

**COOPERATION AGREEMENT**  
**relating to**  
**THE PROPOSED ACQUISITION OF**  
**DECHRA PHARMACEUTICALS PLC**

between

**FREYA BIDCO LIMITED**

and

**DECHRA PHARMACEUTICALS PLC**

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**This Agreement** is made on 2 June 2023 between:

- (1) **Freya Bidco Limited**, a private limited company incorporated in England & Wales whose registered office is at 3rd Floor, 30 Broadwick Street, London, United Kingdom, W1F 8JB with registered number 14856770 (“**Bidco**”); and
- (2) **Dechra Pharmaceuticals PLC**, a public limited company incorporated in England & Wales whose registered office is at 24 Cheshire Avenue, Cheshire Business Park, Lostock Gralam, Northwich, CW9 7UA with registered number 03369634 (“**Dechra**”),

together referred to as the “**parties**” and each as a “**party**” to this agreement (the “**Agreement**”).

**Whereas:**

- (A) Bidco, a company owned (directly or indirectly) by EQT X EUR SCSp and EQT X USD SCSp, being investment funds managed by their manager (*gérant*) EQT Fund Management S.à r.l. (“**EQT**”) and by Luxinva S.A. (“**Luxinva**”), a wholly-owned subsidiary of the Abu Dhabi Investment Authority (“**ADIA**”), proposes to announce, immediately following execution of this Agreement, a firm intention to make a recommended offer for the entire issued and to be issued share capital of Dechra on the terms and subject to the conditions set out in the Press Announcement (as defined below) (the “**Transaction**”).
- (B) The parties intend that the Transaction will be implemented by way of a scheme of arrangement of Dechra pursuant to Part 26 of the Act (as defined below) (the “**Scheme**”), but Bidco reserves the right, as set out in (and subject to the terms and conditions of) the Press Announcement and this Agreement, to elect to implement the Transaction by way of a contractual takeover offer as defined in Chapter 3 of Part 28 of the Act (as defined below) (the “**Offer**”).
- (C) The parties have agreed to take certain steps to effect completion of the Transaction and wish to enter into this Agreement to record their respective rights, commitments and obligations relating to such matters.

**IT IS AGREED** as follows:

1. **INTERPRETATION**

1.1 In this Agreement:

“**Acceptance Condition**” means, if applicable, the acceptance condition to the Offer as specified in Clause 6.2.1;

“**Act**” means the Companies Act 2006 as amended from time to time;

“**acting in concert**” means, in respect of a person, any person that is “acting in concert” with that party for the purposes of the Transaction pursuant to the Code as applied by the Panel or, if a ruling or exemption has been sought from the Panel, any person that is regarded by the Panel as “acting in concert” with that party for the purposes of the Transaction at the relevant time;

“**Agreed Switch**” means where the Transaction is implemented by way of an Offer in accordance with Clause 6.1.1 and 6.1.2 (for so long as the Dechra Board Recommendation applies in respect of the Offer and, for the avoidance of doubt, where there has not been a Dechra Board Adverse Recommendation Change);

“**Bidco Directors**” means the directors of Bidco from time to time;

“**Bidco Group**” means Bidco and its subsidiary undertakings from time to time and where the context permits, each of them;

“**Business Day**” means a day, other than a Saturday or Sunday or public or bank holiday, on which banks in London are generally open for business;

“**Clean Team Agreement**” means the clean team and joint defence agreement entered into between EQT, Dechra, Luxinva and their respective legal counsel in relation to the Transaction, originally dated 14 April 2023 and novated and restated on 2 June 2023;

“**Clearances**” means all approvals, consents, clearances, permissions, confirmations, comfort letters and waivers that may need to be obtained, all filings that may need to be made and all waiting periods that may need to have expired, from or under any Laws or practices applied by any Relevant Authority (or under any agreements or arrangements to which any Relevant Authority is a party), in each case that are necessary and/or expedient to satisfy one or more of the Regulatory Conditions; and any reference to any Clearance having been “**satisfied**” shall be construed as meaning that the foregoing has been obtained, or where relevant, made or expired;

“**Code**” means the UK City Code on Takeovers and Mergers as from time to time amended and interpreted by the Panel;

“**Conditions**” means:

- (a) for so long as the Transaction is implemented by way of the Scheme, the conditions to implementation of the Transaction set out in Appendix 1 to the Press Announcement; and
- (b) if the Transaction is implemented by means of an Offer, the conditions referred to in (a) above, as amended by replacing the Scheme Conditions with the Acceptance Condition, and as may be further amended by agreement in writing and, to the extent applicable, in accordance with the Further Terms set out in Appendix 1 Part B of the Press Announcement, between Bidco and Dechra and, where required, in either case, with the consent of the Panel,

and “**Condition**” shall be construed accordingly;

“**Confidentiality Agreement**” means the confidentiality agreement entered into between EQT and Dechra in relation to the Transaction dated 6 April 2023;

“**Court**” means the High Court of Justice in England and Wales;

“**Court Meeting**” means the meeting of the holders of the Scheme Shares which are in issue as at the Voting Record Time to be convened by order of the Court pursuant to section 896 of the Act for the purpose of considering, and if thought fit, approving (with or without modification) the Scheme, notice of which will be set out in the Scheme Document, including any adjournment thereof;

“**Day 60**” has the meaning given to it in Clause 6.2.5;

“**Dechra Board Adverse Recommendation Change**” means:

- (a) if Dechra makes an announcement prior to the publication of the Scheme Document that:
  - (i) the Dechra Directors no longer intend to make the Dechra Board Recommendation or intend adversely to modify or qualify such recommendation; (ii) (other than where an Agreed Switch has occurred) it will not convene the Court Meeting or the Dechra General

- Meeting; or (iii) it intends not to post the Scheme Document or (if different) the document convening the Dechra General Meeting;
- (b) if Dechra makes an announcement that it will or intends to delay the convening of, or will adjourn or postpone, the Court Meeting or the Dechra General Meeting, in each case without the consent of Bidco, except where such delay or adjournment is for reasons outside Dechra's control;
  - (c) the Dechra Board Recommendation is not included in the Scheme Document;
  - (d) the Dechra Directors withdraw or adversely modify or adversely qualify the Dechra Board Recommendation;
  - (e) if Dechra makes an announcement that the Dechra Directors recommend, intend or are minded to recommend, any firm or possible offer or other arrangement which would result in any person other than Bidco (or a person acting in concert with Bidco) acquiring "control" (as defined in the Code) of Dechra; or
  - (f) if, after the approval of the Resolutions (as defined in the Press Announcement), Dechra or the Dechra Directors announce that it or they will not implement the Scheme (other than:
    - (i) in connection with an announcement of an Offer or revised offer by Bidco (or any person acting in concert with Bidco) for Dechra; or
    - (ii) because a Condition has become incapable of fulfilment or satisfaction);

**"Dechra Board Recommendation"** means a unanimous and unqualified recommendation from the Dechra Directors to the Dechra Shareholders in respect of the Transaction in the agreed form: (i) to vote in favour of the Scheme at the Court Meeting and such shareholder resolutions of Dechra as are necessary to approve, implement and effect the Scheme (including such shareholder resolutions to be proposed at the Dechra General Meeting) and the Transaction and the changes to Dechra's articles of association to be set out in the Scheme Document; or (ii) if Bidco elects to implement the Transaction by means of an Offer in accordance with the terms of this Agreement, to accept the Offer;

**"Dechra Directors"** means the directors of Dechra from time to time;

**"Dechra General Meeting"** means the general meeting of Dechra (including any adjournment thereof) to be convened and held in connection with the Transaction to consider, and if thought fit, approve the shareholder resolutions necessary to enable Dechra to implement the Transaction, notice of which will be set out in the Scheme Document;

**"Dechra Group"** means Dechra and its subsidiaries and subsidiary undertakings from time to time and **"member of the Dechra Group"** shall be construed accordingly;

**"Dechra Representative"** has the meaning given to it in Clause 11.4;

**"Dechra Share Plans"** has the meaning given to it in Schedule 1;

**"Dechra Shareholders"** means the registered holders of Dechra Shares from time to time;

**"Dechra Shares"** means the ordinary shares of £0.01 each in the capital of Dechra from time to time;

**"Disclosing Party"** has the meaning given to it in Clause 3.6;

**"Effective Date"** means the date upon which either:

- (a) the Scheme becomes effective in accordance with its terms; or
- (b) if Bidco elects to implement the Transaction by way of the Offer, the Offer becomes or is declared unconditional;

“**EQT**” has the meaning given to it in Recital (A);

“**EQT Funds**” means any EQT branded investment fund, other investment vehicle or other arrangement, in each case managed and/or operated and/or advised by a member of the EQT Group;

“**EQT Group**” means EQT Services Netherlands B.V., SEP Holdings B.V., EQT AB and/or their respective affiliates, as the context requires, and “a member of the EQT Group” shall be construed accordingly;

“**EQT Responsible Persons**” has the meaning given to it in Clause 4.1.3;

“**FCA Handbook**” means the Financial Conduct Authority’s Handbook of rules and guidance as amended from time to time;

“**Initial Provisions**” means Clause 1, Clause 2.1, Clause 9, Clause 10 and Clauses 11 to 20 and 22 to 23 (in each case, inclusive);

“**Law**” means any applicable statutes and common law and applicable rules, ordinances, regulations, codes, orders, judgments, injunctions, writs, decrees, directives, governmental guidelines or interpretations having the force of law or bylaws, in each case, of a Relevant Authority;

“**Long Stop Date**” means 4 March 2024 or such later date as may be agreed by the parties in writing (with the Panel’s consent and as the Court may approve (if such consent and/or approval is/are required));

“**Luxinva**” has the meaning given to it in Recital (A);

