**
Accumulated depreciation						
At 1 July 2024		3.4	29.6	63.3	5.5	101.8
Depreciation for the year		0.5	5.2	13.1	1.6	20.4
Disposals		(1.0)	(0.3)	(4.8)	(1.9)	(8.0)
At 30 June 2025		2.9	34.5	71.6	5.2	114.2
Exchange differences		—	—	0.1	—	0.1
Depreciation for the year		0.5	4.8	14.6	1.1	21.0
Disposals		—	—	(13.6)	(1.4)	(15.0)
At 30 June 2026		**3.4**	**39.3**	**72.7**	**4.9**	**120.3**
Net book amount						
At 30 June 2026		**17.6**	**76.2**	**38.1**	**2.8**	**134.7**
At 30 June 2025		18.1	62.1	41.3	2.5	124.0
At 30 June 2024		22.1	54.9	42.7	3.3	123.0

Freehold land amounting to £1.7m (2025: £1.7m) has not been depreciated. Included within the above classes of assets is £4.2m (2025: £8.2m) of assets which are under construction, of which £3.4m was incurred in the year and £0.8m is carried forward from the previous year.

14. Leases

Group as a lessee

The majority of the Group's veterinary practices, specialist referral centres and support offices are leased, with remaining lease terms of between 1 and 19 years. The Group also has a number of non-property leases relating to vehicle, equipment and material handling equipment, with remaining lease terms of between one and seven years. Lease terms are negotiated on an individual basis and vary according to the nature of the underlying asset, with property leases generally containing fixed rental payments and extension options. Additions to right-of-use assets include new leases; extensions and amendments to existing lease agreements are disclosed as remeasurements.

Right-of-use assets

Group	Note	Property £m	Equipment £m	Motor vehicles £m	Total £m
Cost					
At 1 July 2024		156.7	6.0	4.4	167.1
Exchange differences		(0.6)	—	—	(0.6)
Acquired through business combinations		2.4	—	—	2.4
Remeasurement of lease term		9.7	—	—	9.7
Additions		2.2	1.1	1.2	4.5
Disposals		(4.4)	(1.7)	(1.4)	(7.5)
At 30 June 2025		166.0	5.4	4.2	175.6
Exchange differences		0.9	—	—	0.9
Acquired through business combinations	15	3.4	—	—	3.4
Remeasurement of lease term		13.3	—	0.4	13.7
Additions		4.5	0.3	1.1	5.9
Disposals		(5.7)	(0.3)	(0.8)	(6.8)
At 30 June 2026		**182.4**	**5.4**	**4.9**	**192.7**
Accumulated depreciation					
At 1 July 2024		59.7	2.6	2.2	64.5
Depreciation for the year		15.9	1.0	1.2	18.1
Disposals		(2.3)	(1.8)	(1.3)	(5.4)
At 30 June 2025		73.3	1.8	2.1	77.2
Exchange differences		0.1	—	—	0.1
Depreciation for the year		15.6	0.8	1.3	17.7
Impairment		2.5	—	—	2.5
Disposals		(3.6)	(0.2)	(0.6)	(4.4)
At 30 June 2026		**87.9**	**2.4**	**2.8**	**93.1**
Net book amount					
At 30 June 2026		**94.5**	**3.0**	**2.1**	**99.6**
At 30 June 2025		92.7	3.6	2.1	98.4
At 30 June 2024		97.0	3.4	2.2	102.6

Following a review of the Group's leased property portfolio, management identified indicators of impairment relating to certain right-of-use assets. An impairment charge of £2.5m was recognised and presented within administrative expenses. The recoverable amount was determined using a value in use model reflecting revised expectations of future economic benefits from the underlying leased assets.

14. Leases continued

Lease liabilities

Group	2026 £m	2025 £m
Current	**16.5**	15.2
Non-current	**89.7**	88.4
Total discounted lease liabilities	**106.2**	103.6
Maturity analysis – contractual undiscounted lease payments		
Less than one year	**21.4**	19.9
Between one and five years	**64.9**	65.2
More than five years	**42.4**	41.6
Total undiscounted lease payments	**128.7**	126.7

Total cash outflow for leases during the year is £22.6m (2025: £21.5m).

15. Business combinations

Details of business combinations in the year ended 30 June 2026 are set out below. The reason for each acquisition was to expand the CVS Group business through acquisitions aligned to our strategic goals.

Name of business combination	% share capital acquired	Date of acquisition	Country of incorporation
Toorak Rd Vet Clinic & Caulfield Veterinary Hospital	Trade and asset	2 July 2025	Australia
Sydney Animal Hospital incorporating: SAH Avalon Vet Pty Ltd; SAH Inner West Pty Ltd; SAH Kellyville Pty Ltd; SAH Newtown Pty Ltd; SAH Northern Beaches Pty Ltd; and SAH Norwest Pty Ltd.	75%	1 September 2025	Australia
Sydney Animal Hospital incorporating: Sydney Animal Hospitals - Baulkham Hills Pty Ltd	75%	7 October 2025	Australia
Highview Vets Pty Ltd t/a Austinmer Veterinary Hospital & Helensburgh Veterinary Clinic	100%	19 January 2026	Australia
PPAH Vets Pty Ltd t/a Port Phillip Animal Hospital	Trade and asset	24 February 2026	Australia
Pittwater Animal Hospital Pty Ltd	100%	28 April 2026	Australia
Animal Medical Centre Veterinary Hospital Pty Ltd	65%	25 June 2026	Australia

The table below summarises the total assets acquired through business combinations in the year ended 30 June 2026:

	Note	Book value of acquired assets £m	Fair value adjustments £m	Fair value £m
Property, plant and equipment	13	**3.2**	**—**	**3.2**
Patient data records	12	**—**	**26.6**	**26.6**
Right-of-use assets	14	**3.4**	**—**	**3.4**
Inventories		**0.6**	**—**	**0.6**
Deferred tax asset/(liability)	25	**0.2**	**(8.0)**	**(7.8)**
Trade and other receivables		**0.1**	**—**	**0.1**
Cash		**0.3**	**—**	**0.3**
Trade and other payables		**(2.8)**	**—**	**(2.8)**
Lease liabilities		**(3.4)**	**—**	**(3.4)**
Total identifiable assets		**1.6**	**18.6**	**20.2**
Less: non-controlling interests				**(3.8)**
Add: goodwill	12			**28.2**
Less: gain on bargain purchase				**(0.5)**
Total purchase consideration				**44.1**

15. Business combinations continued

Purchase consideration – cash outflow

	2026 £m	2025 £m
Total purchase consideration	**44.1**	29.5
Less:		
Deferred consideration payable	**(0.5)**	(0.1)
Cash acquired	**(0.3)**	(0.2)
Cash outflow for in-year acquisitions	**43.3**	29.2
Add:		
Deferred consideration paid on prior-period acquisitions	**—**	1.4
Contingent consideration (IFRS 3) paid on prior-period acquisitions	**0.4**	0.3
Net outflow of cash – investing activities	**43.7**	30.9

The Directors do not consider any individual in-year acquisition to be material to the Group and therefore have not separately disclosed these.

The total consideration of £44.1m is prior to the agreement of the completion accounts. The amounts recognised are subject to adjustment in line with IFRS 3 for up to twelve months from acquisition, with goodwill being adjusted accordingly.

Goodwill and intangible assets recognised in the year relating to business combinations are not expected to be deductible for tax purposes.

Gain on bargain purchase

On 7 October 2025, the Group acquired 75% of Sydney Animal Hospitals - Baulkham Hills Pty Ltd. The fair value of the identifiable net assets acquired by the Group amounted to £0.5m, compared with consideration transferred of £nil, resulting in a gain on bargain purchase of £0.5m.

Prior to recognising the gain, management reassessed the identification and measurement of all acquired assets and assumed liabilities in accordance with IFRS 3 and concluded that the values were appropriate.

The gain arose primarily because the practice was maturing and consideration was weighted towards contingent consideration which will be accounted for under IAS 19.

The gain of £0.5m has been recognised within administrative expenses in the consolidated statement of profit or loss.

Acquired receivables

The fair value of acquired trade receivables is £0.1m. The gross contractual amount for trade receivables due is £0.1m with a loss allowance of £nil recognised on acquisition.

