

Chanelle Pharmaceuticals Manufacturing Limited

Directors' report and financial statements

Year ended 30 April 2025

Company number: 101615

Chanelle Pharmaceuticals Manufacturing Limited

Directors' report and financial statements

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Chanelle Pharmaceuticals Manufacturing Limited

Directors and other information

Directors	Angelo Gatto Aubrey Mulveen
Company secretary	Aubrey Mulveen
Registered office	IDA Business & Technology Park Dublin Road Loughrea Co. Galway
Independent auditor	KPMG Chartered Accountants Dockgate Dock Road Galway
Bankers	Bank of Ireland 40 Mespil Road Dublin 4 D04 C2N4 Ireland
Solicitors	Arthur Cox Ten Earlsfort Terrace Dublin 2 Ireland
Company registration number	101615

Chanelle Pharmaceuticals Manufacturing Limited

Directors' report

The directors present their report and financial statements for the financial year ended 30 April 2025.

Principal activity

The company's principal activity is the manufacture and sale of veterinary pharmaceutical products. It also provides manufacturing support services to another group company for the manufacture of medical pharmaceutical products. The directors have no plans to change significantly the activities and operations of the company in the foreseeable future.

Business review

Sales volumes have increased by 7% during the year.

As a result of entering into a shared facility agreement with group companies, the company's gross profit decreased from 31% to 21% and operating profit decreased from 9% to 6%.

The key performance indicators used by management to monitor performance are as follows:

- gross margin and operating profit indicators; changes in sales volumes and sales prices; and
- various working capital measures, including cash conversion.

Revenue across all markets has continued to grow. This is driven by new customer contracts and new product introductions.

The company continued to invest in R&D, manufacturing capacity and in our workforce. The company ends the financial period with a healthy cash position and high availability of debt facilities, including the group's revolving credit facility.

Principal risks and uncertainties

The company, like every business, faces risks and uncertainties in both its day-to-day operations and through events relating to the achievement of its strategic objectives. The board is accountable for risk management and regularly reviews and monitors the key business risks.

Of these risks, the following could have a material impact on the company's performance over the next twelve months, and are summarised below:

Competitive environment

The environment within which the company operates remains competitive and the launch of alternative products in our key therapeutic sectors is a key risk. We continue to experience competition from other distributors' private label products and direct competition on several products in our portfolio. We continue to mitigate these risks by closely monitoring the market, continuing to innovate and develop new products, investing in lifecycle management strategies for our key products, and ongoing focus on our sales force effectiveness.

Customer and marketplace changes

There has been continuing expansion of veterinary buying groups, increasing corporate consolidation and acquisition of independent veterinary practices by corporates. There is also continued consolidation of medical customers. These customers present opportunities to grow our revenue and sales volumes but they may also negatively impact margins. We mitigate these risks by managing our corporate customer relationships with dedicated key account managers, a regular review of pricing of our products to remain competitive in each of the segments in which we operate.

Chanelle Pharmaceuticals Manufacturing Limited

Directors' report *(continued)*

Principal risks and uncertainties *(continued)*

Supply chain

Our manufacturing and supply chain network manages the supply of our diverse portfolio of products from our own sites, our contract manufacturing network, and third-party suppliers. Our key product supply risks are: the reliance on third party suppliers for a number of key raw materials and finished products; and the adherence to increasing regulatory standards on product quality. We mitigate the third-party reliance risk by having where possible dual sourcing arrangements for key products, and the ongoing performance monitoring of our key suppliers. We operate a global sales and operations planning process to manage supply chain performance, and continue to refine and improve this process. We mitigate our product quality risks through our manufacturing quality management systems. We both continue to allocate additional resources to our product quality teams, and to invest in the ongoing development of our quality management systems to provide the required levels of regulatory compliance.

Currency movements

We are an international business that trades in foreign currencies and are therefore exposed to volatility in exchange rates. The Euro, Sterling and US Dollar are two of the major currencies in which we trade and given the current global political and economic environment; we expect continued currency volatility that could impact our results.

Future developments

The company will continue to pursue new opportunities to grow its products and customer base, through a combination of organic growth, product delivery and expansion of our manufacturing capabilities in our facilities. Numerous marketing authorisations for product approvals have been achieved throughout the year as well as a number of licence and supply agreements. Although none are material in their own right, they all strengthen the existing product portfolio.