“**Luxinva Group**” means Luxinva and its affiliates which are directly or indirectly managed by the Private Equities department of ADIA from time to time and excludes, for the avoidance of doubt, (a) any portfolio company in which Luxinva has, or Luxinva’s associated companies or entities have, an equity or any other interest, (b) persons owned, controlled or managed either directly or indirectly by any other division, part or department of ADIA, and (c) the Government of Abu Dhabi and any other person owned or (if applicable) controlled either directly or indirectly by the Government of Abu Dhabi;

“**Luxinva Responsible Persons**” has the meaning given to it in Clause 4.1.3;

“**Notice**” has the meaning given to it in Clause 12.1;

“**Offer**” has the meaning given to it in Recital (B), and any reference to Offer also includes any increased, renewed or revised offer;

“**Offer Document**” means, in the event Bidco elects to implement the Transaction by means of the Offer in accordance with Clause 6, the document setting out (among other things) details of the Transaction and the full terms and conditions of the Offer to be sent to (among others) the Dechra Shareholders, including any revised or supplementary offer document;

“**Panel**” means the UK Panel on Takeovers and Mergers;

**“Press Announcement”** means the press announcement to be released by Bidco and Dechra pursuant to Rule 2.7 of the Code in relation to the Transaction, in substantially the form set out in Schedule 2 (*Press Announcement*);

**“Regulatory Conditions”** means the Conditions set out in paragraphs 3.1 to 3.9 (inclusive) of Part A of Appendix 1 to the Press Announcement (so far as, in the case of paragraphs 3.1 to 3.9, the relevant third party under that condition is a Relevant Authority);

**“Regulatory Information Service”** means a regulatory information service as defined in the FCA Handbook;

**“Relevant Authority”** means any central bank, ministry, governmental, quasi-governmental, national, supranational (including the European Union), statutory, regulatory, environmental, administrative, supervisory, fiscal or investigative body or authority (including any antitrust, competition or merger control authority, any sectoral ministry or regulator and any foreign investment review body), national, state, municipal or local government (including any subdivision, court, administrative agency or commission or other authority thereof), any entity owned or controlled by them, any private body exercising any regulatory, taxing, importing or other authority, trade agency, association, institution or professional or environmental body in any jurisdiction, including the Panel;

**“Relevant Third Party”** has the meaning given to it in Clause 17.1;

**“Remedies”** means any conditions, obligations, measures, commitments, modifications, undertakings, remedies (including disposals and any pre-divestiture reorganisations by either party) or assurance (financial or otherwise) offered or required in connection with the obtaining of any Clearances and **“Remedy”** shall be construed accordingly;

**“Sanction Hearing”** means the hearing of the Court of the petition to sanction the Scheme pursuant to section 899 of the Act, including any adjournment thereof;

**“Scheme”** has the meaning given to it in Recital (B), and reference to Scheme also includes any modified, renewed or revised scheme;

**“Scheme Conditions”** means the Conditions relating to the Scheme becoming effective in accordance with its terms, set out in paragraph 2 of Part A of Appendix 1 to the Press Announcement;

**“Scheme Document”** means the circular to be sent to (among others) Dechra Shareholders setting out (among other things) details of the Transaction, the full terms and conditions of the Scheme and the explanatory statement required pursuant to Part 26 of the Act and incorporating the notices convening the Court Meeting and the Dechra General Meeting, including any revised or supplementary circular;

**“Scheme Shares”** has the meaning given to that term in the Press Announcement;

**“Specified Regulatory Conditions”** means the Conditions set out in paragraphs 3.1 to 3.7 inclusive of Part A of Appendix 1 to the Press Announcement;

**“Transaction”** has the meaning given to it in Recital (A);

**“Voting Record Time”** has the meaning given to it in the Press Announcement or such other time and/or date as the parties may agree in writing; and

**“Wider Bidco Group”** means Bidco Group and associated undertakings and any other body corporate, partnership, joint venture or person in which Bidco and such undertakings

(aggregating their interests) have an interest of more than 30 per cent. of the voting or equity capital or the equivalent.

1.2 In this Agreement, except where the context otherwise requires:

- 1.2.1 the expression “**group**”, in relation to a party, means that party together with its subsidiaries and subsidiary undertakings from time to time;
- 1.2.2 the expressions “**subsidiary**” and “**subsidiary undertaking**” shall have the meanings given in the Act;
- 1.2.3 the expression “**affiliates**”, in relation to any person or entity, means any person or entity who or which, directly or indirectly, controls, is controlled by, or is under common control with, such person or entity;
- 1.2.4 the expression “**control**” shall be construed in accordance with the Code;
- 1.2.5 a reference to an enactment or statutory provision shall include a reference to any subordinate legislation made under the relevant enactment or statutory provision and is a reference to that enactment, statutory provision or subordinate legislation as from time to time amended, consolidated, modified, re-enacted or replaced;
- 1.2.6 references to one gender shall include other genders;
- 1.2.7 words in the singular shall include the plural and vice versa;
- 1.2.8 a reference to a “**person**” shall include a reference to an individual, an individual’s executors or administrators, a partnership, a firm, a body corporate, an unincorporated association, government, state or agency of a state, local or municipal authority or government body, a joint venture or association (in any case, whether or not having separate legal personality);
- 1.2.9 a reference to a Recital, Clause or Schedule (other than to a schedule to a statutory provision) shall be a reference to a recital, clause or schedule (as the case may be) to this Agreement;
- 1.2.10 references to times are to London time;
- 1.2.11 any reference to a “**day**” (including within the phrase “**Business Day**”) shall mean a period of 24 hours running from midnight to midnight;
- 1.2.12 references to any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall in respect of any jurisdiction other than England be deemed to include what most nearly approximates the English legal term in that jurisdiction;
- 1.2.13 references to “**writing**” shall include any modes of reproducing words in any legible form and shall include email except where otherwise expressly stated;
- 1.2.14 a reference to “**includes**” or “**including**” shall mean “includes without limitation” or “including without limitation” respectively;
- 1.2.15 the rule known as the *ejusdem generis* rule shall not apply and accordingly general words introduced by the word “other” shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things;



- 1.2.16 general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words;
- 1.2.17 references to “£” and “**pounds sterling**” are to the lawful currency of the United Kingdom;
- 1.2.18 a reference to any other document referred to in this Agreement is a reference to that other document as amended, varied, novated or supplemented at any time; and
- 1.2.19 references to this Agreement include this Agreement as amended or supplemented in accordance with its terms.
- 1.3 The headings in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.
- 1.4 The Schedules form part of this Agreement and shall have the same force and effect as if set out in the body of this Agreement and any reference to this Agreement shall include the Schedules.
- 2. PUBLICATION OF THE PRESS ANNOUNCEMENT AND TERMS OF THE TRANSACTION**
- 2.1 The obligations of the parties under this Agreement, other than the Initial Provisions, shall be conditional on the release of the Press Announcement via a Regulatory Information Service at or before 8.00 a.m. on the date of this Agreement, or such later date and time as the parties may agree (and, where required by the Code, the Panel may approve). The Initial Provisions shall take effect on and from the date of this Agreement.
- 2.2 The terms of the Transaction shall be as set out in the Press Announcement, together with such other terms as may be agreed by the parties in writing (save in the case of an improvement to any of the terms of the Transaction, which shall be at the sole discretion of Bidco) and, where required by the Code, approved by the Panel.
- 2.3 The terms of the Transaction at the date of posting of the Scheme Document shall be set out in the Scheme Document. Should Bidco elect to implement the Transaction by way of an Offer in accordance with Clause 6, the terms of the Transaction shall be set out in the announcement of the switch to an Offer and in the Offer Document.
- 2.4 Subject to Clause 3, Bidco undertakes to Dechra to use all reasonable efforts to comply with its obligations under Rule 13.2 of the Code, as such rule is interpreted by the Panel.
- 3. REGULATORY CLEARANCES**
- 3.1 Bidco shall use all reasonable efforts to secure the Clearances as soon as reasonably practicable following the date of this Agreement and in any event in sufficient time to enable the Effective Date to occur by the Long Stop Date. This shall include Bidco on behalf of itself or any member of the Dechra Group only offering and executing any Remedies that are required or can reasonably be expected to be required to obtain the Clearances to enable the Effective Date to occur by the Long Stop Date, provided always that any such Remedy applies only to a member or members of the Dechra Group and/or its or their business(es). For the avoidance of doubt, this clause 3.1 shall not require Bidco to offer or execute any Remedy in relation to: (i) EQT, any EQT Fund, any portfolio company in which EQT Funds or any of EQT Funds’ associated companies or entities, have an equity or any other interest; or (ii) Luxinva, any member of the Luxinva Group, ADIA or any portfolio companies in which any of them, or any of their associated companies or entities have an equity or any other interest.