Acquisitions with non-controlling interests

During the year, the Group acquired the following:

Name of business combination	% share capital acquired	% non-controlling interest	Consideration	Fair value of identifiable net assets	Non-controlling interest	Resulting goodwill
Sydney Animal Hospital	75%	25%	£21.2m	£10.1m	£2.6m	£13.7m
Animal Medical Centre Veterinary Hospital Pty Ltd	65%	35%	£5.6m	£3.5m	£1.2m	£3.3m

Goodwill recognised represents the excess of purchase consideration over the fair value of the identifiable net assets. Goodwill reflects the synergies arising from the combination of the businesses; this includes the assembled workforce and clinical knowledge, cost synergies arising from shared support functions as well as buying power synergies. Goodwill includes the recognition of an amount equal to the deferred tax that arises on non-qualifying fixed assets acquired under a business combination.

The Group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. The decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in Sydney Animal Hospital Practices and Animal Medical Centre Veterinary Hospital Pty Ltd, the Group elected to recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets. See note 2 for the Group's accounting policies for business combinations.

Revenue and profit contribution

If the acquisitions made in the period had been owned for the full year it is estimated that revenue would have been £30.8m and adjusted EBITDA £8.6m for the acquired businesses.

Post-acquisition revenue and post-acquisition adjusted EBITDA were £17.2m and £5.0m respectively. The post-acquisition period is from the date of acquisition to 30 June 2026. Post-acquisition adjusted EBITDA represents the direct operating result of practices from the date of acquisition to 30 June 2026 prior to the allocation of central overheads on the basis that it is not practicable to allocate these.

15. Business combinations continued

Acquisition related costs (costs relating to business combinations)

Acquisition costs of £4.3m (2025: £4.3m) are included within other expenses in note 6 of the financial statements, of which £nil relates to stamp duty paid (2025: £0.5m).

Contingent consideration, expensed to the income statement, of £10.5m (2025: £10.6m) is included within other expenses in note 6 of the financial statements.

Contingent consideration (IFRS 3)

Contingent consideration is calculated at fair value at the point of acquisition, and any adjustments to fair value are recorded as and when they arise. At the acquisition date of each acquisition made during the year, contingent consideration of £nil is recognised.

Contingent consideration (IAS 19)

Contingent consideration that relates to employment conditions is expensed to the income statement over the relevant service period. For acquisitions completed in the year, the expense to the income statement is expected to be for a period of up to six years subject to meeting fixed profitability and employment targets. If these targets are met, contingent consideration totalling £17.1m would be payable in instalments as follows: £4.6m on each of the first and second anniversaries, £5.3m on the third anniversary, £2.2m on the fourth anniversary, and £0.2m on each of the fifth and sixth anniversaries of the acquisition.

Business combinations in previous years

Details of business combinations in the comparative year are presented in the consolidated financial statements for the year ended 30 June 2025. Adjustments to the provisional amounts during the measurement resulted in an increase in patient data records of £0.3m, offset by a reduction of £0.1m in goodwill, £0.1m in trade and other receivables and a reduction in deferred consideration payable of £0.1m.

During the year, £nil (2025: £1.4m) was paid to settle deferred consideration payable from prior periods.

Contingent consideration (IFRS 3) of £0.4m paid (2025: £0.3m) relates to a business combination made in the year ended 30 June 2023 where consideration is payable over a three-year period based on the veterinary practice reaching certain adjusted EBITDA targets, but with no employment clause. As at 30 June 2026, £nil remains payable (2025: £0.4m).

Business combinations subsequent to the year end

Details of business combinations made subsequent to the year end are set out below. The reason for each acquisition was to expand the CVS Group business through acquisitions aligned to our strategic goals.

Name of business combination	% share capital acquired	Date of acquisition	Country of incorporation
Veterinary Professional of Adelaide Pty Ltd t/a Pets and their People	100%	30 July 2026	Australia
Newman Vet Pty Ltd t/a Paws at Prospect	60%	13 August 2026	Australia

The table below summarises the provisional total assets acquired through business combinations subsequent to the year end:

	Book value of acquired assets £m	Fair value adjustments £m	Fair value £m
Property, plant and equipment	**0.5**	**—**	**0.5**
Patient data records	**—**	**2.8**	**2.8**
Right-of-use assets	**0.6**	**—**	**0.6**
Inventories	**0.1**	**—**	**0.1**
Deferred tax asset/(liability)	**0.2**	**(0.9)**	**(0.7)**
Trade and other receivables	**0.2**	**—**	**0.2**
Cash	**0.6**	**—**	**0.6**
Trade and other payables	**(1.0)**	**—**	**(1.0)**
Lease liabilities	**(0.6)**	**—**	**(0.6)**
Total identifiable assets	**0.6**	**1.9**	**2.5**
Less: non-controlling interests			**(0.5)**
Add: goodwill			**2.9**
Total purchase consideration			**4.9**

15. Business combinations continued

Purchase consideration – cash outflow

The net outflow of cash is equal to the total purchase consideration and therefore no reconciliation is necessary.

The total consideration of £4.9m is prior to the agreement of the completion accounts. The amounts recognised are provisional and are subject to adjustment in line with IFRS 3 for up to twelve months from acquisition, with goodwill being adjusted accordingly.

Goodwill and intangible assets recognised in the year relating to business combinations are not expected to be deductible for tax purposes.

Acquisitions subsequent to the year end with non-controlling interests

Name of business combination	% share capital acquired	% non-controlling interest	Consideration	Fair value of identifiable net assets	Non-controlling interest	Resulting goodwill
Newman Vet Pty Ltd t/a Paws at Prospect	60%	40%	£1.7m	£1.3m	£0.5m	£0.9m

Goodwill recognised represents the excess of purchase consideration over the fair value of the identifiable net assets. Goodwill reflects the synergies arising from the combination of the businesses; this includes the assembled workforce and clinical knowledge, cost synergies arising from shared support functions as well as buying power synergies. Goodwill includes the recognition of an amount equal to the deferred tax that arises on non-qualifying fixed assets acquired under a business combination.

For the non-controlling interests in Newman Vet Pty Ltd, the Group elected to recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets. See note 2 for the Group's accounting policies for business combinations.

16. Investments

Shares in subsidiary undertakings

Company	Note	£m
Cost and net book amount		
At 1 July 2024		78.0
Options granted to employees of subsidiary undertakings	11	1.2
At 30 June 2025		79.2
Options granted to employees of subsidiary undertakings	11	2.1
At 30 June 2026		**81.3**

The principal trading subsidiary undertakings of CVS Group plc are set out below:

Name of subsidiary	Principal business	Country of incorporation
Albavet Limited	Veterinary services and buying club	Scotland
Animal Medical Centre Veterinary Hospital Pty Ltd (65% owned)	Veterinary services	Australia
Animed Direct Limited	Online dispensary	England and Wales
Ark Animal Services Limited	Veterinary services	England and Wales
Axiom Veterinary Laboratories Limited	Veterinary diagnostic services	England and Wales
Biome Vet Pty Ltd	Veterinary services	Australia
Brunker Road Veterinary Centre Pty Ltd	Veterinary services	Australia
B&W Equine Group Limited	Veterinary services	England and Wales
Cattle Dog Health Pty Ltd	Veterinary services	Australia
CVS (Australia) Holdings Proprietary Limited	Holding company	Australia
CVS Vets (Australia) Proprietary Limited	Veterinary services	Australia
CVS (UK) Limited	Veterinary and diagnostic services	England and Wales
East of England Veterinary Specialists Limited	Veterinary services	England and Wales
Endell Veterinary Group Limited	Veterinary services	England and Wales
Fernside Veterinary Centre Limited	Veterinary services	England and Wales
GVHCO Pty Ltd	Veterinary services	Australia
Highcroft Pet Care Limited	Veterinary services	England and Wales
Highview Vets Pty Ltd	Veterinary services	Australia
McDowall Veterinary Hospital Pty Ltd	Veterinary services	Australia
Mi Vet Club Limited	Veterinary goods and services buying club	England and Wales
Okeford Veterinary Centre Limited	Veterinary services	England and Wales
Pet Doctors Limited	Veterinary services	England and Wales