Outlook

Trading since the start of the new financial year has been encouraging. The outlook remains positive with strong market demand for our products and delivery pipeline. We believe in the capability of our people and our ability to execute our strategy and therefore remain confident in our future growth prospects.

Results for the year

The results for the year end are set out in the statement of profit and loss account and other comprehensive income on page 10 and in the related notes. The assets, liabilities and financial position of the company are set out in the statement of financial position on page 11.

Dividends

The directors do not recommend payment of a dividend (2024: €Nil).

Directors and secretary and their interests

The names of persons who served as directors throughout the financial year and, in the period post year end to date, were as follows:

Aubrey Mulveen
Angelo Gatto (appointed 3 December 2024)
Kara Walsh (resigned 26 August 2025)

Chanelle Pharmaceuticals Manufacturing Limited

Directors' report *(continued)*

Directors and secretary and their interests *(continued)*

On 26 August 2025, Kara Walsh resigned as company secretary and, on the same date Aubrey Mulveen was appointed in her place.

The directors and secretary who held office at 30 April 2025 had no interests in the shares or debentures or loan stock of, the company or group companies.

Research and development

The company has a structured research and development programme with the aim of identifying and bringing to market new pharmaceutical products. Investment in development is seen as key to strengthen further the group's competitive position. During the year, the company incurred research and development costs of €3,402,754 (2024: €2,046,053) that were expensed. Political contributions

Political contributions

The company made no political donations nor incurred any political expenditure during the year.

Post balance sheet events

There were no material post balance sheet events which would require adjustment to or disclosure in these financial statements.

Accounting records

The directors believe that they have complied with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to adequate accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the company are maintained at IDA Industrial Estate, Dublin Road, Loughrea, Co. Galway.

Relevant audit information

The directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the company's statutory auditor is aware of that information. In so far as they are aware, there is no relevant audit information of which the company's statutory auditor is unaware.

Audit Committee

The company has decided not to establish an Audit Committee as the board of directors includes non-executive directors and the board meets on a monthly basis. The directors are satisfied that this provides sufficient independent oversight and governance.

Chanelle Pharmaceuticals Manufacturing Limited

Directors' report *(continued)*

Directors' compliance statement

The directors, in accordance with Section 225(2) of the Companies Act 2014, acknowledge that they are responsible for securing the company's compliance with certain obligations specified in that Section arising from the Companies Act 2014 and Tax laws ('relevant obligations').

The directors confirm that:

- a compliance policy statement has been drawn up setting out the company's policies with regard to such compliance;
- appropriate arrangements and structures that, in their opinion, are designed to secure material compliance with the company's relevant obligations, have been put in place; and
- a review has been conducted, during the financial year, of the arrangements and structures that have been put in place to secure the company's compliance with its relevant obligations.

Auditor

Pursuant to Section 383(2) of the Companies Act 2014, the auditor, KPMG, Chartered Accountants, will continue in office.

On behalf of the board



Aubrey Mulveen
Director



Angelo Gatto
Director

17th October 2025

Chanelle Pharmaceuticals Manufacturing Limited

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 assets, liabilities and financial position of the company and of its profit or loss for that year.

In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the company and enable them to ensure that the financial statements are prepared in accordance with the applicable accounting framework and comply with the provisions of the Companies Act 2014. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014.

On behalf of the board



Aubrey Mulveen
Director



Angelo Gatto
Director

17th October

2025



KPMG

Audit
Dockgate
Dock Road
Galway
H91 V6RR
Ireland

Independent auditor's report to the members of Chanelle Pharmaceuticals Manufacturing Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Chanelle Pharmaceuticals Manufacturing Limited ("the company") for the year ended 30 April 2025 set out on pages 10 to 28, which comprise the statement of profit and loss account and other comprehensive income, the statement of financial position, the statement of changes in equity and related notes, including the summary of significant accounting policies set out in note 2.

The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* issued in the United Kingdom by the Financial Reporting Council.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the company as at 30 April 2025 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) 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 company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

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 company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



Independent auditor's report to the members of Chanelle Pharmaceuticals Manufacturing Limited *(continued)*

Report on the audit of the financial statements *(continued)*

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information undertaken during the course of the audit, we report that:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, those parts of the directors' report specified for our review, which does not include sustainability reporting when required by Part 28 of the Companies Act 2014, have been prepared in accordance with the Companies Act 2014.

Our opinions on other matters prescribed by the Companies Act 2014 are unmodified

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.