- 3.2 Without prejudice to the generality of Clause 3.1, subject to Dechra complying with its obligations as set out in Clause 3.4, Bidco and, where applicable, Dechra, shall submit to the Relevant Authorities (in draft or in final form, as appropriate and customary in each relevant jurisdiction) any filings, notifications or submissions as are necessary or advisable in connection with the Clearances which it has a responsibility to make under applicable Law (or if otherwise required by a Relevant Authority) within 20 Business Days, or such other time as agreed between the parties in writing, after the date of this Agreement and within any applicable mandatory time periods.
- 3.3 Except where otherwise required by applicable Law or a Relevant Authority, Bidco shall:
- 3.3.1 after prior consultation with Dechra determine the strategy to be pursued for obtaining the Clearances;
- 3.3.2 contact and correspond with the Relevant Authorities in relation to the Clearances, including submitting and preparing, with the assistance of Dechra in accordance with this Agreement, all necessary filings, notifications and submissions; and
- 3.3.3 be responsible for the payment of all filing fees required in connection with the Clearances.
- 3.4 Save to the extent prohibited by applicable Law or the Relevant Authority, Dechra undertakes to Bidco to:
- 3.4.1 provide as soon as reasonably practicable, and where reasonably possible before any deadline or due date imposed by applicable Law:
- (a) all such information as may reasonably be required by Bidco to determine in which jurisdictions any merger control, regulatory or other similar filing, notification or submission with a Relevant Authority may be necessary or advisable for the purposes of obtaining the Clearances;
- (b) all such information in Dechra's possession or control (which shall be supplied accurately) as may reasonably be requested by BidCo for the inclusion in any filings, notifications or submissions (including draft versions) to any Relevant Authority for the purposes of obtaining the Clearances or for inclusion in any responses to any requests for further information consequent upon such filings, notifications or submissions; and
- (c) all such other assistance and information as may reasonably be required for the purposes of obtaining the Clearances, including assistance in connection with such pre-notification contacts with the Relevant Authorities as Bidco considers desirable or appropriate in the circumstances, and the identifying, structuring and preparation of any Remedies (if any are required); and
- 3.4.2 provide as soon as reasonably practicable, in consultation with Bidco, such information and access to Dechra's management and employees as Bidco or any Relevant Authority may reasonably require for the purposes of making a filing, notification or submission to any Relevant Authority, and the identifying, structuring and preparation of any Remedies (if any are required) in connection with the Clearances.
- 3.5 Save to the extent prohibited by applicable Law or the Relevant Authority, Bidco undertakes to Dechra and Dechra undertakes to Bidco to:
- 3.5.1 provide, or procure the provision of, to the other party (and/or its legal advisers) draft copies of all filings, notifications, submissions, material correspondence and material

- communications (including, in the case of material non-written correspondence or communications, reasonably detailed summaries of such correspondence or communications), other than those of an administrative nature intended to be submitted, sent or communicated to any Relevant Authority in connection with obtaining any Clearance, at such time as will allow the other party (and/or its legal advisers) reasonable opportunity to review and comment thereon;
- 3.5.2 take into account reasonable comments made by the other party (and/or its legal advisers) on draft copies of filings, notifications, submissions, material correspondence and material communications provided pursuant to Clause 3.5.1;
- 3.5.3 as soon as reasonably practicable provide, or procure the provision of, to the other party (and/or its legal advisers) copies of all filings, notifications, submissions, material correspondence and material communications in the form finally submitted, sent or communicated to any Relevant Authority in connection with obtaining any Clearance (including, in the case of material non-written correspondence or communications, reasonably detailed summaries of such correspondence or communications);
- 3.5.4 as soon as reasonably practicable notify the other party (and/or its legal advisers) of, and provide copies of, any material correspondence and material communications (including, in the case of material non-written correspondence or communications, reasonably detailed written summaries of such correspondence or communications) received from any Relevant Authority in connection with obtaining the Clearances;
- 3.5.5 give the other party (and/or its legal advisers) reasonable notice of any meetings, hearings or scheduled telephone calls, other than those of an administrative nature, with any Relevant Authority in connection with obtaining the Clearances, and allow the other party (and/or its legal advisers) to attend and make reasonable oral submissions during any such material meetings, hearings or telephone calls (provided such oral submissions have been discussed by the parties in advance) and, where such attendance and participation is not permitted by applicable Law or the Relevant Authority, to provide, to the extent so permitted, the other party with a reasonably detailed written summary of such meeting, hearing or telephone call as soon as reasonably practicable following the meeting, hearing or telephone call;
- 3.5.6 keep the other party (and/or its legal advisers) informed as soon as reasonably practicable of developments which are material or potentially material to obtaining of any of the Clearances; and
- 3.5.7 not to withdraw a filing, submission or notification made to any Relevant Authority in connection with obtaining any of the Clearances without the prior consent of the other party.
- 3.6 If a provision of this Agreement obliges Bidco or Dechra (the “**Disclosing Party**”) to disclose any information to the other:
- 3.6.1 that is personally identifiable information of a director, officer or employee of the Disclosing Party or its affiliated persons, unless that information can be reasonably anonymised (in which case the Disclosing Party shall provide the relevant information on an anonymous basis);
- 3.6.2 which the Disclosing Party or its affiliated persons reasonably considers to be commercially or competitively or otherwise significantly sensitive;
- 3.6.3 which the Disclosing Party is prohibited from disclosing by applicable Law or the terms of an existing contract; or

3.6.4 where such disclosure would result in the loss of privilege that subsists in relation to such information, including legal professional privilege,

the Disclosing Party shall, to the extent permitted by applicable Law, disclose the relevant information to the other party:

- (a) on an outside counsel basis; or
- (b) where disclosure to the other party would reasonably be expected to have a material adverse effect on the Disclosing Party's legitimate business interest, directly to a Relevant Authority (and in such circumstances, the Disclosing Party shall provide, or procure the provision of, a non-confidential version of such information to the other party).

3.7 Except with the prior written consent of Dechra, until the Regulatory Conditions are fulfilled, Bidco shall not, and shall procure (so far as it is able to) that no person acting in concert with it (excluding any person co-investing (either directly through any EQT Funds or indirectly through acquiring an interest in an EQT managed co-investment partnership or other investment vehicle which has been or may be established as a co-investment vehicle to invest in parallel with or alongside the EQT Funds) in the Transaction) will take, or omit to take, or permit or cause to be taken or omitted to be taken, any action, or enter into any acquisition, transaction or other agreement, which it is aware would have the effect of preventing completion of or materially and adversely delaying the satisfaction of the Regulatory Conditions or completion of the Transaction; provided that, (i) in relation to EQT, nothing in this Clause 3.7 shall apply to: any EQT Fund other than EQT Fund X, any portfolio company in which EQT Funds or any of EQT Funds' associated companies or entities, have an equity or any other interest (other than any entity formed by EQT Fund X specifically for the purposes of the Transaction); and (ii) in relation to Luxinva and ADIA, this Clause 3.7 shall only apply to the Private Equities Department of ADIA (and nothing in this Clause 3.7 shall apply to (A) any portfolio company in which any member of the Luxinva Group has an equity or any other interest; (B) any other department or associated companies or entities of ADIA (other than the Luxinva Group); or (C) any portfolio company in which ADIA or its associated companies or entities have an equity or any other interest).

3.8 For the avoidance of doubt, nothing in Clause 3.7 or in this Agreement generally shall oblige ADIA, Luxinva or any of their respective associated companies or entities to furnish or provide non-public financial information relating to ADIA, Luxinva or any of their respective associated companies or entities (except to the extent expressly agreed between ADIA and the Panel) or personal information of any of their respective directors, ultimate beneficial owners or officers.

3.9 Notwithstanding any other provision of this Agreement to the contrary, nothing contained in this Agreement shall require a party (or any person acting in concert or presumed to be acting in concert) to take, or cause to be taken, any action with respect to the divestiture of assets, properties or businesses of the Dechra Group, or any combination thereof, that is not conditional on completion of the Transaction, except as otherwise agreed by the parties and with the consent of the Panel if required.

#### 4. **SCHEME DOCUMENT**

4.1 If the Transaction is being implemented by means of the Scheme, Bidco agrees to:

4.1.1 as soon as reasonably practicable provide to Dechra (and/or its legal advisers) all such information about itself, the Bidco Directors, EQT, ADIA, Luxinva or, to the extent required by the Panel, any other person acting in concert with Bidco (including any information required by the Code or under other applicable Law, including in relation

to the intentions of Bidco) as may be reasonably requested and which is reasonably required by Dechra and/or its legal advisers, having regard to the Code and other applicable Law, for inclusion in the Scheme Document;

- 4.1.2 as soon as reasonably practicable provide all such other assistance and access as may be reasonably required for the preparation of the Scheme Document and any other document required by the Code or other applicable Law to be published in connection with the Scheme, including access to, and procuring that reasonable assistance is provided by, Bidco's relevant professional advisers;
- 4.1.3 procure that the Bidco Directors (and any other person connected with Bidco and EQT (the "**EQT Responsible Persons**"), and/or ADIA and Luxinva (the "**Luxinva Responsible Persons**"), as required by the Panel) accept responsibility, in the terms required by the Code, for all the information in the Scheme Document, and any other document required by the Code or other applicable Law to be published in connection with the Scheme, relating to:
  - (a) themselves (and their close relatives (as defined in the Code), related trusts and companies and other persons connected with them) and (i) in the case of the Bidco Directors only, Bidco's concert parties (which, for the avoidance of doubt, shall not include any information (or expression of opinion) relating to EQT, ADIA or Luxinva or any of their respective affiliates, (ii) in the case of EQT Responsible Persons only, EQT and (iii) in the case of Luxinva Responsible Persons only, ADIA and Luxinva;
  - (b) information on Bidco's future plans for the Dechra Group and its management and employees;
  - (c) any statements of the opinion, belief, intention or expectation of (i) Bidco or the Bidco Directors (ii) in the case of EQT Responsible Persons only, EQT and/or (iii) in the case of the Luxinva Responsible Persons only, ADIA and/or Luxinva, in each case in relation to the Transaction or the Dechra Group following the completion of the Transaction; and
  - (d) any other information in the Scheme Document for which a bidder and/or its directors are required to accept responsibility under the Code; and
- 4.1.4 if any supplementary circular or document is required to be published in connection with the Scheme or, subject to the prior written consent of Bidco (such consent not to be unreasonably withheld or delayed), any variation or amendment to the Scheme, as soon as reasonably practicable provide such co-operation and information necessary to comply with the Code and any other applicable Law, including, but not limited to, the UK Listing Rules, in order to finalise such document.