16. Investments continued

Shares in subsidiary undertakings continued

Name of subsidiary	Principal business	Country of incorporation
Pet Vaccination Clinic Limited	Veterinary services	England and Wales
Pittwater Animal Hospital Pty Ltd	Veterinary services	Australia
Precision Histology International Limited	Veterinary diagnostic services	England and Wales
Ripley Veterinary Hospital Pty Ltd	Veterinary services	Australia
Ruddington and East Leake Veterinary Centre Limited	Veterinary services	England and Wales
SAH Avalon Pty Ltd (75% owned)	Veterinary services	Australia
Sydney Animal Hospitals – Baulkham Hills Pty Ltd (75% owned)	Veterinary services	Australia
SAH Inner West Pty Ltd (75% owned)	Veterinary services	Australia
SAH Kellyville Pty Ltd (75% owned)	Veterinary services	Australia
SAH Newtown Pty Ltd (75% owned)	Veterinary services	Australia
SAH Northern Beaches Pty Ltd (75% owned)	Veterinary services	Australia
SAH Norwest Pty Ltd (75% owned)	Veterinary services	Australia
Selwood House Vets Pty Ltd (80% owned)	Veterinary services	Australia
Severn Edge Equine Limited	Veterinary services	England and Wales
Severn Edge Farm Limited	Veterinary services	England and Wales
Severn Edge Veterinary Group Limited	Veterinary services	England and Wales
Silverton Veterinary Practice Limited	Veterinary services	England and Wales
Southside Animal Hospital Pty Ltd	Veterinary services	Australia
Sustainable Developments (SW) Limited	Property development	England and Wales
Vetright Pty Ltd (75% owned)	Veterinary services	Australia
Vet Referral Pty Ltd	Veterinary services	Australia
Vet Direct Services Limited	Veterinary instrumentation supply	England and Wales
VPP Group Pty Ltd	Veterinary services	Australia
Werrington Vets Limited	Veterinary services	England and Wales
Woodlands Veterinary Clinic Limited	Veterinary services	England and Wales

The dormant subsidiary undertakings included within the consolidation are as follows:

Name of subsidiary	Country of incorporation
Bridge Veterinary Practice Limited	England and Wales
Darboe and Baily Limited	England and Wales
Enterprise Veterinary Services Limited	England and Wales
Greendale Veterinary Diagnostics Limited	England and Wales
Insight Laboratory Services Limited	England and Wales
Masefield Veterinary Services Ltd	England and Wales
Pet Vaccination UK Limited	England and Wales
Pet Emergency Treatment Services Limited	England and Wales
Pets Holding Limited	England and Wales
Seadown Veterinary Services LTD	England and Wales
Severn Edge Holdings Limited	England and Wales
The Harrogate Vet Limited	England and Wales
The Liverpool Vets Limited	England and Wales
Top Vets Limited	Scotland
Vet Direct Holdings Limited	England and Wales
Veterinary Enterprises & Trading Limited	England and Wales
Your Vets (Holdings) Limited	England and Wales
3Tab Holdings Limited	England and Wales

CVS Group plc owns 100% of the Ordinary share capital of CVS (UK) Limited and the remaining subsidiaries above are indirectly held by CVS Group plc.

Unless otherwise indicated, 100% of the Ordinary share capital is owned for all equity shareholdings and therefore all are wholly owned.

16. Investments continued

Shares in subsidiary undertakings continued

The registered office for all United Kingdom registered subsidiary undertakings is CVS House, Owen Road, Diss, Norfolk, IP22 4ER, with the exception of the following companies:

Name of subsidiary	Registered office address
Albavet Limited	24 Nicol Street, Kirkcaldy, Fife KY1 1NY
Axiom Veterinary Laboratories Limited	The Manor House, Brunel Road, Newton Abbot, Devon TQ12 4PB
Precision Histology International Limited	The School House, One Eyed Lane, Weybread, Diss, Norfolk IP21 5TT
Top Vets Limited	Riverside Vet Practice Howden South Lodge, Howden, Livingston EH54 6AD

The registered office for all Australian subsidiary undertakings is BDO Offices – BDO Services Pty Ltd, Level 18, 360 Queen Street, Brisbane City, Queensland 4000.

17. Derivative financial instruments

Derivatives are used for hedging in the management of exposure to market risks. This enables the optimisation of the overall cost of accessing debt capital markets, and the mitigation of the market risk which would otherwise arise from movements in interest rates.

The ineffective element of cash flow hedges in 2026 was immaterial (2025: immaterial).

Cash flow hedges

On 31 January 2024, the Group entered into two interest rate swap arrangements limiting the Group's exposure to interest rate increases. The arrangement exposed the Group to Sterling SONIA within a cash flow hedge accounting relationship.

At 30 June 2026, £100.0m of debt was hedged (2025: £100.0m); the remainder of the debt was unhedged at the year end.

Below are details of the hedging instruments and hedged items in scope of the IFRS 9 amendments due to interest rate benchmark reform. The terms of the hedged items listed match those of the corresponding hedging instruments.

Hedge type	Instrument type	Maturing in	Nominal	Hedged item
Cash flow hedge	Receive SONIA, pay Sterling fixed interest rate swaps	2028	£100.0m	Sterling fixed rate issued debt of the same maturity and nominal of the swap

The Group classifies its interest rate swap arrangement as a cash flow hedge and utilises hedge accounting to minimise income statement volatility in relation to movements in the value of the swap arrangement.

The fair values of the Group's interest rate derivatives are established using valuation techniques, primarily discounted cash flows, based on assumptions that are supported by observable market prices or rates (level 1).

The fair values of derivative financial instruments have been disclosed in the Group consolidated statement of financial position as follows:

	2026		2025	
Group	**Non-current assets £m**	**Liabilities £m**	Non-current assets £m	Liabilities £m
Interest rate swap arrangements – cash flow hedges	**0.2**	**—**	0.8	—

Movements in fair values

Group	Interest rate swap arrangements £m
Fair value at 1 July 2024	0.9
Fair value loss through reserves – hedged	(0.1)
At 30 June 2025	0.8
Fair value loss through reserves – hedged	(0.6)
At 30 June 2026	**0.2**

The cash flow hedge reserve represents the cumulative amount of gains and losses on hedging instruments deemed effective in cash flow hedges. The cumulative deferred gain or loss on the hedging instrument is recognised in the income statement only when the hedged transaction impacts the profit or loss or is included directly in the initial cost or other carrying amount of the hedged non-financial items.

The cost of the hedging reserve includes the effects of the changes in fair value of the time value of the option when only the intrinsic value of the option is designated as the hedging instrument.

17. Derivative financial instruments continued

Movements in fair values continued

The changes in fair value of the time value of an option in relation to a transaction related hedged item accumulated in the cost of hedging reserve are reclassified to the income statement only when the hedged transaction affects profit or loss, or included as a basis adjustment to the non-financial hedged item. The changes in fair value of the time value of an option in relation to a time period-related hedged item accumulated in the cash flow hedging reserve are amortised to the income statement on a rational basis over the term of the hedging relationship.

18. Financial instruments

Financial assets

		2026			2025		
Group	Note	**FVTPL – derivatives designated in hedge relationships £m**	**Amortised cost £m**	**Total £m**	FVTPL – derivatives designated in hedge relationships £m	Amortised cost £m	Total £m
Trade and other receivables[1]	20	**—**	**59.0**	**59.0**	—	56.0	56.0
Cash and cash equivalents	21	**—**	**18.4**	**18.4**	—	16.1	16.1
Derivative financial instruments	17	**0.2**	**—**	**0.2**	0.8	—	0.8
Total financial assets		**0.2**	**77.4**	**77.6**	0.8	72.1	72.9

1. Trade and other receivables exclude non-financial assets, e.g. prepayments.

Financial liabilities

		2026			2025		
Group	Note	**FVTPL – contingent consideration £m**	**Amortised cost £m**	**Total £m**	FVTPL – contingent consideration £m	Amortised cost £m	Total £m
Borrowings	24	**—**	**(214.1)**	**(214.1)**	—	(145.2)	(145.2)
Trade and other payables[2]	22	**—**	**(68.1)**	**(68.1)**	(0.4)	(66.2)	(66.6)
Lease liabilities	14	**—**	**(106.2)**	**(106.2)**	—	(103.6)	(103.6)
Total financial liabilities		**—**	**(388.4)**	**(388.4)**	(0.4)	(315.0)	(315.4)

2. Trade and other payables exclude deferred income, social security and other taxes and employee benefit expense.

Company	Note	**2026 £m**	2025 £m
Amounts owed by Group undertakings	34	**171.5**	64.0

Amounts owed by Group undertakings are unsecured and interest free and have no fixed date of repayment. Amounts owed by Group undertakings are measured at amortised cost.

19. Inventories

All inventories are finished goods held for resale. The Directors do not consider the difference between the purchase price of inventories and their replacement cost to be material.