Independent auditor's report to the members of Chanelle Pharmaceuticals Manufacturing Limited *(continued)*

Respective responsibilities and restrictions on use *(continued)*

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 (Ireland) 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.

A fuller description of our responsibilities is provided on IAASA's website at <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/>.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. 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.

21 October 2025

Laurence May
for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
Dockgate
Dock Road
Galway
H91 V6RR

Chanelle Pharmaceuticals Manufacturing Limited

Statement of profit and loss account and other comprehensive income for the year ended 30 April 2025

	<i>Note</i>	2025 €	2024 €
Revenue – continuing operations	4	96,937,866	90,792,614
Cost of sales		(76,377,083)	(62,770,337)
		<hr/>	<hr/>
Gross profit – continuing operations		20,560,783	28,022,277
Administrative expenses		(15,959,300)	(20,896,155)
Other operating income	5	968,697	1,138,380
		<hr/>	<hr/>
Operating profit	6 - 7	5,570,180	8,264,503
Interest payable and similar expenses	8	(216,550)	(272,700)
Interest receivable and similar income	9	-	110,727
		<hr/>	<hr/>
Profit before taxation		5,353,630	8,102,530
Tax on profit	10	(315,003)	(1,092,852)
		<hr/>	<hr/>
Profit for the financial year		5,038,627	7,009,678
Other comprehensive income		-	-
		<hr/>	<hr/>
Total comprehensive income for the financial year		5,038,627	7,009,678
		<hr/> <hr/>	<hr/> <hr/>

Chanelle Pharmaceuticals Manufacturing Limited

Statement of financial position as at 30 April 2025

	Note	2025 €	2024 €
Fixed assets			
Tangible assets	12	32,142,839	31,311,878
Financial assets	13	120	120
		<u>32,142,959</u>	<u>31,311,998</u>
Current assets			
Inventories	14	11,132,473	21,134,473
Debtors	15	54,211,567	35,809,954
Cash at bank and in hand		1,860,525	1,270,388
		<u>67,204,565</u>	<u>58,214,815</u>
Creditors: amounts falling due within one year	16	(64,172,035)	(59,067,519)
		<u>3,032,530</u>	<u>(852,704)</u>
Net current assets/(liabilities)			
		<u>3,032,530</u>	<u>(852,704)</u>
Total assets less current liabilities		35,175,489	30,459,294
Creditors: amounts falling due after more than one year	17	(3,170,868)	(3,795,478)
Provisions for liabilities			
Deferred tax liability	19	(1,039,334)	(674,035)
Government grants	20	(827,509)	(890,630)
		<u>30,137,778</u>	<u>25,099,151</u>
Net assets			
		<u>30,137,778</u>	<u>25,099,151</u>
Capital and reserves			
Called up share capital presented as equity	21	673,088	673,088
Other reserve		(50,790)	(50,790)
Capital redemption reserve		1,644,311	1,644,311
Profit and loss account		27,871,169	22,832,542
		<u>30,137,778</u>	<u>25,099,151</u>
Shareholders' equity		30,137,778	25,099,151
		<u>30,137,778</u>	<u>25,099,151</u>

On behalf of the board



Aubrey Mulveen
Director



Angelo Gatto
Director

Chanelle Pharmaceuticals Manufacturing Limited

Statement of changes in equity for the year ended 30 April 2025

	Share capital €	Other reserve €	Capital redemption reserve €	Profit and loss account €	Total equity €
Balance at 1 May 2023	673,088	(50,790)	1,644,311	18,822,864	21,089,473
<i>Total comprehensive income</i>					
Profit for the financial year	-	-	-	7,009,678	7,009,678
<i>Transactions with owners, recorded directly in equity</i>					
Dividends declared and paid(note 11)	-	-	-	(3,000,000)	(3,000,000)
	-----	-----	-----	-----	-----
Balance at 30 April 2024	673,088	(50,790)	1,644,311	22,832,542	25,099,151
<i>Total comprehensive income</i>					
Profit for the financial year	-	-	-	5,038,627	5,038,627
	-----	-----	-----	-----	-----
Balance at 30 April 2025	673,088	(50,790)	1,644,311	27,871,169	30,137,778
	=====	=====	=====	=====	=====

Chanelle Pharmaceuticals Manufacturing Limited

Notes

to the financial statements

1 General information

Chanelle Pharmaceuticals Manufacturing Limited (“the company”) is a private company limited by shares incorporated, registered and domiciled in Ireland. The registered number of the company is 101615 and the address of its registered office is IDA Business & Technology Park, Dublin Road, Loughrea, Co. Galway.