## 5. IMPLEMENTATION OF THE SCHEME

- 5.1 Where the Transaction is being implemented by way of the Scheme, Bidco undertakes to deliver a notice in writing to Dechra on the Business Day prior to the Sanction Hearing, confirming either:
  - 5.1.1 the satisfaction or waiver of the Conditions (other than the Scheme Conditions set out in paragraphs 2.3 and 2.4 of Part A of Appendix 1 to the Press Announcement); or
  - 5.1.2 its intention to invoke one or more Conditions (subject always to obtaining consent of the Panel), and providing reasonable details of the event which has occurred, or circumstances which have arisen, which Bidco reasonably considers entitles it to

invoke such Condition or treat it as unsatisfied or incapable of satisfaction, and why Bidco considers such event or circumstance to be sufficiently material for the Panel to permit it to invoke such Condition(s),

provided in each case that the Sanction Hearing shall not be scheduled for or held on a date which is less than ten Business Days after the date of satisfaction or, if applicable, waiver of all Conditions (other than the Scheme Conditions set out in paragraphs 2.3 and 2.4 of Part A of Appendix 1 to the Press Announcement) and all Specified Regulatory Conditions.

- 5.2 Where the Transaction is being implemented by way of the Scheme, Bidco shall instruct counsel to appear on its behalf at the Sanction Hearing and undertake to the Court to be bound by the terms of the Scheme in so far as it relates to Bidco and to the extent that all the Conditions (other than the Scheme Conditions set out in paragraphs 2.3 and 2.4 of Part A of Appendix 1 to the Press Announcement) have been satisfied or waived prior to or on the date of the Sanction Hearing, Bidco shall provide such documentation or information as may reasonably be required by Dechra's counsel or the Court in relation to such undertaking.
- 5.3 If the board of Bidco intends to invoke (and the Panel would permit Bidco to so invoke) any of the Conditions, Bidco shall, subject to applicable Law, inform Dechra in writing of the same, providing reasonable details as soon as is reasonably practicable.

## 6. **SWITCHING TO AN OFFER**

- 6.1 The parties intend that the Transaction will be implemented by way of the Scheme. Bidco shall be entitled, with the consent of the Panel (if required), to elect at any time to implement the Transaction by way of the Offer, rather than the Scheme only if:
- 6.1.1 Dechra provides its prior written consent; or
- 6.1.2 a third party announces a firm intention to make an offer (whether or not subject to the satisfaction or waiver of any pre-conditions) for all of the issued, and to be issued capital of Dechra not already held by them or persons acting in concert with them, provided that Bidco shall consult with Dechra to the extent reasonably practicable prior to electing to implement the Transaction by way of an Offer in such circumstances; or
- 6.1.3 a Dechra Board Adverse Recommendation Change occurs.
- 6.2 In the event of an Agreed Switch, unless otherwise agreed with Dechra or required by the Panel, the parties agree:
- 6.2.1 the Acceptance Condition shall be set at 75 per cent of the Dechra Shares on a fully diluted basis (or such lesser percentage as may be determined by Bidco after (to the extent reasonably practicable) consultation with Dechra and (to the extent necessary) consultation with the Panel, being in any case more than 50 per cent of the Dechra Shares);
- 6.2.2 to the extent reasonably practicable, Bidco shall consult with Dechra in a timely manner as to the form and content and timing of publication of any announcements (and the related form of acceptance) relating to the Agreed Switch and its implementation and any proposed changes to the timetable in relation to the implementation of the Agreed Switch;
- 6.2.3 Bidco shall prepare the Offer Document and, to the extent reasonably practicable, shall consult reasonably with Dechra in relation thereto and shall allow Dechra reasonable opportunity to consider the draft Offer Document for review and comment, and shall reasonably consider comments proposed by Dechra;

- 6.2.4 Bidco shall seek Dechra's approval of the contents of the information on Dechra contained in the Offer Document before it is published, and to afford Dechra sufficient time to consider such document in order to give its approval of information for which Dechra or the Dechra Directors are taking responsibility (such approval not to be unreasonably withheld or delayed). Bidco shall only publish the Offer Document once the information in the Offer Document for which Dechra or the Dechra Directors are taking responsibility is in a form satisfactory to Bidco and Dechra (both acting reasonably), provided that if Dechra does not approve the Offer Document within 28 days from the date of the Agreed Switch, Bidco shall be entitled to publish the Offer Document containing only information required by Rule 24 of the Code and excluding such information as may be approved by the Panel;
- 6.2.5 Bidco shall not take any action which would cause the Offer not to proceed, to lapse or to be withdrawn, in each case for non-fulfilment of any Condition, prior to midnight on the 60th day after publication of the Offer Document ("**Day 60**") (including, without limitation, by publishing any acceptance condition invocation notice under Rule 31.6 of the Code or specifying in the Offer Document an unconditional date which is earlier than Day 60) or such later date as is set by the Panel for satisfaction of the Acceptance Condition in accordance with Rule 31.3 of the Code and Bidco shall ensure that the Takeover Offer remains open for acceptance until such time;
- 6.2.6 if at any time following the publication of the Offer Document it is reasonably expected (in the reasonable opinion of Bidco) that any outstanding Specified Regulatory Condition is not likely to be satisfied or waived (if capable of waiver) prior to the last date permitted under Rule 31.1 of the Code, Bidco shall, before the 30<sup>th</sup> day after the publication of the Offer Document (or such later date as Dechra may agree), consult with Dechra and the Panel as to whether the offer timetable should be suspended in accordance with Rule 31.4 or (if the 39<sup>th</sup> day after the publication of the Offer Document has passed) Day 60 shall be extended in accordance with Rule 31.3 (or, if applicable, further suspended or extended) to a date agreed between Bidco, Dechra and the Panel, provided always that such date shall not be later than the Long Stop Date;
- 6.2.7 Bidco shall ensure that, subject to the terms of this Agreement, the Offer is made on the same terms as, or improved terms relative to, those set out in the Press Announcement and the only conditions of the Offer shall be the Conditions (subject to replacing the Scheme Conditions with the Acceptance Condition referred to in Clause 6.2.1), unless the parties agree otherwise in writing or with any modification or amendments to such terms and Conditions as may be required by the Panel; and
- 6.2.8 Bidco shall keep Dechra informed, on a regularly or within three Business Days following receipt of a written request from Dechra, in each case on a confidential basis, of the number of holders of Dechra Shares that have validly accepted the Offer or withdrawn their acceptance of the Offer, or incorrectly submitted their acceptance or withdrawal, the identity of such shareholders and the number of Dechra Shares held by such shareholders.
- 6.3 In the event of any Agreed Switch, the parties agree that all provisions of this Agreement relating to the Scheme and the Scheme Document and its implementation shall apply to the Offer, the Offer Document and its implementation *mutatis mutandis*, save as set out in this Clause 6.
- 6.4 Bidco hereby represents that neither it, nor any person acting in concert with it, is at the date of this Agreement, and undertakes that (for so long as the Agreement is in force) it shall not (and shall procure to the extent that it is able that none of the persons acting in concert with it) become, following the date of this Agreement, required to make a mandatory offer for Dechra under Rule 9 of the Code, unless Clause 6.1.2 or 6.1.3 applies.

## 7. **DECHRA SHARE PLANS**

The parties agree that the provisions of Schedule 1 (*Dechra Share Plans*) with respect to certain employee-related matters shall be implemented in accordance with that Schedule.

## 8. **DIRECTORS' AND OFFICERS' INSURANCE**

8.1 If and to the extent such obligations are permitted by applicable Law, for six years after the Effective Date, Bidco shall procure that the members of the Dechra Group honour and fulfil their respective obligations (if any) existing as at the date of this Agreement to provide all reasonable assistance to the current directors and officers of Dechra to the extent they need to make a claim against the existing Dechra directors' and officers' insurance policy (including any associated run-off cover), in each case with respect to matters existing or occurring at or prior to the Effective Date.

8.2 Bidco acknowledges that Dechra may purchase directors' and officers' liability insurance cover for both current and former directors and officers of the Dechra Group, including directors and officers who retire or whose employment is terminated as a result of the Transaction, for acts and omissions up to and including the Effective Date, in the form of run-off cover for a period of six years following the Effective Date. Such insurance cover shall be with reputable insurers and provide cover, in terms of quantum and scope, substantially equivalent to that provided under the Dechra Group's directors' and officers' liability insurance as at the date of this Agreement.

## 9. **CODE AND RELEVANT APPLICABLE LAW**

9.1 Nothing in this Agreement shall in any way limit the parties' obligations, or those of their respective directors, under the Code and any applicable Law, and any uncontested rulings of the Panel as to the application of the Code in conflict with the terms of this Agreement shall take precedence over the terms of this Agreement.

9.2 The parties agree that, if the Panel determines that any provision of this Agreement that requires Dechra to take or not take action, whether as a direct obligation or as a condition to any other person's obligation (however expressed), is not permitted by Rule 21.2 of the Code, that provision shall have no effect and shall be disregarded, and neither Dechra nor the Dechra Directors shall have any obligation to take or not take any such action.

9.3 Nothing in this Agreement shall oblige Dechra or the Dechra Directors to recommend an Offer or a Scheme proposed by Bidco and/or EQT and/or any of the Wider Bidco Group.

## 10. **TERMINATION**

10.1 Subject to Clauses 10.2 and 10.3, this Agreement shall terminate with immediate effect and all rights and obligations of the parties under this Agreement shall cease immediately as follows:

10.1.1 if agreed in writing between the parties;

10.1.2 if the Press Announcement is not released via a Regulatory Information Service at or before 8.00 a.m. on the date of this Agreement (unless, prior to that time, the parties have agreed another later time and date in accordance with Clause 2.1);

10.1.3 upon service of written notice by Bidco to Dechra, if a Dechra Board Adverse Recommendation Change occurs and at such time no third party has announced a firm intention to make an offer or a revised offer (whether or not subject to the satisfaction or waiver of any pre conditions) or no possible offer announcement under Rule 2.4 of



the Code has been announced in relation Dechra in respect of any possible offer by a third party.