20. Trade and other receivables

	Group 2026 £m	Group 2025 £m	Company 2026 £m	Company 2025 £m
Trade receivables:				
Within their due period	**20.3**	18.1	**—**	—
Past due:				
Not impaired	**13.8**	11.2	**—**	—
Fully impaired	**2.9**	3.5	**—**	—
Total trade receivables	**37.0**	32.8	**—**	—
Less: provision for impairment of receivables	**(2.9)**	(3.5)	**—**	—
Trade receivables – net	**34.1**	29.3	**—**	—
Other receivables	**9.0**	11.2	**—**	—
Prepayments	**15.9**	13.4	**—**	—
Accrued income	**15.9**	15.5	**—**	—
Total trade and other receivables	**74.9**	69.4	**—**	—

Group

The carrying amount of trade and other receivables is deemed to be a reasonable approximation to fair value. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable above with the exception of prepayments which hold no credit risk. The Group does not hold any collateral as security. The Group's trade and other receivables are denominated primarily in Sterling, with small amounts in Australian Dollars for Australian operations.

A provision for expected credit losses has been recognised at the reporting date through consideration of the ageing profile of the Group's trade receivables and the perceived credit quality of its customers reflecting net debt due. The carrying amount of trade receivables, net of expected credit losses, is considered to be an approximation to their fair value. The amount of the expected losses was £2.9m (2025: £3.5m). The Group has not disclosed the expected loss rate as this varies by type of customer. The Group assesses its expected credit loss by reviewing historical cash flows of the ageing profile of the trade receivables.

The Group does not consider that any financial asset, other than those provided for above, is credit impaired.

Aggregate movements on the Group's expected losses of trade receivables are as follows:

	2026 £m	2025 £m
At the beginning of the year	**3.5**	3.3
Charged to the income statement within administrative expenses	**1.2**	1.6
Utilisation of the provision during the year	**(1.8)**	(1.4)
At the end of the year	**2.9**	3.5

Other receivables do not contain impaired assets.

At 30 June 2026, there is a contract asset recorded as accrued income of £15.1m (2025: £14.7m, 2024: £12.5m), relating to customer membership schemes including the Healthy Pet Club (HPC) contract. The contract asset arises from customers having received consultations and treatments which are weighted towards the beginning of the twelve-month scheme, in advance of cash payments, which are received in twelve equal instalments, as detailed more fully in note 2. Due to the nature of the scheme, the accrued income amount brought forward has been fully utilised in the year.

The remaining accrued income balance of £0.8m (2025: £0.8m) relates to veterinary services procedures performed but not invoiced.

21. Cash and cash equivalents

	Group		Company	
	2026 £m	2025 £m	2026 £m	2025 £m
Total cash and cash equivalents	**18.4**	16.1	**—**	—

22. Trade and other payables

	Group		Company	
	2026 £m	2025 £m	**2026 £m**	2025 £m
Current				
Trade payables	**44.8**	49.3	**—**	—
Social security and other taxes	**23.4**	23.7	**—**	—
Employee benefit obligations[1]	**11.6**	13.5	**—**	—
Deferred income[2]	**2.7**	1.6	**—**	—
Accruals	**23.3**	16.9	**—**	—
Total current trade and other payables	**105.8**	105.0		
Non-current				
Employee benefit obligations[1]	**0.8**	0.4	**—**	—
Total non-current trade and other payables	**0.8**	0.4	**—**	—
Total trade and other payables	**106.6**	105.4	**—**	—

1. Employee benefit obligations relate to leave obligations, expected bonus payments and contingent consideration, accounted for under IAS 19.
2. Deferred income primarily relates to the contract liability for Healthy Pet Club (HPC) contracts.

At 30 June 2026, the fair value of contingent consideration recognised within employee benefit obligations was £7.8m (2025: £8.5m). The final payments are dependent on the future profitability of the acquired veterinary practices and the continued employment of the vendors. As these arrangements are linked to post-acquisition employment, they are accounted for as long-term employee benefits under IAS 19, 'Employee Benefits'. The maximum undiscounted amount payable under these arrangements over the remaining term of the agreements is £29.5m (2025: £27.8m), and the minimum amount payable is £nil. The liability recognised at 30 June 2026 reflects the portion attributable to service provided up to the reporting date and management's assessment of the expected achievement of the associated profitability targets.

Contingent consideration paid, shown within cash generated from operations, is £11.8m (2025: £8.3m).

23. Provisions

	2026 £m	2025 £m
At the beginning of the year	**0.5**	0.9
Additional provision	**1.0**	0.1
Utilised provision	**(0.5)**	(0.5)
At the end of the year	**1.0**	0.5

Provisions relate to costs set aside for properties including site closures and other property maintenance obligations. It is anticipated these will be utilised in the next twelve months.

24. Borrowings

Borrowings comprise bank loans and are denominated in Sterling. The repayment profile is as follows:

Group	**2026 £m**	2025 £m
Within one year or on demand	**—**	—
Between one and two years	**—**	—
After more than two years	**214.1**	145.2
	214.1	145.2

The balances above are shown net of issue costs of £3.9m (2025: £2.3m), which are being amortised over the term of the bank loan. The carrying amount of borrowings is deemed to be a reasonable approximation to fair value.

On 21 May 2026, the Group amended its £350.0m total facility, extending the maturity from February 2028 to May 2030 and revising certain financial covenants. The modification did not meet the criteria for derecognition under IFRS 9. A modification loss of £nil was recognised in finance costs during the year.

24. Borrowings continued

Following the refinance undertaken in May 2026, the Group has total facilities of £350.0m to 20 May 2030 (previously February 2028), provided by a syndicate of eight banks: AIB, Danske, HSBC, JP Morgan, Lloyds, NatWest, Virgin Money and Westpac. The facility comprises the following elements:

- a fixed-term loan of £125.0m (previously £87.5m), repayable on 20 May 2030, with the option to extend by a year to 2031;
- a revolving credit facility of £225.0m (previously £262.5m), with the same duration as the fixed-term loan; and
- a £5.0m overdraft facility, renewable annually.

The two financial covenants associated with these facilities are based on the ratios of bank test net debt to bank test EBITDA and bank test EBITDA to interest. The bank test net debt to bank test EBITDA ratio must not exceed 3.25x or 3.75x in respect of an Acquisition Spike Period. The bank test EBITDA to interest ratio must not be less than 3.5x. The facilities require cross-guarantees from the most significant of CVS Group's trading subsidiaries but are not secured on the assets of the Group. The Acquisition Spike Period covers a period of twelve months following the completion of a Permitted Acquisition under the terms of the loan facility.

Bank test EBITDA is based on the last twelve months' adjusted EBITDA performance annualised for the effect of acquisitions and adding back share option expense, prior to the impact of IFRS 16 and excluding the share attributable to non-controlling interests.

Bank covenants are tested on the last day of each half-yearly period ending on 31 December and 30 June in each year. The Group has considerable headroom in both financial covenants and in its undrawn but committed facilities as at 30 June 2026. More information can be found in note 3.

Bank borrowings bear interest at 1.25% to 2.50% above SONIA. The applicable interest rate is dependent upon the bank test net debt to bank test EBITDA ratio. During the year the bank borrowings carried a rate averaging 1.6% above SONIA.

Interest rate risk is also managed centrally and derivative instruments are used to mitigate this risk. On 31 January 2024, the Group entered into a four-year interest rate fixed swap arrangement to hedge fluctuations in interest rates on £100.0m of its term loan.

At the year end, £100.0m (2025: £100.0m) of the combined term loan and revolving credit facility was hedged using an interest rate swap. The remainder of the debt is not hedged. Further information on the cash flow hedge can be found in note 17.

Undrawn committed borrowing facilities

At 30 June 2026, the Group has a committed overdraft facility of £5.0m (2025: £5.0m) and an RCF of £225.0m (2025: £262.5m). The overdraft was undrawn at 30 June 2026 (2025: undrawn) and the RCF was £132.0m undrawn (2025: £202.5m undrawn). A commitment fee is paid on undrawn loan facilities.

25. Deferred tax

Deferred tax assets and liabilities are offset where the Group has a legally enforceable right to do so. Deferred tax balances are calculated using tax rates expected to apply in the period when the liability or asset is expected to be realised based on rates enacted or substantively enacted by the reporting date.

Deferred tax assets comprised:

Group	2026 £m	2025 £m
Tax effect of temporary differences:		
Share-based payments	**0.8**	0.6
Other	**2.7**	1.4
	3.5	2.0

The Group's deferred tax assets have been recognised based on historical performance and future budgets. The recoverability of deferred tax assets is supported by the expected level of future profits. The Group believes that it is probable that there will be sufficient taxable profits against which the deferred tax assets will reverse.

Deferred tax liabilities comprise the excess of carrying value over the tax base.