2 Summary of significant accounting policies

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (“FRS 102”) and the Companies Act 2014. The presentation currency of these financial statements is Euro.

The company’s ultimate parent undertaking, Herriot Pharma UK Topco Limited, includes the company in its consolidated financial statements. The consolidated financial statements of Herriot Pharma UK Topco Limited, are prepared in accordance FRS 102 and are available to the public and may be obtained from [Companies House - GOV.UK](#). In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash flow statement and related notes; and
- Key management personnel compensation.

As the consolidated financial statements of Herriot Pharma UK Topco Limited include the equivalent disclosures, the company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Schedule 3, paragraph 38 of the Companies Act 2014.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 3.

Measurement convention

The financial statements are prepared on the historical cost basis.

Consolidation exemption

The company is exempt by virtue of Section 300 of the Companies Act 2014 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

Going concern

The financial statements have been prepared on a going concern basis. No material uncertainty exists which may cast significant doubt on the company’s ability to continue as a going concern.

Chanelle Pharmaceuticals Manufacturing Limited

Notes *(continued)*

2 Summary of significant accounting policies *(continued)*

Revenue

Revenue represents the fair value of goods, exclusive of value added tax, delivered to customers in the accounting period and is stated after deduction of rebates. Goods are deemed to have been delivered to customers, when the customer has access to the significant benefits inherent in the goods and exposure to the risks inherent in those benefits.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue also includes a charge to a group company for manufacturing support in relation to the manufacture of medical pharmaceutical products. The charge represents the cost of support services incurred in supporting the production of medical pharmaceutical products. The revenue is recognised on invoicing the group company for the support services.

Foreign currency

Transactions in foreign currencies are translated to the entity's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Classification of financial instruments issued by the company

In accordance with FRS 102.22, financial instruments issued by the company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Chanelle Pharmaceuticals Manufacturing Limited

Notes *(continued)*

2 Summary of significant accounting policies *(continued)*

Basic financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade and other debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

Investments in subsidiaries

Investments in subsidiaries are carried at cost less provision for impairment.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of tangible fixed assets that had been revalued to fair value on or prior to the date of transition to FRS 102, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets, with the exception of land which is not depreciated. Assets under construction are not depreciated until they are brought into use. Leased assets are depreciated over the shorter of the lease term and their useful lives.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

The estimated useful lives are as follows:

- Buildings - 2% straight line
- Plant and machinery - 10% straight line
- Fixtures, fittings and equipment - 12.5% straight line
- Computer equipment - 33.33% straight line

Research and development

Expenditure on research and development activities is recognised in the profit and loss account as an expense as incurred.

Chanelle Pharmaceuticals Manufacturing Limited

Notes *(continued)*

2 Summary of significant accounting policies *(continued)*

Inventories

Inventories comprise consumable items and goods held for resale. Inventories are stated at the lower of cost and net realisable value. Cost is calculated on a first in, first out basis and includes invoice price, import duties and transportation costs. In the case of manufactured stocks and work in progress, cost is defined as the aggregate cost of raw material, direct labour and the attributable proportion of direct production overheads based on a normal level of activity. Net realisable value comprises the actual or estimated selling price less all further costs to completion or to be incurred in marketing, selling and distribution.

At the end of each reporting period inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account.

Employee benefits

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Annual bonus plans

The company recognises a provision and an expense for bonuses where the company has a legal or constructive obligation as a result of past events and a reliable estimate can be made.

(iii) Defined contribution pension plans

The company operates a defined contribution plan. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate fund. Under defined contribution plans, the company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Leasing and hire purchases

Tangible fixed assets held under leasing and hire purchases arrangements which transfer substantially all the risks and rewards of ownership to the company are capitalised and included in the statement of financial position at their cost or valuation, less depreciation. The corresponding commitments are recorded as liabilities. Payments in respect of these obligations are treated as consisting of capital and interest elements, with interest charged to the profit and loss account.

Operating leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease.

Chanelle Pharmaceuticals Manufacturing Limited

Notes *(continued)*

2 Summary of significant accounting policies *(continued)*

Interest receivable and interest payable

Interest receivable and similar income comprises foreign exchange gains.

Interest payable and similar expenses comprises interest payable on bank loan, invoice discounting facilities and interest on finance leases recognised in profit and loss using the effective interest method and exchange losses.