10.1.4 upon service of written notice by either party to the other party, if one or more of the following occurs:

- (a) prior to the Long Stop Date, any Condition has been invoked by Bidco (where the invocation of the relevant Condition is permitted by the Panel);
- (b) prior to the Long Stop Date, a third party announces a firm intention to make an offer or revised offer (whether or not subject to the satisfaction or waiver of any pre-conditions) for Dechra, which completes, becomes effective or is declared or becomes unconditional;
- (c) if the Transaction is withdrawn, terminated or lapses in accordance with its terms prior to the Long Stop Date and, where required, with the consent of the Panel (other than where: (i) such lapse or withdrawal is as a result of the exercise of Bidco's right to effect a switch from the Scheme to the Offer under Clause 6.1.1 or Clause 6.1.3; or (ii) it is otherwise to be followed within five Business Days (or such other period as Dechra and Bidco may agree) by an announcement under Rule 2.7 of the Code made by Bidco or any person acting in concert with Bidco (or deemed to be acting in concert with Bidco) to implement the Transaction by a different offer or scheme on substantially the same or improved terms);
- (d) if the Scheme is not approved by the holders of Scheme Shares at the Court Meeting and/or the Dechra Shareholders do not approve the resolutions proposed at the Dechra General Meeting, or the Court refuses to sanction the Scheme; or
- (e) unless otherwise agreed by the parties in writing or required by the Panel, if the Effective Date has not occurred by the Long Stop Date.

10.2 Termination of this Agreement shall be without prejudice to the rights of either party that have or may have arisen at or prior to termination.

10.3 Clauses 1, 3 (insofar as it imposes obligations on Dechra), 8 to 20 (inclusive), 22 and 23 shall survive termination of this Agreement.

## 11. **WARRANTIES AND UNDERTAKINGS**

11.1 Each of the parties warrants to the other on the date of this Agreement that:

- 11.1.1 it has the requisite power and authority to enter into and perform its obligations under this Agreement;
- 11.1.2 this Agreement constitutes its legal, valid and binding obligations in accordance with its terms; and
- 11.1.3 the execution and delivery of, and performance of its obligations under, this Agreement shall not:
  - (a) result in a breach of any provision of its constitutional documents;

- (b) result in a breach of, or constitute a default under, any instrument (which is material in the context of the Transaction) to which it is a party or by which it is bound; or
  - (c) result in a breach of any order, judgment or decree of any court or governmental agency to which it is a party or by which it is bound.
- 11.2 No party shall have any claim against the other for breach of warranty after the Effective Date (without prejudice to any liability for fraudulent misrepresentation or fraudulent misstatement).
- 11.3 Bidco warrants to Dechra that, as at the date of the Agreement:
  - 11.3.1 no shareholder resolution of Bidco is required to implement the Transaction; and
  - 11.3.2 it is not aware of any matter or circumstance which would or could reasonably be expected to result in any of the Conditions not being satisfied.
- 11.4 Bidco acknowledges and agrees that any information and/or assistance provided by any of the Dechra Directors, officers or employees (each a “**Dechra Representative**”) to it and/or any member of the Wider Bidco Group, the EQT Group or the Luxinva Group or any of their respective directors, officers or employees, whether before, on or after the date of this Agreement: (i) pursuant to the obligations of Dechra or any member of the Dechra Group under or otherwise in connection with this Agreement; or (ii) in connection with the Transaction, shall in each case be (and have been) given on the basis that the relevant Dechra Representative shall not incur any liability, whether in contract, tort (including negligence) or otherwise, nor owe any duty of care in connection with the Transaction to Bidco or any member of the Wider Bidco Group, the EQT Group or the Luxinva Group or any of their respective directors, officers or employees in respect of any loss or damage that any member of the Wider Bidco Group, the EQT Group or the Luxinva Group or any of their respective directors, officers or employees may suffer as a result of the provision of any such information and/or assistance, save, in each case for loss or damage resulting from the fraudulent misrepresentation of the relevant Dechra Representative.

## 12. NOTICES

- 12.1 A notice under or in connection with this Agreement (a “**Notice**”) shall be:
  - 12.1.1 in writing;
  - 12.1.2 in the English language; and
  - 12.1.3 delivered personally or sent by first class post pre-paid recorded delivery (and air mail if overseas) or by email to the party due to receive the Notice at the address specified in Clause 12.2 (or to another address specified by that party by not less than seven days’ written notice to the other party).
- 12.2 The address referred to in Clause 12.1.3 is:
  - 12.2.1 in the case of Bidco:

Address: 3rd Floor  
30 Broadwick Street  
London, W1F 8JB  
United Kingdom

Email: [REDACTED]

[REDACTED]

Marked for the attention of [REDACTED] and a copy to (but such copy shall not constitute Notice):

Address: Kirkland & Ellis LLP  
30 St Mary's Axe  
London, EC3A 8AF  
United Kingdom

Email: [REDACTED]

Marked for the attention of [REDACTED]

in the case of Dechra:

Address: Dechra Pharmaceuticals PLC  
24 Cheshire Avenue  
Cheshire Business Park  
Lostock Gralam  
Northwich  
CW9 7UA

Email: [REDACTED]

Marked for the attention of the Company Secretary and a copy to (but such copy shall not constitute Notice):

Address: DLA Piper UK LLP  
Two Chamberlain Square  
Paradise  
Birmingham  
B3 3AX  
United Kingdom

Email: [REDACTED]

Marked for the attention of [REDACTED]

- 12.3 A party may change its notice details on giving notice to the other party of the change in accordance with Clauses 12.1, 12.2 and 12.4.
- 12.4 Unless there is evidence that it was received earlier, a Notice is deemed given:
  - 12.4.1 if delivered personally, when left at the address referred to in Clause 12.2;
  - 12.4.2 if sent by post, except air mail, two Business Days after posting it;
  - 12.4.3 if sent by air mail, six Business Days after posting it;

12.4.4 if sent by email, when sent, provided that the sender does not receive a notice of non-delivery.

Any Notice sent or delivered (as applicable) outside of the hours of 9 a.m. to 5.30 p.m. shall be deemed to be given at the start of the next Business Day after the date referred to in Clauses 12.4.1 to 12.4.4 (as applicable).

### 13. **REMEDIES AND WAIVERS**

13.1 No delay or omission by any party to this Agreement in exercising any right, power or remedy provided by applicable Law or under this Agreement shall affect that right, power or remedy or operate as a waiver of it.

13.2 The single or partial exercise of any right, power or remedy provided by applicable Law or under this Agreement shall not preclude any other or further exercise of it or the exercise of any other right, power or remedy.

13.3 The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers and remedies provided by applicable Law.

13.4 Without prejudice to any other rights and remedies which either party may have, each party acknowledges and agrees that damages alone may not be an adequate remedy for any breach by either party of the provisions of this Agreement and the other party shall be entitled to seek the remedies of injunction, specific performance and other equitable remedies, for any threatened or actual breach of any such provision of this Agreement by a party hereto, and no proof of special damages shall be necessary for the enforcement by either party of the rights under this Agreement.

13.5 Nothing in this Agreement shall oblige Dechra to pay an amount in damages which the Panel determines would not be permitted by Rule 21.2 of the Code.

### 14. **VARIATION**

No variation of this Agreement shall be valid unless it is in writing (which, for this purpose, does not include email) and signed by or on behalf of each of the parties.

### 15. **INVALIDITY**

15.1 If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the applicable Law of any jurisdiction, that shall not affect or impair:

15.1.1 the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement; or

15.1.2 the legality, validity or enforceability under the applicable Law of any other jurisdiction of that or any other provision of this Agreement,

and, if such provision would be valid and enforceable if deleted in whole or in part or reduced in application, such provision shall apply with such deletion or modification as may be necessary to make it valid and enforceable.

### 16. **ENTIRE AGREEMENT**

16.1 Save for the Confidentiality Agreement, the Clean Team Agreement (which remain in force) and any other agreements the parties agree in writing are deemed to be included in this Clause 16, this Agreement constitutes the whole and only agreement between the parties relating to the

Transaction, and supersedes any previous agreement whether written or oral between the parties in relation to the Transaction.

16.2 Except in the case of fraud, each party acknowledges that it is entering into this Agreement in reliance upon only this Agreement and that it is not relying upon any pre-contractual statement that is not set out in this Agreement.

16.3 Except in the case of fraud, no party shall have any right of action (including those in tort or arising under statute) against the other party arising out of or in connection with any pre-contractual statement, except to the extent that it is repeated in this Agreement.

16.4 For the purposes of this Clause 16, “**pre-contractual statement**” means any draft, agreement, undertaking, representation, warranty, promise, assurance or arrangement of any nature whatsoever, whether or not in writing, relating to the subject matter of this Agreement made or given by any person at any time before the date of this Agreement.

## 17. **THIRD PARTY RIGHTS**

17.1 Each of the persons to whom Clauses 8 and/or 11.4 applies (“**Relevant Third Party**”) may under the Contracts (Rights of Third Parties) Act 1999 enforce the terms of Clauses 8 and/or 11.4 (as applicable). This right is subject to: (i) the rights of the parties to rescind or vary this Agreement without the consent of any other person (save that any amendment, waiver or variation of Clause 8 and/or 11.4 shall require the consent of the affected Relevant Third Party); and (ii) the other terms and conditions of this Agreement.

17.2 Except as set out in clause 17.1 above, a person who is not a party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of, or enjoy any benefit under, this Agreement.