Group	2026 £m	2025 £m
Tax effect of temporary differences:		
Excess of qualifying amortisation and intangible fixed assets acquired via a business combination	**32.0**	26.5
Derivative financial instruments	**0.2**	0.3
Capital allowances in excess of depreciation	**12.8**	12.4
	45.0	39.2

25. Deferred tax continued

The movement in the net deferred tax assets and liabilities is explained as follows:

Group	At 1 July 2025 £m	Credited/ (charged) to the income statement £m	Credited to other comprehensive income £m	Charged to the statement of changes in equity £m	Foreign exchange £m	Acquisition of subsidiaries and deferred tax recognised in goodwill £m	Disposal of subsidiaries and deferred tax recognised in goodwill £m	**At 30 June 2026 £m**
Share-based payments	0.6	0.2	—	—	—	—	—	**0.8**
Other temporary differences	1.4	0.8	—	—	0.3	0.2	—	**2.7**
Intangible fixed assets acquired via a business combination	(26.5)	4.0	—	—	(1.5)	(8.0)	—	**(32.0)**
Derivative financial instruments	(0.3)	—	0.1	—	—	—	—	**(0.2)**
Property, plant and equipment	(12.4)	(0.4)	—	—	—	—	—	**(12.8)**
	(37.2)	4.6	0.1	—	(1.2)	(7.8)	—	**(41.5)**

Group	At 1 July 2024 £m	Credited/ (charged) to the income statement £m	Credited to other comprehensive income £m	Charged to the statement of changes in equity £m	Foreign exchange £m	Acquisition of subsidiaries and deferred tax recognised in goodwill £m	Disposal of subsidiaries and deferred tax recognised in goodwill £m	At 30 June 2025 £m
Share-based payments	0.3	0.1	—	0.2	—	—	—	0.6
Other temporary differences	1.1	0.2	—	—	—	0.2	(0.1)	1.4
Intangible fixed assets acquired via a business combination	(28.8)	5.6	—	—	1.4	(4.7)	—	(26.5)
Derivative financial instruments	(0.3)	—	—	—	—	—	—	(0.3)
Property, plant and equipment	(9.8)	(3.4)	—	—	—	—	0.8	(12.4)
	(37.5)	2.5	—	0.2	1.4	(4.5)	0.7	(37.2)

The deferred tax balance is non-current.

Deferred tax balances are calculated using tax rates expected to apply in the period when the liability or the asset is expected to be realised based on rates enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities have been offset where they relate to the same taxation authority, the Group had a legally enforceable right to offset and the Group intends to settle the liability and realise the asset simultaneously.

The Group's deferred tax assets have been recognised based on historical performance and future budgets. The recoverability of deferred tax assets is supported by the expected level of future profits. The Group believes that it is probable that there will be sufficient taxable profits against which the deferred tax assets will reverse.

The Group has carried forward unutilised tax losses of £14.6m (2025: £14.6m) that are available indefinitely for offsetting against future taxable profits of Group companies within the tax jurisdiction in which the losses arose. No deferred tax asset has been recognised (2025: £nil) in respect of these losses as it is not probable that sufficient future taxable profits will arise against which the asset will reverse. These losses have no expiry date.

No deferred tax is recognised on the unremitted earnings of overseas subsidiaries as the Group is able to control the timing of the reversal of the temporary difference, and it is probable that such differences will not reverse in the foreseeable future. The Group expects the majority of earnings to be continuously reinvested by the Group. It is not practicable to estimate the amount of unrecognised deferred tax liabilities in respect of these unremitted earnings.

26. Share capital

Company	2026 £m	2025 £m
Issued and fully paid		
2026: 69,199,749 Ordinary shares of 0.2p each (2025: 71,740,184 Ordinary shares of 0.2p each)	**0.1**	0.1

During the year, CVS repurchased and cancelled 2,542,125 Ordinary shares at an average price of £12.48 for a total consideration of £31.7m (2025: no shares were repurchased).

During the year, shares were issued for a total consideration of £nil (2025: £0.1m) as follows:

	2026 shares	2025 shares
SAYE13	—	8,051
SAYE16	**646**	—
SAYE17	**1,044**	—
Total	**1,690**	8,051

Details of shares under option are provided in note 11 to the financial statements.

The authorised share capital of the Company is 352,000,000 Ordinary shares of 0.2p each.

Dividends

The Directors have proposed a final dividend of 9.0p (2025: 8.5p) per share, giving a total of £6.2m (2025: £6.1m). During the year, the 2025 final dividend totalling £6.1m was paid (2025: final 2024 dividend paid £5.7m).

Dividends paid to non-controlling interests amount to £0.2m (2025: £0.2m).

EBT own shares

The Group operates an EBT which holds 164 shares (2025: 164 shares).

In the year ended 30 June 2017, the Group established an EBT for the purposes of satisfying the exercise of certain share options vesting under the Group's ESP and SAYE schemes. The Group has accounted for the purchase of the shares held by the EBT as Treasury shares and has deducted these from reserves.

During the year, the EBT bought no shares at open market value for £nil (2025: no shares at open market value for £nil).

There was no movement in EBT shares in the period.

27. Share premium

The share premium reserve comprises the premium received over the nominal value of shares issued.

28. Analysis of movement in liabilities from financing activities

Group	At 1 July 2025 £m	Cash flow £m	New leases £m	Liabilities on disposed leases £m	Non-cash movement £m	At 30 June 2026 £m
Lease liabilities	(103.6)	22.6	(23.0)	2.7	(4.9)	**(106.2)**
Bank loans	(145.2)	(70.5)	—	—	1.6	**(214.1)**
Total liabilities from financing activities	(248.8)	(47.9)	(23.0)	2.7	(3.3)	**(320.3)**

Group	At 1 July 2024 £m	Cash flow £m	New leases £m	Liabilities on disposed leases £m	Non-cash movement £m	At 30 June 2025 £m
Lease liabilities	(106.5)	21.5	(16.7)	3.1	(5.0)	(103.6)
Bank loans	(181.3)	37.0	—	—	(0.9)	(145.2)
Total liabilities from financing activities	(287.8)	58.5	(16.7)	3.1	(5.9)	(248.8)

Non-cash movements on lease liabilities mainly comprise interest on lease liabilities and foreign exchange gain/(losses) from retranslation. Non-cash movements on borrowings and bank loans mainly include amortisation of issue costs on bank loans and bank debt acquired.

29. Cash flow generated from operations

	Group		Company	
	2026 £m	2025 £m	**2026 £m**	2025 £m
Profit/(loss) for the year	**17.8**	53.0	**145.3**	(1.3)
Tax expense	**14.2**	13.3	**—**	—
Finance expense	**15.6**	17.2	**—**	—
Profit on sale of discontinued operation	**—**	(33.5)	**—**	—
Gain on bargain purchase	**(0.5)**	—	**—**	—
Amortisation of intangible assets	**26.0**	26.0	**—**	—
Impairment of intangible assets	**2.0**	—		
Depreciation of property, plant and equipment	**21.0**	20.4	**—**	—
Depreciation of right-of-use assets	**17.7**	18.1	**—**	—
Loss on sale of property, plant and equipment and disposal and impairment of right-of-use assets	**2.3**	1.1	**—**	—
(Increase)/decrease in inventories	**(0.5)**	2.9	**—**	—
(Increase)/decrease in trade and other receivables[1]	**(11.9)**	(9.9)	**(107.5)**	6.9
(Decrease)/increase in trade and other payables	**(3.3)**	4.7	**—**	—
Decrease in provisions	**(0.5)**	(0.4)	**—**	—
Share option expense	**2.1**	1.2	**—**	—
Total net cash flow generated from operations	**102.0**	114.1	**37.8**	5.6

1. The movement in trade and other receivables includes movement in Research and Development Expenditure Tax Credit receivable of £6.7m (2025: £7.4m) where the balance sits in corporation tax receivable.

30. Guarantees and other financial commitments

Capital commitments

The Group had no capital commitments as at 30 June 2026 (2025: £nil).

Bank guarantees

The Company is a member of the Group's banking arrangement, under which it is party to unlimited cross-guarantees in respect of the banking facilities of other Group undertakings, amounting to £355.0m at 30 June 2026 (2025: £355.0m). The Directors do not expect any material loss to the Company to arise in respect of the guarantees.

Contingent liabilities

A letter of support has been provided to certain subsidiaries indicating the intention of the Company to support them, if required, for a period of a minimum of twelve months from the date of signing their financial statements.

30. Guarantees and other financial commitments continued

Exemption from audit by parent company guarantee

The following wholly owned subsidiaries of the Company are covered by a guarantee provided by CVS Group plc and are consequently entitled to an exemption under Section 479A from the requirement of the Act relating to the audit of individual accounts. Under this guarantee, the Group will guarantee all outstanding liabilities of these entities. The Group has deemed it not practical to quantify the possible outflow and no liability is expected to arise under the guarantee. The entities covered by this guarantee are disclosed overleaf.