Interest income and expense are recognised in profit or loss as they accrue, using the effective interest rate method. Foreign exchange is reported on a net basis.

Provisions

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

Government grants

Government grants relating to assets are included within deferred income in the balance sheet and credited to the profit and loss account over the expected useful lives of the assets to which they relate.

Grants relating to revenue are recognised in the profit and loss on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate.

Amounts recognised in the profit and loss are presented under the heading "other operating income".

Dividends paid

Dividends are recognised in the period in which they are approved by the company's shareholders, or in the case of an interim dividend, when it has been approved by the board of directors and paid. Dividends declared after the balance sheet date are disclosed and presented as a segregated component of retained earnings at the end of the period.

Taxation

Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

(i) Current tax

Current tax is calculated on the profits of the period. Current tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Chanelle Pharmaceuticals Manufacturing Limited

Notes *(continued)*

2 Summary of significant accounting policies *(continued)*

Taxation *(continued)*

(ii) Deferred tax *(continued)*

Deferred tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Current or deferred taxation assets and liabilities are not discounted.

3 Significant accounting judgements and key sources of estimation uncertainty

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Establishing lives for depreciation purposes of property, plant and equipment

Long-lived assets, consisting primarily of property, plant and equipment, comprise a significant portion of the total assets. The annual depreciation charge depends primarily on the estimated lives of each type of asset and estimates of residual values. The directors regularly review these asset lives and change them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in asset lives can have a significant impact on depreciation charges for the period. Detail of the useful lives are included in note 2.

(b) Inventory provisioning

The company is involved in the pharmaceutical sector and has large volumes of inventory on hand. As a result, it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers the stage of completion, the estimated realisable value and the estimated costs to completion. The level of provision required is reviewed on an on-going basis.

(c) Providing for doubtful debts

The company makes an estimate of the recoverable value of trade and other debtors. The company uses estimates based on historical experience in determining the level of debts, which the company believes, will not be collected. These estimates include such factors as the current credit rating of the debtor, the ageing profile of debtors and historical experience. Any significant reduction in the level of customers that default on payments or other significant improvements that resulted in a reduction in the level of bad debt provision would have a positive impact on the operating results. The level of provision required is reviewed on an on-going basis.

Chanelle Pharmaceuticals Manufacturing Limited

Notes (continued)

4 Revenue

The revenue for the financial year has been derived from the sale of manufactured pharmaceutical goods and also the provision of manufacturing services to a group company:

	2025 €	2024 €
<i>Sale of goods by geographical market:</i>		
Republic of Ireland	41,214,385	43,577,549
Europe	36,889,610	37,658,349
Rest of the world	6,921,304	9,556,716
<i>Provision of manufacturing services:</i>		
Republic of Ireland	11,912,567	-
	96,937,866	90,792,614

5 Other operating income

	2025 €	2024 €
Research and development tax credit	456,492	365,000
Government grant income	191,531	-
Rental income	-	330,000
Other income	320,674	443,380
	968,697	1,138,380

6 Expenses and auditor's remuneration

	2025 €	2024 €
<i>Included in profit are the following:</i>		
Depreciation of tangible fixed assets	4,191,153	3,599,943
Research and development		
- expenditure in current financial year	3,402,754	2,046,053
- research and development tax credit	(456,492)	(365,000)

Chanelle Pharmaceuticals Manufacturing Limited

Notes (continued)

7 Staff number and costs

The average number of persons employed by the company (including directors) during the financial year, analysed by category, was as follows:

	2025	2024
	Number	Number
Operations	336	330
Administration	146	133
	<hr/> 482 <hr/>	<hr/> 463 <hr/>

The aggregate payroll costs of these persons were as follows:

	2025	2024
	€	€
Wages and salaries	25,429,179	26,072,270
Social welfare costs	2,884,898	2,826,370
Pension costs	589,460	478,413
Recharges to fellow group undertakings	(213,858)	(1,677,025)
Recharges from fellow group undertakings	829,714	983,520
Redundancy costs	-	56,903
	<hr/> 29,519,393 <hr/>	<hr/> 28,740,451 <hr/>

8 Interest payable and similar expenses

	2025	2024
	€	€
On bank loans and overdrafts	22,345	149,558
Other interest	7,809	103,834
Finance lease charges	55,235	19,308
Net foreign exchange losses	131,161	-
	<hr/> 216,550 <hr/>	<hr/> 272,700 <hr/>