## 18. **NO PARTNERSHIP**

No provision of this Agreement creates a partnership between any of the parties or makes a party the agent of another party for any purpose. A party has no authority or power to bind, to contract in the name of, or to create a liability for another party in any way or for any purpose.

## 19. **ASSIGNMENT**

No party shall be entitled to assign (whether absolutely or by way of security and whether in whole or in part), transfer, mortgage, charge, declare itself a trustee for a third party of, or otherwise dispose of in any manner whatsoever, the benefit of this Agreement (or any part of it) or sub-contract in any manner whatsoever its performance under this Agreement, without the prior written consent of the other party.

## 20. **COSTS AND EXPENSES**

Save as expressly provided otherwise, each party shall pay its own costs and expenses in relation to the negotiation, preparation, execution and implementation of this Agreement and any matter contemplated by it.

## 21. **FURTHER ASSURANCE**

Each party shall, at the cost of the requesting party, use reasonable endeavours to, or use reasonable endeavours to procure that any relevant third party shall, do and/or execute and/or perform all such further deeds, documents, assurances, acts and things as the requesting party may reasonably require to give effect to this Agreement to the requesting party.

22. **COUNTERPARTS**

- 22.1 This Agreement may be executed in any number of counterparts, and by the parties on separate counterparts, but shall not be effective until each party has executed at least one counterpart. Each counterpart shall constitute an original of this Agreement, but all the counterparts shall together constitute one and the same instrument.
- 22.2 Delivery of an executed counterpart signature page of this Agreement by email (pdf, jpeg or other agreed format) shall be as effective as manual delivery. In relation to each counterpart, upon confirmation by or on behalf of the signatory that the signatory authorises the attachment of such counterpart signature page on the final text of this Agreement, such counterpart signature page shall take effect with such final text as a complete authorised counterpart.

23. **GOVERNING LAW AND JURISDICTION**

- 23.1 This Agreement is to be governed by and construed in accordance with English law. Any matter, claim or dispute arising out of or in connection with this Agreement, whether contractual or non-contractual, is to be governed by and determined in accordance with English law.
- 23.2 The parties irrevocably submit to the exclusive jurisdiction of the courts of England and Wales in respect of any matter, claim or dispute arising out of or in connection with this Agreement, whether contractual or non-contractual.

IN WITNESS WHEREOF the parties have executed this Agreement on the date first set out above.

**EXECUTED BY**

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acting for and on behalf of  
**Freya Bidco Limited**

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**EXECUTED BY**

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acting for and on behalf of  
**Dechra Pharmaceuticals PLC**

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**SCHEDULE 1**  
**DECHRA SHARE PLANS AND EMPLOYEES**

**PART 1**

**DECHRA SHARE PLANS**

In this schedule 1, references to an award include, where the context requires, a conditional right to acquire, or an option over, Dechra Shares (or a right to receive a cash sum equal in value to Dechra Shares, less any applicable exercise price, whether notional or otherwise) granted pursuant to the Dechra Share Plans.

In the event the Transaction is effected by way of an Offer, references to the date on which the Court sanctions the Scheme pursuant to section 899 of the Act (the "**Court Sanction Date**") and the Effective Date in this schedule 1 will be read as if they refer to the date on which the Offer becomes or is declared unconditional in all respects or, where appropriate, the date on which Bidco obtains control of Dechra pursuant to the Offer.

**1 Outstanding share awards**

1.1 Dechra confirms that there are outstanding awards under the following employee share plans (together, the "**Dechra Share Plans**"):

- (a) the Dechra Unapproved Share Option Scheme (the "**Unapproved Share Option Scheme**");
- (b) the Dechra Approved Share Option Scheme (the "**Approved Share Option Scheme**");
- (c) the Dechra 2017 Long Term Incentive Plan (the "**LTIP**");
- (d) the Dechra 2021 Deferred Bonus Plan (the "**DBP**");
- (e) the Dechra Save As You Earn Option Scheme (the "**SAYE**"); and
- (f) the Dechra Global Save As You Earn Plan 2018 (the "**Global SAYE**").

1.2 Dechra confirms that, as at 30 May 2023, the following awards were outstanding under the Dechra Share Plans:

<b>Dechra Share Plan</b>	<b>Form of award</b>	<b>Number of Dechra Shares subject to outstanding awards</b>	<b>Exercise price per Dechra Share</b>
Unapproved Share Option Scheme	Options (non-tax-advantaged)	16,700	£7.63 - £13.69
LTIP			
	Non-tax-advantaged options	648,476	£21.66 - £49.09

	Tax-advantaged options	Options	26,209	£21.66 - £49.09
	Long Term Incentive Plan awards	Options	170,708	Nil
	Qualifying LTIP awards	Options (tax-advantaged)	6,030	£31.99 - £49.09
		Options (nil-cost)	78,579	Nil
	DBP	Options (nil-cost)	7,528	Nil
	SAYE	Options	3,185	£16.46 - £19.74
	Global SAYE	Options (UK)	33,937	£25.73 - £28.68
		Options (US)	22,573	£27.62 - £44.93
		Options (Global)	176,018	£27.62 - £44.93
	<b>Total</b>	N/A	1,189,943	N/A

1.3 Other than in respect of the DBP, no dividend equivalents have accrued or will accrue in respect of awards under the Dechra Share Plans.

1.4 Dechra confirms that, as at 30 May 2023, the following dividend equivalents had accrued in respect of the following awards and will be settled in cash:

<b>Dechra Share Plan</b>	<b>Cash value of dividend equivalents that have accrued under the Dechra Share Plans</b>
DBP	£3,416.96

1.5 Dechra confirms that no additional awards have been granted under the Dechra Share Plans since 30 May 2023.

## **2 General**

2.1 Bidco acknowledges and agrees that, before the Effective Date, the Dechra Directors (and, where appropriate, the remuneration committee of the board of Dechra Directors (the "**Dechra Remuneration Committee**") may, subject to Rule 21.1 of the Code, operate the Dechra Share Plans as they consider appropriate in accordance with their rules, Dechra's normal practice, and, where applicable, the directors' remuneration policy approved by Dechra Shareholders from time to time (the "**Dechra Directors' Remuneration Policy**"). This may include (but is not limited to) issuing invitations and granting new awards in respect of any ordinary annual operation of the Dechra Share Plans; granting awards under the Dechra Share Plans at other times in respect of recruitment or for retention purposes; determining performance conditions for outstanding awards due to vest (including how such

performance conditions will be tested shortly before the Court Sanction Date); determining the timing and extent to which awards under the Dechra Share Plans will vest in the ordinary course; exercising any discretion under the Dechra Share Plans; satisfying the vesting, exercise and release of awards under the Dechra Share Plans (including by issuing new Dechra Shares or transferring Dechra Shares from treasury or the EBT or settling awards in cash); funding the EBT to acquire Shares to settle awards under the Dechra Share Plans; and determining the treatment of awards held by leavers.

- 2.2 Bidco agrees that Dechra may amend the rules of the Dechra Share Plans if the Dechra Directors (or, where appropriate, the Dechra Remuneration Committee) are of the opinion that such amendments are necessary to implement the Scheme or the treatment of awards expressly set out in this schedule 1, to facilitate the administration of the Dechra Share Plans or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or Dechra.
- 2.3 Dechra and Bidco acknowledge that:
  - (a) the Scheme Record Time (as defined in the Press Announcement) shall take place after the Sanction Hearing to allow those participants in the Dechra Share Plans who acquire Dechra Shares on or before the Sanction Hearing (including where awards vest and/or are exercised upon the Court sanctioning the Scheme and such awards are settled by the delivery of Dechra Shares shortly following the Sanction Hearing) to have those Dechra Shares acquired by Bidco and dealt with through the Scheme; and
  - (b) Dechra will prepare, in a form to be agreed between Dechra and Bidco, communications to be sent jointly by Dechra and Bidco to each of the participants in the Dechra Share Plans, where applicable to enable Bidco to satisfy its obligations under Rule 15 of the Code, and to send, or arrange for the sending of, such communications to the participants at the appropriate time as agreed between the parties.
- 2.4 A resolution will be proposed at the Dechra General Meeting to amend the Dechra articles of association to provide (amongst other things) that any Dechra Shares issued after the Scheme Record Time will be automatically transferred to, or to the order of, Bidco in exchange for the same consideration as is due under the Scheme.
- 2.5 Bidco acknowledges and agrees that if for any reason Dechra Shares cannot be issued or transferred when awards are exercised or vest under the Dechra Share Plans or, the Dechra Remuneration Committee considers that it is inconvenient or costly to do so, such awards may be settled by Dechra in cash.
- 2.6 Bidco acknowledges that, following prior consultation with Bidco and having provided Bidco with reasonable time to review and comment on any draft submission, Dechra may make any submission to the Panel that it deems necessary to implement the arrangements contemplated by this schedule 1, and Bidco agrees to co-operate promptly and in good faith in the making of any such submission.
- 2.7 Bidco confirms that none of the awards under the Dechra Share Plans will be exchanged for, converted into or replaced by any options or awards issued or granted by Bidco or any member of the Bidco Group in respect of the shares in Bidco or any member of the Bidco Group.

### **3 Treatment of share awards**

3.1 The parties agree that the outstanding awards under the Dechra Share Plans, together with any additional awards that are granted under the Dechra Share Plans following the date of this Agreement, shall be dealt with in accordance with the principles set out in this schedule 1.

#### **3.2 Unapproved Share Option Scheme**

- (a) Bidco acknowledges that all awards under the Unapproved Share Option Scheme have already vested.
- (b) Bidco acknowledges that awards under the Unapproved Share Option Scheme will remain exercisable for a period of six months following the Court Sanction Date, after which they will lapse to the extent not exercised (unless they lapse earlier in accordance with the rules of the Unapproved Share Option Scheme).