Name of subsidiary	Company number
3Tab Holdings Limited	11111944
Albavet Limited	SC275059
Animed Direct Limited	07007357
Ark Animal Services Limited	06135863
Axiom Veterinary Laboratories Limited	02526935
B & W Equine Group Limited	06777468
Bridge Veterinary Practice Limited	05629768
Darboe and Baily Limited	07328167
East of England Veterinary Specialists Limited	10722594
Endell Veterinary Group Limited	08078309
Enterprise Veterinary Services Limited	07640364
Fernside Veterinary Centre Limited	05025485
Greendale Veterinary Diagnostics Limited	05138112
Highcroft Pet Care Limited	07238070
Insight Laboratory Services Limited	06353163
Masefield Veterinary Services Limited	06511948
Mi Vet Club Limited	08365201
Okeford Veterinary Centre Limited	05984705
Pet Doctors Limited	03769799
Pet Emergency Treatment Services Limited	03586933
Pet Vaccination Clinic Limited	03252801
Pet Vaccination UK Limited	05391973
Pets Holding Limited	11161672
Precision Histology International Limited	02161963
Ruddington and East Leake Veterinary Centre Limited	04551334
Seadown Veterinary Services LTD	05377692
Severn Edge Equine Limited	09524486
Severn Edge Farm Limited	09521408
Severn Edge Holdings Limited	09522086
Severn Edge Veterinary Group Limited	09523786
Silverton Veterinary Practice Limited	08101117
Sustainable Developments (SW) Limited	05174372
The Harrogate Vet Limited	11333183
The Liverpool Vets Limited	10711911
Top Vets Limited	SC441172
Vet Direct Services Limited	05167635
Vet Direct Holdings Limited	06746630
Veterinary Enterprises & Trading Ltd	03495054
Werrington Vets Limited	11201583
Woodlands Veterinary Clinic Limited	07680917
Your Vets (Holdings) Limited	07071834

31. Pension schemes

The Group contributes to certain employees' personal pension schemes in accordance with their service contracts. The amounts are charged to the income statement as they fall due. The amounts charged during the year amounted to £13.3m (2025: £11.7m). The amount outstanding at the year end included in trade and other payables was £1.8m (2025: £1.6m).

32. Discontinued operations

There were no discontinued operations during the year ended 30 June 2026. The comparative period relates to the Group's Crematoria operations, which were disposed of on 15 May 2025 and were presented as a discontinued operation in accordance with IFRS 5.

Financial performance and cash flow information

The financial performance and cash flow information presented are for the period ended 30 June 2026 and 15 May 2025 (2025 column).

	2026 £m	2025 £m
Revenue	—	7.9
Expenses	—	(7.7)
Profit before tax	—	0.2
Tax credit	—	0.2
Profit after tax of discontinued operations	—	0.4
Profit on sale of the subsidiaries after tax	—	33.5
Profit from discontinued operations	—	33.9
Exchange differences on translation of discontinued operations	—	—
Other comprehensive profit from discontinued operations	—	33.9
Net cash inflow from operating activities	—	0.3
Net cash outflow from investing activities	—	(1.0)
Net cash from financing activities	—	—
Net decrease in cash generated by the discontinued operation	—	(0.7)

Details of the sale of the discontinued operation

	2026 £m	2025 £m
Consideration received	—	42.3
Consideration to be received	—	0.4
Carrying amount of net assets sold	—	(9.2)
Profit on sale before income tax and reclassification of foreign currency translation reserve	—	33.5
Tax on gain	—	—
Profit on sale after tax	—	33.5

During the current year, the Group received £0.4m of deferred consideration relating to the disposal completed in the prior year. No additional gain or loss has been recognised in respect of the disposal during the current year.

33. Events after the reporting period

Since 30 June 2026, the Group has completed two acquisitions comprising four practice sites for a total consideration of £4.9m (Australian $9.3m), detailed below. This is aligned with the Group's strategic goals.

Name of business combination	% share capital acquired	Date of acquisition	Country of incorporation
Veterinary Professional of Adelaide Pty Ltd t/a Pets and their People	100%	30 July 2026	Australia
Newman Vet Pty Ltd t/a Paws at Prospect	60%	13 August 2026	Australia

Further information on these business combinations can be found in note 15.

The Group has exchanged contracts in respect of an acquisition of a three site small animal first opinion veterinary practice in South Australia, and a one site small animal first opinion veterinary practice in Western Australia, for combined initial consideration of £4.0m, with completion expected in due course.

In addition the Group has exchanged contracts in respect of an acquisition of a two site small animal first opinion veterinary practice in the UK, for initial consideration of £15.0m, with completion expected in due course.

33. Events after the reporting period continued

Since the year end, the Company repurchased and have either cancelled, or are in the process of cancelling 1,590,167 Ordinary shares at an average price of £12.75 for a total consideration of £20.3m. Total shares outstanding at 24 September 2026 are 67,609,582.

34. Related party transactions

Directors' and key management's compensation is disclosed in note 8.

Company

During the year, the Company had the following transactions with CVS (UK) Limited, the Group's immediate subsidiary:

	2026 £m	2025 £m
Recharge of expenses incurred by CVS (UK) Limited on behalf of the Company	**(4.7)**	(1.3)
Funds lent for share buy back	**(31.7)**	—
Repayment of cash from share proceeds	**—**	0.1
Cash advanced to fund payment of dividend	**(6.1)**	(5.7)
Dividends receivable from subsidiary companies	**150.0**	—

The following balances were owed by related companies:

	2026		2025	
	Receivable £m	Payable £m	Receivable £m	Payable £m
CVS (UK) Limited	**171.5**	**—**	64.0	—

Amounts owed by CVS (UK) Limited are in the normal course of trading, are unsecured and interest free and have no fixed date of repayment.

The carrying amount is considered to approximate to fair value. This balance represents the maximum amount of credit risk the company is exposed to. The recoverability of this balance has been assessed and no provision for expected credit loss has been recognised.

Transactions with Directors and key management

On 24 November 2022, the Group completed the purchase of 100.0% of the share capital of The Harrogate Vet Limited, a company registered in England and Wales, comprising one companion animal veterinary practice site in the UK. Prior to acquisition, the company was partially owned by the spouse of one of the Executive Directors of the Group at that date, and as such the acquisition was considered a related party transaction. The terms of the acquisition, including consideration paid, were on an arm's length basis and consistent with acquisitions of other unrelated entities.

The related party remained in part-time employment within the Group during the prior period and received a salary in 2025 of £32,885 which is on an arm's length basis. The related party was not employed by the Group during this financial year.

The following dividends were paid to the Directors of the Group:

	2026 £	2025 restated £
R Gray[1]	**366**	345
D Kemp	**889**	837
J Shaw	**133**	132
D Wilton	**850**	720
R Fairman	**5,749**	5,280
R Alfonso	**1,691**	1,592
P Higgs[1]	**314**	296
Spouse of R Gray	**281**	281
Spouse of R Fairman	**1,030**	969
Spouse of R Alfonso	**381**	359

1. R Gray and P Higgs' dividends received have been restated to reflect their actual holding on the dividend date.

Ultimate controlling party

The Directors consider there is no ultimate controlling party.

35. Non-controlling interest (NCI)

Set out below is summarised financial information for an aggregated view of subsidiaries that have non-controlling interests. These are not deemed material to the Group. The amounts disclosed are before intercompany eliminations.

Name of subsidiary	Principal place of business	Proportion of ownership interests held by NCI
Vetright Pty Ltd	Queensland, Australia	25%
Selwood House Vets Pty Ltd	Sydney, Australia	20%
Sydney Animal Hospital incorporating:		
SAH Avalon Vet Pty Ltd; SAH Inner West Pty Ltd; SAH Kellyville Pty Ltd; SAH Newtown Pty Ltd; SAH Northern Beaches Pty Ltd; SAH Norwest Pty Ltd; and Sydney Animal Hospitals – Baulkham Hills Pty Ltd.	Sydney, Australia	25%
Animal Medical Centre Veterinary Hospital Pty Ltd	Victoria, Australia	35%
VPP Group Pty Ltd	Victoria, Australia	0%[1]

1. On 16 June 2026, the Group acquired the remaining 30% interest in VPP Group Pty Ltd, increasing its ownership interest from 70% to 100%. VPP Group Pty Ltd balances are included within the tables below for the period up to 16 June 2026.