9 Interest receivable and similar income

	2025	2024
	€	€
Net foreign exchange gains	-	110,727
	<hr/> - <hr/>	<hr/> 110,727 <hr/>

Chanelle Pharmaceuticals Manufacturing Limited

Notes (continued)

10 Tax on profit	2025	2024
	€	€
<i>Current tax:</i>		
Current tax on income for the year	89,672	1,448,640
Adjustment to tax charge in respect of prior periods	(139,768)	(208,480)
	<hr/>	<hr/>
Total current tax	(50,096)	1,240,160
<i>Deferred tax:</i>		
Origination of timing differences (note 19)	53,715	(147,308)
Adjustment to deferred tax charge in respect of prior periods	311,384	-
	<hr/>	<hr/>
Total deferred tax	365,099	(147,308)
	<hr/>	<hr/>
Tax on profit	315,003	1,092,852
	<hr/> <hr/>	<hr/> <hr/>
Reconciliation of effective tax rate		
	2025	2024
	€	€
Profit before tax	5,353,630	8,102,530
	<hr/> <hr/>	<hr/> <hr/>
Tax using the Irish corporation tax rate - 12.5%	669,204	1,012,816
<i>Effects of:</i>		
Non-deductible expenses	9,931	217,505
Close company surcharge	2,180	1,013
Group relief	(565,144)	(137,497)
Other	48,572	259,233
Income tax withheld	35,706	-
Tax exempt revenues	(57,062)	(51,738)
Adjustments in respect of prior periods	171,616	(208,480)
	<hr/>	<hr/>
Total tax expense included in profit or loss	315,003	1,092,852
	<hr/> <hr/>	<hr/> <hr/>
11 Dividends		
	2025	2024
	€	€
<i>Dividends on equity shares:</i>		
Ordinary shares - interim paid	-	3,000,000
	<hr/> <hr/>	<hr/> <hr/>

Chanelle Pharmaceuticals Manufacturing Limited

Notes (continued)

12 Tangible fixed assets

	Land and buildings €	Assets under construction €	Plant and machinery €	Leased assets €	Fixtures, fittings, and equipment €	Computer equipment €	Total €
Cost							
At 1 May 2024	11,050,122	3,169,740	43,904,117	1,909,661	2,114,693	3,607,420	65,755,753
Additions	-	2,900,784	1,416,482	27,633	385,543	291,672	5,022,114
Transfers into use	-	(4,598,890)	4,185,223	-	357,617	56,050	-
At 30 April 2025	11,050,122	1,471,634	49,505,822	1,937,294	2,857,853	3,955,142	70,777,867
Depreciation							
At 1 May 2024	2,759,271	-	27,580,044	89,510	926,991	3,088,059	34,443,875
Charge for the financial year	214,284	-	3,214,060	185,456	228,627	348,726	4,191,153
At 30 April 2025	2,973,555	-	30,794,104	274,966	1,155,618	3,436,785	38,635,028
Net book value							
At 30 April 2025	8,076,567	1,471,634	18,711,718	1,662,328	1,702,235	518,357	32,142,839
At 30 April 2024	8,290,851	3,169,740	16,324,073	1,820,151	1,187,702	519,361	31,311,878

Included in land and buildings at 30 April 2025 is €265,325 (2024: €265,325) in respect of land which is not depreciated. At 30 April 2025, the net carrying amount of leased assets was €1,662,328 (2024: €1,820,151). There is a fixed charge in place with the lessor for the leased assets. Refer to note 18.

Chanelle Pharmaceuticals Manufacturing Limited

Notes (continued)

12 Tangible fixed assets (continued)

Included above are assets held under finance leases or hire purchase contracts as follows:

	2025 Net book value €	2025 Depreciation charge €	2024 Net book value €	2024 Depreciation charge €
Plant and machinery	1,662,328	185,456	1,820,151	89,510

13 Financial assets

**Investments
in subsidiary
undertakings
€**

Cost

At 1 May 2024 and 30 April 2025

120

The company holds 20% or more of the share capital in the following companies:

Name of Subsidiary undertaking	Registered office	Nature of business	Class of shares held	Proportion held by the company 2025/2024
Chanelle Pet UK Limited	C/o Chanelle Animal Health UK, 483 Green Lanes, London, N13 4BS United Kingdom	Dormant entity	100 ordinary shares of £1 each	100%
Burke Animal Health (Pty) Limited	C/o KPMG Crescent, 85 Empire Road, Parktown, Johannesburg, 2193 South Africa	Dormant entity	100 ordinary shares	100%

None of the shares of the above subsidiary undertakings are listed. In the opinion of the directors, the shares in the company's subsidiary undertakings are worth at least the amounts they are stated in the balance sheet.