#### **3.3 Approved Share Option Scheme**

- (a) Bidco acknowledges that all awards under the Approved Share Option Scheme have already vested.
- (b) Bidco acknowledges that awards under the Approved Share Option Scheme will remain exercisable for a period of 20 days following the Court Sanction Date, after which they will lapse to the extent not exercised (unless they lapse earlier in accordance with the rules of the Approved Share Option Scheme).

#### **3.4 LTIP**

- (a) Bidco acknowledges that all unvested awards under the LTIP will vest on the Court Sanction Date, in accordance with the rules of the LTIP and the terms on which they were granted.
- (b) Bidco acknowledges that the extent to which unvested awards under the LTIP will vest in connection with the Transaction is to be determined solely by the Dechra Remuneration Committee in accordance with the rules of the LTIP and, where applicable, the Dechra Directors' Remuneration Policy.
- (c) Bidco acknowledges that the Dechra Remuneration Committee has determined that non-tax-advantaged options and tax-advantaged options granted under the LTIP (other than tax-advantaged options that form part of a Qualifying LTIP award) will vest in full in connection with the Transaction.
- (d) Bidco acknowledges that the Dechra Remuneration Committee has determined that the extent to which Long Term Incentive Plan and Qualifying LTIP awards granted under the LTIP that are outstanding at the date of this Agreement will vest will be determined by the Dechra Remuneration Committee on the following basis:
  - (i) performance conditions relating to Dechra's total shareholder return (accounting for one third of the Dechra Shares to which such awards relate) shall be assessed by the Dechra Remuneration Committee on, or shortly prior to, the Court Sanction Date;
  - (ii) performance conditions relating to Dechra's earnings per share (accounting for two thirds of the Dechra Shares to which such awards relate) and the ROCE underpin will be satisfied in full; and

- (iii) time pro-rating shall be applied by reference to the period of time between the beginning of the performance period applicable to an award and the Court Sanction Date as a proportion of the performance period applicable to such award.
- (e) Bidco acknowledges that awards under the LTIP will remain exercisable for a period of one month (or, in the case of tax-advantaged options and Qualifying LTIP awards, 20 days) following the Court Sanction Date, after which they will lapse to the extent not exercised (unless they lapse earlier in accordance with the rules of the LTIP).

### 3.5 **DBP**

- (a) Bidco acknowledges that all unvested awards under the DBP will vest in full on the Court Sanction Date, in accordance with the rules of the DBP and the terms on which they were granted.
- (b) Bidco acknowledges that awards under the DBP will remain exercisable for a period of one month following the Court Sanction Date, after which they will lapse to the extent not exercised (unless they lapse earlier in accordance with the rules of the DBP).
- (c) Bidco acknowledges that to the extent any additional awards under the DBP are made in the ordinary course after the Effective Date, such awards will be settled in cash and no Dechra Shares will be issued in respect of them.

### 3.6 **SAYE**

- (a) Bidco acknowledges that all unvested options under the SAYE will vest on the Court Sanction Date, in accordance with the rules of the SAYE and the terms on which they were granted.
- (b) Bidco acknowledges that options under the SAYE will remain exercisable for a period of 20 days following the Court Sanction Date after which they will lapse to the extent not exercised (unless they lapse earlier in accordance with the rules of the SAYE).

### 3.7 **Global SAYE**

- (a) Bidco acknowledges that all unvested options under the Global SAYE will vest on the Court Sanction Date, in accordance with the rules of the Global SAYE and the terms on which they were granted.
- (b) Bidco acknowledges that options under the Global SAYE will remain exercisable for a period of six months (or, in the case of UK participants, 20 days) following the Court Sanction Date after which they will lapse to the extent not exercised (unless they lapse earlier in accordance with the rules of the Global SAYE).

### 3.8 **Compensatory payment**

- (a) Bidco acknowledges that options under the SAYE and Global SAYE may be exercised to the extent of savings made at the relevant time and, consequently, that such options may be exercisable over fewer Dechra Shares than would otherwise be the case on maturity of the relevant savings contract. Accordingly, Bidco agrees that, subject to and conditional upon the Effective Date occurring, it will pay (or procure the payment of) a one-off cash amount ("**Compensatory Payment**") to those

participants in the SAYE and Global SAYE who exercise their options on the Court Sanction Date determined in accordance with the following formula provided that no such Compensatory Payment will be made in respect of options granted under the SAYE and Global SAYE after the date of this Agreement:

$$A = (B - C) \times D$$

Where:

**A** is the value of the Compensatory Payment;

**B** is the value of the cash consideration per Dechra Share payable by Bidco to Dechra Shareholders under the Scheme;

**C** is the exercise price per Dechra Share of the relevant SAYE or Global SAYE option; and

**D** is the additional number of Dechra Shares the participant would have acquired had they continued to make their monthly savings contributions after the Court Sanction Date and exercised their option at the end of the earlier of (i) six months following the Court Sanction Date and (ii) the maturity of the relevant savings contract.

- (b) Bidco acknowledges that any Compensatory Payment made in accordance with paragraph 3.8(a) above will be subject to deductions for income tax and employee's social security contributions. Accordingly, Bidco agrees that it will, in the case of UK participants in the Global SAYE, pay (or procure the payment of) such additional amount of cash to the participant as is needed for the participant to receive the full Compensatory Payment on an after-tax basis.

### 3.9 **Employee benefit trust**

- (a) Dechra confirms that, as at 30 May 2023, 7,528 Dechra Shares were held in an employee benefit trust (the "**EBT**"), together with £620.49 in cash.
- (b) Dechra and Bidco agree that the trustee of the EBT will be requested to use the Dechra Shares it holds to satisfy outstanding awards under the Dechra Share Plans as far as possible in priority to the issue of any new Dechra Shares. Dechra and Bidco further agree that the trustee of the EBT will be requested to use any cash it holds: (i) to satisfy any cash-settled awards, or (ii) to subscribe for new shares to satisfy outstanding awards.

**PART 2**  
**EMPLOYEES**

**1 Ordinary course of business arrangements**

Bidco acknowledges and agrees that Dechra intends to carry out annual (or other periodic) pay reviews, appraisals and promotion rounds in the ordinary course of business and in a manner consistent with historic practice as to timing, quantum and promotion criteria (as applicable).

**2 Maintenance of Compensation and Benefits**

Bidco agrees that it shall, or shall cause the relevant employing entity in the Dechra Group or the Bidco Group to, at a minimum, for the twelve-month period immediately following the Effective Date:

- (a) in respect of each person who was a Dechra Employee immediately prior to the Effective Date and who remains in employment within the Dechra Group or the Bidco Group, maintain at least the same base salary or wage rate as were provided to each such Dechra Employee immediately prior to the Effective Date; and
- (b) provide a benefits and allowance package (including pension benefits), which, taken as a whole, is at least substantially comparable in the aggregate to the existing benefits and allowances available to such Dechra Employee immediately prior to the Effective Date.

**3 Annual bonus**

Bidco acknowledges that:

- (a) Dechra operates annual bonus arrangements which are conditional on financial and individual performance, which was to include certain other metrics in relation to ESG performance from the 2024 financial year onwards;
- (b) bonus determinations for any Dechra financial year completed before the Effective Date will be undertaken by Dechra and determined and, if applicable, paid by Dechra in accordance with the Dechra remuneration policy (where applicable) and consistent with normal Dechra practice with payment being made on the normal bonus payment date;
- (c) for the Dechra financial year in which the Effective Date occurs, annual bonuses will be determined and, if applicable, paid by Dechra in accordance with the relevant Dechra policies and practices existing on the Effective Date (provided that the principles for the setting of target and maximum opportunities and performance metrics shall not differ materially from those applicable in the Dechra financial year completed before the Effective Date, and, other than the Dechra Directors' deferred bonus payments which have been disclosed to Bidco, any catch-up bonus payments carried forward to the Dechra financial year in which the Effective Date occurs shall be at Bidco's sole discretion);
- (d) for financial years starting after the Dechra financial year in which the Effective Date occurs, Dechra Employees will be eligible to participate in discretionary bonus arrangements operated by Bidco in accordance with Bidco's policies and practices from time to time.

- (e) The provisions of this paragraph 3 shall apply only in respect of annual bonus arrangements and shall not apply to any other form of employee incentive arrangements (deferred or otherwise) or benefits.

#### **4 Severance arrangements**

Bidco agrees that, if any Dechra Employee is the subject of a Qualifying Termination (as defined in paragraph 5 below) at any time during the period of twelve months from the Effective Date, such Dechra Employee will:

- (a) be entitled to applicable redundancy and severance payments, benefits and arrangements that are no less favourable than those under any Dechra Redundancy Policies in place immediately before the date of this Agreement;
- (b) receive any bonus entitlement calculated on a pro-rata basis to the date of termination or, if required by law or any applicable Dechra Redundancy Policies, to the date upon which notice would have expired in the absence of a payment in lieu of notice; and
- (c) where consistent with Dechra's practices in the relevant jurisdiction as at the date of this agreement, receive a reasonable and appropriate contribution towards legal fees if they enter into a settlement agreement in connection with the termination of their employment.