Summarised statement of financial position

	2026 £m	2025[1] £m
Current assets	**6.5**	3.0
Current liabilities	**(6.4)**	(2.9)
Current net assets	**0.1**	0.1
Non-current assets	**27.0**	8.5
Non-current liabilities	**(8.2)**	(2.7)
Non-current net assets	**18.8**	5.8
Net assets	**18.9**	5.9
Accumulated NCI	**5.5**	1.9

1. Restated to include patient data records and associated deferred tax liabilities.

Summarised statement of comprehensive income

	2026 £m	2025 £m
Revenue	**23.0**	5.2
Profit for the period	**2.0**	0.8
Total comprehensive income	**2.0**	0.8
Profit allocated to NCI	**0.5**	0.2
Dividends paid to NCI	**0.2**	0.2

Summarised cash flows

	2026 £m	2025 £m
Cash inflow from operating activities	**1.1**	1.2
Cash outflow from investing activities	**(0.1)**	—
Cash outflow from financing activities	**(1.6)**	(1.0)
Net (decrease)/increase in cash and cash equivalents	**(0.6)**	0.2

On 16 June 2026, the Group acquired the remaining 30% interest in VPP Group Pty Ltd for consideration of £2.1m, increasing its ownership interest from 70% to 100%. As control had previously been obtained, the transaction was accounted for as an equity transaction. Following the acquisition, no non-controlling interest remains in respect of this subsidiary.

Five-year history – unaudited
for the year ended 30 June 2026

	2026 £m	2025 £m	2024[1] £m	2023[2] £m	2022 £m
Revenue	**712.8**	673.2	638.7	588.9	554.2
Gross profit	**315.6**	285.7	268.7	258.1	239.1
Operating profit	**47.6**	49.8	47.8	68.4	42.8
Finance expense	**(15.6)**	(17.2)	(12.6)	(7.7)	(6.8)
Profit before tax	**32.0**	32.6	35.2	60.7	36.0
Tax expense	**(14.2)**	(13.5)	(10.5)	(12.6)	(10.3)
Profit from continuing operations	**17.8**	19.1	24.7	48.1	25.7
Profit/(loss) from discontinued operations	**—**	33.9	(18.3)	(6.2)	—
Profit for the year	**17.8**	53.0	6.4	41.9	25.7
Adjusted EBITDA	**141.5**	134.6	123.0	121.6	107.4
Adjusted profit before tax	**84.9**	78.9	79.0	87.9	75.5
Cash generated from operations	**102.0**	114.1	95.9	107.9	93.1
Taxation paid	**(16.1)**	(15.5)	(15.7)	(14.9)	(11.2)
Interest paid	**(14.6)**	(16.5)	(12.4)	(7.2)	(6.4)
Business combinations (net of cash acquired)	**(43.7)**	(30.9)	(97.0)	(54.6)	(8.4)
Purchase of additional interest in subsidiary from non-controlling interest	**(2.1)**	—	—	—	—
Loans and borrowings acquired through business combinations	**—**	—	(0.3)	(0.8)	(0.1)
Purchase of property, plant and equipment and intangible assets	**(36.4)**	(34.2)	(43.1)	(45.7)	(24.5)
Proceeds from sale of property, plant and equipment and intangible assets	**0.3**	—	0.2	0.3	0.2
Purchase of finance assets held at cost/other investments	**—**	0.1	(0.6)	—	(21.4)
Proceeds from sale of other investments	**0.4**	42.3	—	0.1	9.0
Dividends paid	**(6.3)**	(5.9)	(5.5)	(5.0)	(4.6)
Proceeds from issue of Ordinary shares	**—**	0.1	2.0	1.6	2.3
Proceeds from the sale of Treasury shares	**—**	—	0.4	0.5	—
Purchase of Treasury shares	**—**	—	(0.9)	(1.2)	—
Own shares purchased for cancellation	**(31.7)**	—	—	—	—
Repayment of obligations under right-of-use assets	**(17.3)**	(16.4)	(15.6)	(14.1)	(12.7)
Amortisation of debt issuance costs	**(0.9)**	(0.9)	(0.9)	(1.0)	(0.4)
Exceptional items	**—**	—	—	(1.3)	—
Foreign exchange gain	**(0.2)**	(0.6)	(0.6)	—	—
(Increase)/decrease in net debt	**(66.6)**	35.7	(94.1)	(35.4)	14.9
Year-end net debt	**195.7**	129.1	164.8	70.7	35.3

	Pence	Pence	Pence	Pence	Pence
Basic earnings per share	**24.4**	73.7	8.6	58.8	36.2
Adjusted earnings per share	**85.6**	80.1	83.3	98.9	85.8

1. 2024 has been re-presented following the classification of the Crematoria operations as a discontinued operation in 2025. 2023 and prior years have not been re-presented for this classification.
2. 2023 was re-presented last year following the classification of the Netherlands and Republic of Ireland operations as a discontinued operation in 2024. 2022 and prior years have not been re-presented for this classification.

Alternative performance measures glossary

Alternative performance measures

Guidelines on alternative performance measures (APMs) issued by the European Securities and Markets Authority came into effect for all communications released on or after 3 July 2016 for issuers of securities on a regulated market.

The Directors believe that alternative performance measures provide additional useful information for shareholders. These measures are used by the Board and management for planning, internal reporting and setting Director and management remuneration. In addition, they are used by the investor analyst community and are aligned to our strategy and KPIs. These measures are not defined by International Financial Reporting Standards (IFRS) and therefore may not be directly comparable with other companies' adjusted measures. They are not intended to be a substitute for, or superior to, IFRS measurements of profit or earnings per share.

The key APMs used by the Group are:

<table>
<tr><th>APM</th><th>Definition</th><th>Reconciliation</th></tr>
<tr><td>Like-for-like sales
Closest equivalent statutory measure: Revenue growth</td><td>Like-for-like sales show revenue generated from like-for-like continuing operations compared to the prior year, adjusted for the number of working days and on a constant currency basis. For example, for a practice acquired in September 2024, revenue is included from September 2025 in the like-for-like calculations.</td><td>It is defined as a percentage; no reconciliation is applicable.</td></tr>
<tr><td>Gross margin before clinical staff costs
Closest equivalent statutory measure: Gross profit margin</td><td>Gross margin before clinical staff costs is calculated as gross profit add employee benefit expense included within cost of sales, divided by revenue.</td><td>
<table>
<tr><th></th><th>Note</th><th>2026 £m</th><th>2025 £m</th></tr>
<tr><td>Gross profit</td><td></td><td>315.6</td><td>285.7</td></tr>
<tr><td>Employee benefit expense included within cost of sales</td><td>7</td><td>244.5</td><td>241.9</td></tr>
<tr><td>Gross profit before clinical staff costs</td><td></td><td>560.1</td><td>527.6</td></tr>
<tr><td>Revenue</td><td>4</td><td>712.8</td><td>673.2</td></tr>
<tr><td>Gross margin before clinical staff costs</td><td></td><td>78.6%</td><td>78.4%</td></tr>
</table>
</td></tr>
<tr><td>Adjusted EBITDA
Closest equivalent statutory measure: Operating profit</td><td>Adjusted EBITDA is calculated by reference to profit before tax for continuing operations, adjusted for net finance expense, depreciation, profit or loss on disposal of property, plant and equipment, amortisation, costs relating to business combinations and exceptional items.

Business combination costs include costs in relation to acquisitions made and contingent consideration (IAS 19) expensed to the income statement.

An exceptional item contains certain costs or incomes that derive from events or transactions that fall outside the normal activities of the Group and/or are excluded by virtue of their size or nature in order to reflect management's view of the performance of the Group. Judgement is applied in determining whether items are classified as exceptional, and the policy is applied consistently between reporting periods.</td><td>
<table>
<tr><th></th><th>Note</th><th>2026 £m</th><th>2025 £m</th></tr>
<tr><td>Profit before tax from continuing operations</td><td></td><td>32.0</td><td>32.6</td></tr>
<tr><td>Adjustments for:</td><td></td><td></td><td></td></tr>
<tr><td>Finance expense</td><td>5</td><td>15.6</td><td>17.2</td></tr>
<tr><td>Gain on bargain purchase</td><td></td><td>(0.5)</td><td>—</td></tr>
<tr><td>Amortisation of intangible assets</td><td>12</td><td>26.0</td><td>26.0</td></tr>
<tr><td>Impairment of intangible assets</td><td>12</td><td>2.0</td><td>—</td></tr>
<tr><td>Depreciation of property, plant and equipment</td><td>13</td><td>21.0</td><td>20.4</td></tr>
<tr><td>Depreciation of right-of-use assets</td><td>14</td><td>17.7</td><td>18.1</td></tr>
<tr><td>Loss on disposal of property, plant and equipment and disposal and impairment of right-of-use assets</td><td>4</td><td>2.3</td><td>1.1</td></tr>
<tr><td>Depreciation and amortisation attributable to discontinued operations</td><td>4</td><td>—</td><td>(1.7)</td></tr>
<tr><td>Costs relating to business combinations</td><td>15</td><td>14.8</td><td>14.9</td></tr>
<tr><td>Exceptional items</td><td>6</td><td>10.6</td><td>6.0</td></tr>
<tr><td>Adjusted EBITDA</td><td>4</td><td>141.5</td><td>134.6</td></tr>
</table>
</td></tr>
</table>