14 Inventories

	2025 €	2024 €
Raw materials	3,706,145	8,259,115
Work in progress	1,018,525	2,960,811
Finished goods and goods for resale	4,928,490	5,567,881
Packaging	1,479,313	4,346,666
	11,132,473	21,134,473

The replacement cost of stock did not differ significantly from the figures shown. The write-down of inventories to net realisable value, which is included in cost of sales, amounted to €774,218, (2024: €476,722).

Chanelle Pharmaceuticals Manufacturing Limited

Notes (continued)

15 Debtors	2025	2024
	€	€
Trade debtors	8,960,736	6,659,460
Amounts owed by group undertakings (note 26)	41,293,276	25,111,544
Other debtors	1,700,594	1,952,484
Corporation tax receivable	631,053	-
Prepayments	898,252	590,086
R&D tax credits receivable	727,656	1,039,872
Corporation tax recoverable	-	456,508
	<hr/>	<hr/>
	54,211,567	35,809,954
	<hr/> <hr/>	<hr/> <hr/>

Amounts owed by group undertakings above are interest free, unsecured and payable on demand.

	2025	2024
	€	€
Due within one year	53,880,504	35,709,954
Due after more than one year	331,063	100,000
	<hr/>	<hr/>
	54,211,567	35,809,954
	<hr/> <hr/>	<hr/> <hr/>

16 Creditors: amounts falling due within one year	2025	2024
	€	€
Trade creditors	5,217,656	6,527,686
Amounts owed to group undertakings (note 26)	52,458,385	44,605,201
Accruals	4,928,245	5,213,753
Deferred income	299,997	299,997
Net obligations under finance leases and hire purchase contracts (note 18)	345,565	341,231
PAYE/PRSI	922,187	2,076,007
VAT payable	-	3,644
	<hr/>	<hr/>
	64,172,035	59,067,519
	<hr/> <hr/>	<hr/> <hr/>

Amounts owed to group undertakings are interest free, unsecured and payable on demand.

Chanelle Pharmaceuticals Manufacturing Limited

Notes (continued)

17 Creditors: amounts falling due after more than one year	2025	2024
	€	€
Net obligations under finance lease and hire purchase (note 18)	920,892	1,245,508
Deferred income	2,249,976	2,549,970
	<hr/>	<hr/>
	3,170,868	3,795,478
	<hr/> <hr/>	<hr/> <hr/>

18 Interest bearing loans and borrowings

This note provides information about the contractual terms of the company's interest-bearing loans and borrowings, which are measured at amortised cost.

	2025	2024
	€	€
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	345,565	341,231
Repayable between one to five years	920,891	1,245,508
	<hr/>	<hr/>
	1,266,456	1,586,739
	<hr/> <hr/>	<hr/> <hr/>

Term and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Repayment schedule	2025 €000	2024 €000
Finance lease liabilities	Euro	5.8%-6.1%	2028/2029	Monthly	1,266,456	1,586,739
					<hr/> <hr/>	<hr/> <hr/>

The company's bankers have fixed and floating charges over certain assets of the company as security against the company's banking facilities. There is also a guarantee in favour of the Revenue Commissioners for €140,000.

19 Deferred tax liability

The amounts provided for liabilities are analysed below:

	2025	2024
	€	€
Timing differences in respect of fixed assets	1,039,334	674,035
	<hr/> <hr/>	<hr/> <hr/>

Chanelle Pharmaceuticals Manufacturing Limited

Notes (continued)

20 Government grants - deferred	2024 €
Capital grants received and receivable At 1 May 2024 and 30 April 2025	2,200,923
Amortisation At 1 May 2024 Amortised in financial year	1,310,293 63,121
At 30 April 2025	1,373,414
Carrying amount At 30 April 2025	827,509
At 30 April 2024	890,630

21 Share capital	Number of shares	Value of units	2025 €	2024 €
Authorised				
Ordinary shares	705,000	€1.269738 each	895,165	895,165
3% cumulative redeemable preference shares	295,000	€1.269738 each	374,573	374,573
'A' cumulative redeemable preference shares	1,000,000	€1.269738 each	1,269,738	1,269,738
'B' cumulative redeemable preference shares	1,000,000	€1.269738 each	1,269,738	1,269,738
'C' cumulative redeemable preference shares	1,000,000	€1 each	1,000,000	1,000,000
'A' ordinary shares	1,000,000	€1.269738 each	1,269,738	1,269,738
			6,078,952	6,078,952
Allotted, called up and fully paid				
Ordinary shares	530,000	€1.269738 each	672,961	672,961
'A' ordinary shares	100	€1.269738 each	127	127
			673,088	673,088

The "A" ordinary shares carry no entitlement to a dividend and are entitled to a return of capital equal to the value paid up or treated as paid up thereon.