Alternative performance measures continued

APM	Definition	Reconciliation
Adjusted EBITDA continued	In determining whether an item should be presented as an allowable adjustment to IFRS measures, the Group considers items which are significant because of either their size or their nature, and which are non-recurring. For an item to be considered as an allowable adjustment to IFRS measures, it must initially meet at least one of the following criteria: • It is a significant item, which may cross more than one accounting period. • It has been directly incurred as a result of either an acquisition or a divestment or arises from termination benefits without condition of continuing employment related to a business change or restructuring programme. • It is unusual in nature, e.g. outside the normal course of business. If an item meets at least one of the criteria, management and the Audit and Risk Committee then exercises judgement as to whether the item should be classified as an allowable adjustment to IFRS performance measures and as such included within business combination costs or exceptional item definition.	

Alternative performance measures continued

APM	Definition	Reconciliation			
Adjusted EBITDA margin Closest equivalent statutory measure: None	Adjusted EBITDA margin is calculated as adjusted EBITDA divided by revenue.			**2026 £m**	2025 £m
		Revenue		**712.8**	673.2
		Adjusted EBITDA		**141.5**	134.6
		Adjusted EBITDA margin (%)		**19.9%**	20.0%
Adjusted profit before tax Closest equivalent statutory measure: Profit before tax	Adjusted PBT is profit before tax for continuing operations, amortisation, costs relating to business combinations and exceptional items.		Note	**2026 £m**	2025 £m
		Profit before tax for continuing operations		**32.0**	32.6
		Adjustments for:			
		Gain on bargain purchase		**(0.5)**	—
		Amortisation of intangible assets	12	**26.0**	26.0
		Amortisation of intangible assets attributable to discontinued operations	4	**—**	(0.6)
		Impairment of intangible assets	12	**2.0**	—
		Costs relating to business combinations	15	**14.8**	14.9
		Exceptional items	6	**10.6**	6.0
		Adjusted profit before tax		**84.9**	78.9
Adjusted EPS Closest equivalent statutory measure: Basic EPS	Adjusted EPS is calculated as adjusted PBT attributable to the owners of CVS Group plc, less applicable tax, divided by the weighted average number of Ordinary shares in issue in the period.			**2026 £m**	2025 £m
		Adjusted profit before tax		**84.9**	78.9
		Tax expense amended for the above adjustments		**(23.3)**	(21.2)
		Adjusted profit after tax		**61.6**	57.7
		Less: adjusted profit after tax attributable to non-controlling interest		**(1.0)**	(0.2)
		Adjusted profit after tax attributable to the parent		**60.6**	57.5
		Weighted average number of Ordinary shares in issue		**70,821,844**	71,739,444
		Weighted average number of Ordinary shares for diluted earnings per share		**70,958,699**	71,748,631
		Adjusted earnings per share (pence)		**85.6**	80.1
		Diluted earnings per share (pence)		**85.4**	80.1

Alternative performance measures continued

APM	Definition	Reconciliation			
Adjusted Net debt Closest equivalent statutory measure: None	Adjusted Net debt is calculated as bank borrowings less cash and cash equivalents and unamortised borrowing costs.		Note	**2026 £m**	2025 £m
		Borrowings repayable after more than one year:			
		Term loan and revolving credit facility		**218.0**	147.5
		Unamortised borrowing costs		**(3.9)**	(2.3)
		Total borrowings	24	**214.1**	145.2
		Cash and cash equivalents	21	**(18.4)**	(16.1)
		Adjusted Net debt		**195.7**	129.1
Bank test net debt/ net bank borrowings Closest equivalent statutory measure: Net debt	Bank test net debt/net bank borrowings less cash and cash equivalents.			**2026 £m**	2025 £m
		Bank borrowings		**218.0**	147.5
		Cash and cash equivalents		**(18.4)**	(16.1)
		Bank test net debt/net bank borrowings		**199.6**	131.4
Leverage Closest equivalent statutory measure: None	Leverage on a bank test basis is bank test net debt divided by bank test EBITDA. It is a covenant under our loan facility agreement.			**2026**	2025
		Bank test net debt (£m)		**199.6**	131.4
		Bank test EBITDA (£m)		**122.1**	111.4
		Bank test leverage		**1.63**	1.18
Adjusted operating cash conversion Closest equivalent statutory measure: Cash generated from operations	Adjusted operating cash conversion is defined as cash generated from operating activities adjusted for discontinued operations, acquisition fees and contingent consideration paid, lease liability repayment and maintenance capital expenditure; divided by adjusted EBITDA. Adjusted operating cash conversion is used to understand underlying cash flows that arise compared to adjusted EBITDA. Maintenance capital expenditure is capital expenditure used to maintain the business in its current state. Whereas investment capital expenditure supports operational resiliency and/or long-term growth.			**2026 £m**	2025 £m
		Cash generated from operations		**102.0**	114.1
		Add: acquisition fees paid		**4.3**	4.3
		Add: contingent consideration paid		**11.8**	8.3
		Add: exceptional items		**10.6**	6.0
		Less: lease liability repayment		**(17.3)**	(16.4)
		Less: capital expenditure – maintenance		**(11.5)**	(10.8)
		Less: operating cash flow from discontinued operations		**—**	(2.0)
		Adjusted operating cash flow		**99.9**	103.5
		Adjusted EBITDA		**141.5**	134.6
		Adjusted operating cash conversion (%)		**70.6%**	76.9%

Alternative performance measures continued

Free cash flow

Closest equivalent statutory measure: Net cash from operating activities

Free cash flow is defined as adjusted operating cash flow less interest and taxation paid in respect of continuing operations.

	2026 £m	2025 £m
Adjusted operating cash flow	**99.9**	103.5
Less: taxation paid	**(16.1)**	(14.7)
Less: interest paid net of interest received	**(14.6)**	(16.6)
Free cash flow	**69.2**	72.2

Free cash flow per share

Closest equivalent statutory measure: None

Free cash flow per share is free cash flow divided by the weighted average number of Ordinary shares in issue.

	Note	2026	2025
Free cash flow (£m)		**69.2**	72.2
Weighted average number of Ordinary shares in issue	10	**70,821,844**	71,739,444
Free cash flow per share (p)		**97.7**	100.6

Total shareholder return

Closest equivalent statutory measure: None

Total shareholder return is a performance measure which indicates the total amount that an investor gains from an investment. It is expressed as a percentage and reflects both dividends that have been paid and share price growth (or decrease) compared to the total shareholder return of the FTSE 250, excluding investment trusts.

It is defined as a percentage; no reconciliation is applicable.

Return on capital employed (ROCE)

Closest equivalent statutory measure: None

Return on capital employed is a profitability ratio and measures how efficiently a company is using its capital to generate profits. It is calculated as adjusted EBITA divided by capital employed.

	2026 £m	Restated 2025 £m
Adjusted EBITA (£m)	**100.5**	96.1
Capital employed (£m)	**622.5**	556.4
Ratio (%)	**16.1%**	17.3%

Adjusted EBITA is profit before tax for continuing operations, adjusted for net finance expense, amortisation, costs relating to business combinations and exceptional items.

	Note	2026 £m	Restated 2025 £m
Profit before tax from continuing operations		**32.0**	32.6
Adjusted for:			
Finance expense		**15.6**	17.2
Gain on bargain purchase		**(0.5)**	—
Amortisation of intangible assets	12	**26.0**	26.0
Amortisation of intangible assets attributable to discontinued operations	4	**—**	(0.6)
Impairment of intangible assets	12	**2.0**	—
Costs relating to business combinations	15	**14.8**	14.9
Exceptional items	6	**10.6**	6.0
Adjusted EBITA		**100.5**	96.1

Capital employed is equity, plus lease liability, plus borrowings net of cash, plus deferred tax.

	Note	2026 £m	Restated 2025 £m
Equity		**295.6**	301.7
Non-current lease liability	14	**89.7**	88.4
Borrowings net of cash		**195.7**	129.1
Deferred tax liability	25	**41.5**	37.2
Capital employed		**622.5**	556.4

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