Chanelle Pharmaceuticals Manufacturing Limited

Notes (continued)

22 Pension costs - defined contribution

The company operates a defined contribution pension scheme. Pension costs amounted to €589,460 (2024: €478,413).

23 Capital commitments and contingencies

The company had material capital commitments at the year ended 30 April 2025 in the sum of €2,418,306 (2024: €2,113,738) for additional plant and machinery.

Contingencies

Under agreement between the company and grant authorities, the company has received grants which may be revoked, cancelled or abated in certain circumstances. In addition, as disclosed in note 18 the company's bankers have registered charges over certain assets of the company.

The company is a guarantor under the Group's banking facilities. Pursuant to a debenture, the group's bankers have a charge over the shares and related rights of the company, and all monies held by the company, together with the benefit of all licences, consents and agreements held by the company.

24 Operating leases

Leases as a lessee

The total future minimum lease payments under non-cancellable operating lease rentals are payable as follows:

	2025 €	2024 €
Less than one year	414,886	414,886
Between one and five years	456,663	871,549
	<u>871,549</u>	<u>1,286,435</u>

During the year, €414,990 (2024: €254,886) was recognised as an expense in the profit and loss account in respect of operating leases.

25 Directors' remuneration

	2025 €	2024 €
Remuneration	268,560	430,032
	<u>268,560</u>	<u>430,032</u>

26 Related party transactions

The company discloses transactions with related parties which comprise directors, directors of the holding company and non-wholly owned subsidiaries within the same group. It does not disclose transactions with members of the same group that are wholly owned.

Chanelle Pharmaceuticals Manufacturing Limited

Notes (continued)

26 Related party transactions (continued)

Details of balances with fellow group undertakings as at 30 April 2025 were as follows:

	Debtors outstanding		Creditors outstanding	
	2025	2024	2025	2024
	€	€	€	€
Chanelle Medical Unlimited Company	33,275,256	20,181,943	-	-
Chanelle Animal Health Limited	8,017,853	4,598,569	-	-
Burke Animal Health (Pty) Limited	167	167	-	-
Chanelle Veterinary Limited	-	-	(22,183,409)	(9,572,717)
Chanelle Pet Limited	-	-	(11,485,338)	(5,788,542)
Chanelle Holdco 3 Limited	-	-	(8,334,214)	(22,714,187)
Realoch Pharma Limited	-	-	(8,723,640)	(6,031,938)
Michael Burke & Partner Co.	-	-	(1,511,470)	(445,014)
Chanelle Vet UK Limited	-	330,865	(167,510)	-
Chanelle Overseas Limited	-	-	(52,566)	(52,566)
EU Generics Limited	-	-	(117)	(117)
Chanelle Pet UK Limited	-	-	(116)	(115)
EU Pharmaceuticals Limited	-	-	(2)	(2)
C&H Generics Limited	-	-	(2)	(2)
Chanelle Holdco 2 Limited	-	-	(1)	(1)
	41,293,276	25,111,544	(52,458,385)	(44,605,201)

27 Ultimate holding undertaking and undertaking of larger group

The company's immediate parent undertaking is Chanelle Holdco 3 Limited, IDA Industrial Estate, Dublin Road, Loughrea, Co. Galway. The company's ultimate parent undertaking is Herriot Pharma UK Topco Limited, 30 Broadwick Street, London W1F 8JB, United Kingdom.

The largest and smallest group in which the results of the company are consolidated is that headed by Herriot Pharma UK Topco Limited, with a registered office address at 30 Broadwick Street, London, W1F 8JB, United Kingdom. The consolidated financial statements for the group are available to the public and may be obtained from [Companies House - GOV.UK](https://www.companieshouse.gov.uk)

28 Post balance sheet events

There were no material post balance sheet events which would require adjustment to or disclosure in these financial statements.

29 Approval of financial statements

The financial statements were approved and authorised for issue by the board of directors on **17th October** 2025.