#### **5 Interpretation**

5.1 In this Schedule 1, a "**Qualifying Termination**" is:

- (a) any termination by the employer taking effect after the Effective Date: (i) other than by reason of the Dechra Employee's misconduct or poor performance (provided, in the opinion of the Group HR Director of Dechra as at the Effective Date (or, if that person is no longer in role, the Dechra Employee responsible at the relevant time for HR activities within the Dechra Group), an appropriate and reasonable disciplinary process or performance improvement plan was followed prior to termination); or (ii) other than where the employer is entitled pursuant to the employment contract to dismiss the Dechra Employee summarily without notice (or payment in lieu of notice);
- (b) a termination taking effect after the Effective Date by reason of the Dechra Employee's resignation in circumstances amounting to constructive dismissal; or
- (c) a termination taking effect after the Effective Date by reason of the Dechra Employee's resignation where, without the Dechra Employee's express written consent: (i) the Dechra Employee's role and/or reporting level and/or status has been materially diminished; or (ii) there is a material reduction in the Dechra Employee's base salary or wage, cash or compensation, taken as a whole, or a material reduction in the Dechra Employee's benefits and allowance package, taken as a whole; or (iii) a Dechra Employee's normal place of work is moved more than 25 miles from their previous place of work. In the event of any dispute about whether (i) or (ii) applies to a particular Dechra Employee, the decision shall be referred to the Group HR Director of Dechra (or, if that person is no longer in role, the Dechra Employee responsible for HR activities within the Dechra Group at the relevant time), who will, acting reasonably, determine the position with reference to the guidelines implemented by Dechra immediately prior to the Effective Date (provided that such guidelines are implemented reasonably and fairly in the circumstances).



5.2 In this Schedule 1, "**Dechra Redundancy Policies**" is any Dechra policies, principles or practices in existence at local Dechra level at the date of this Agreement, including for the avoidance of doubt any specific contractual terms agreed with any employee of the Dechra Wider Group and existing at the date of this Agreement Dechra and/or any policy or arrangement agreed between Bidco and Dechra from time to time.

**SCHEDULE 2**  
**PRESS ANNOUNCEMENT**

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF THAT JURISDICTION**

**FOR IMMEDIATE RELEASE**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

**2 June 2023**

**RECOMMENDED CASH ACQUISITION**

**of**

**Dechra Pharmaceuticals PLC**

**by**

**Freya Bidco Limited**

**(a newly formed company to be indirectly owned by (i) EQT X EUR SCSp and EQT X USD SCSp, each acting through its manager (*gérant*) EQT Fund Management S.à r.l., and (ii) Luxinva S.A.)**

**to be implemented by means of a scheme of arrangement  
under Part 26 of the Companies Act 2006**

**Summary**

- The boards of directors of Freya Bidco Limited (“**Bidco**”) and Dechra Pharmaceuticals PLC (“**Dechra**”) are pleased to announce that they have reached agreement on the terms and conditions of a recommended cash acquisition by Bidco of the entire issued, and to be issued, ordinary share capital of Dechra. It is intended that the Acquisition will be implemented by way of a court-sanctioned scheme of arrangement under Part 26 of the 2006 Act.
- Under the terms of the Acquisition, each Dechra Shareholder will be entitled to receive:  
  
**for each Dechra Share held: 3,875 pence in cash**
- The Acquisition Price per Dechra Share represents a premium of approximately:
  - 44 per cent. to the Closing Price of 2,690 pence per Dechra Share on 12 April 2023 (being the last Business Day before the commencement of the Offer Period);

- 49 per cent. to the volume-weighted average price of 2,602 pence per Dechra Share for the one-month period ended 12 April 2023 (being the last Business Day before the commencement of the Offer Period);
- 38 per cent. to the volume-weighted average price of 2,811 pence per Dechra Share for the three-month period ended 12 April 2023 (being the last Business Day before the commencement of the Offer Period); and
- 40 per cent. to the volume-weighted average price of 2,761 pence per Dechra Share for the six-month period ended 12 April 2023 (being the last Business Day before the commencement of the Offer Period).
- The Acquisition values Dechra's entire issued, and to be issued, ordinary share capital at approximately £4,459 million on a fully diluted basis, and implies an enterprise value of £4,882 million and a multiple of approximately 25.9 times Dechra's EBITDA for the twelve months ended 31 December 2022 of £188 million.
- If, on or after the date of this announcement and prior to the Acquisition becoming Effective, any dividend and/or other distribution and/or other return of capital or value is announced, declared, made or paid or becomes payable in respect of the Dechra Shares, Bidco reserves the right to reduce the consideration payable under the terms of the Acquisition for the Dechra Shares by an amount up to the aggregate amount of such dividend and/or distribution and/or other return of capital or value, in which case any reference in this announcement to the consideration payable under the terms of the Acquisition will be deemed to be a reference to the consideration as so reduced. Any exercise by Bidco of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Scheme or the Acquisition. In such circumstances, Dechra Shareholders would be entitled to retain any such dividend, distribution and/or other return of capital or value.
- In accordance with the reservations set out by EQT in the announcements by Dechra on 13 April 2023 and 11 May 2023, the Acquisition Price which the Dechra Directors intend to unanimously recommend to Dechra Shareholders is lower than the price disclosed in such announcements.

## **Recommendation**

- The Dechra Directors, who have been so advised by Investec as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing its advice, Investec has taken into account the commercial assessments of the Dechra Directors. Investec is providing independent financial advice to the Dechra Directors for the purposes of Rule 3 of the Takeover Code.
- Accordingly, the Dechra Directors intend to recommend unanimously that Dechra Shareholders vote in favour of the Scheme at the Court Meeting and the resolution(s) to be proposed at the General Meeting as the Dechra Directors who hold Dechra Shares have irrevocably undertaken to do in respect of their own holdings over which they have control, being, in aggregate 433,573 Dechra Shares (representing approximately 0.381 per cent. of the existing issued ordinary share capital of Dechra) as at 1 June 2023, being the Business Day prior to the date of this announcement. Further details of these undertakings, including

the circumstances in which they cease to be binding, are set out in Appendix 3 to this announcement.

### **Background to and reasons for the Acquisition**

- Bidco views Dechra as a high quality and leading company operating in the attractive animal health pharmaceuticals market, which is expected to benefit from numerous long-term growth drivers including positive demographics, increasing pet ownership, medical innovation and greater focus on animal care within the family.
- Dechra has an attractive portfolio of products and pipeline and is perceived as a leading specialist by vets and customers in the market segments in which it operates. The company is led by a high quality and experienced management team, with a clear vision and strategy for the future direction of the business.
- EQT believes it is well positioned to support Dechra's next phase of growth by virtue of its insights and understanding developed from existing and former investments across the animal health value chain. EQT has a strong track record of deploying capital and expertise into growth-orientated businesses and supporting their management teams in achieving their strategic ambitions.
- Bidco believes that it can support Dechra's strong management team in accelerating its long-term growth potential, and that it can provide, where needed, access to additional capital, expertise and resource to accelerate the longer-term potential of the business. This will enable further investment in its innovative pipeline and execution on its global expansion potential, including via inorganic opportunities. Bidco believes Dechra is better able to achieve its growth potential as a private company than as a public company.

### **Background to and reasons for the recommendation**

- Dechra has a long history in the animal health market and has successfully and consistently grown under the leadership of the Chief Executive Officer, Ian Page, from a UK veterinary wholesale distribution business which was listed on the London Stock Exchange in 2000 with an equity capitalisation of £60 million into a global veterinary pharmaceuticals and related products business, ranked seventh globally by revenues, with operations in 26 countries and 2,470 employees.
- With the sale of the Dechra Group's veterinary distribution business in 2013 the Dechra Group's focus and expertise became solely in the development, manufacture and sales and marketing of high quality Companion Animal Products ("CAP"), Equine, Food producing Animal Products ("FAP") and Nutrition. It is now recognised as a global leader in veterinary endocrinology and topical dermatology, as well as having a broad portfolio of analgesia and anaesthetics products for the treatment of pain. It is also recognised as an innovator in other specialisations such as the treatment of equine lameness and differentiated generics.
- The growth of Dechra has been both organic and through the successful acquisition and integration of businesses. Over the last 25 years, the Dechra Group has acquired more than 20 businesses and regularly in-licensed complementary technology and products to build out the product portfolio. The strategic benefits from the acquisitions can broadly be categorised as: delivering enhanced scale and geographic footprint; manufacturing capacity and new competencies; synergies; as well as enhanced product range and novelty.

- The success of the Dechra Group has been driven by consistent focus over the long-term on the execution of the four key elements of Dechra’s strategy: Pipeline Delivery; Portfolio Focus; Geographical Expansion; and relevant Acquisitions. The Dechra Board has no plans to change this strategy.
- In light of this, the Dechra Board is confident that the Dechra Group is well placed to continue to grow, not least as the animal health market is well supported by long term secular growth trends, notably in the CAP segment of the market. The Dechra Board’s confidence is also founded on the quality of the Dechra Group’s management and employees, the exciting and attractive development pipeline of new products to complement and supplement the Dechra Group’s existing portfolio, bolstered by the acquisition of Piedmont in July 2022, and the many initiatives around the Dechra Group to improve manufacturing quality and efficiency as well as extending its geographical sales footprint.
- Against this backdrop, the Dechra Board received a series of unsolicited proposals from EQT to acquire Dechra. Following initial rejections and further discussion, the Dechra Board indicated to EQT on 3 April 2023 that it had made a proposal which the Dechra Board was minded to recommend and granted EQT access to undertake due diligence. On 13 April 2023, EQT’s interest in Dechra was reported on the newswires and Dechra confirmed in a joint announcement EQT’s conditional proposal to acquire Dechra.
- In concluding that it should recommend EQT’s proposal to shareholders, the Dechra Board has, in addition to the above, considered, in the context of a challenging economic environment, inter alia:
  - The value of the Piedmont pipeline, acquired in July 2022, which, following a Dechra Board review, is broadly unchanged, on a risk adjusted basis. However, the Dechra Board also recognises that there are risks to delivering that pipeline portfolio potential which, assuming the pipeline delivers to plan, are unlikely to materially impact the Dechra Group before 2026.
  - As previously communicated, in financial years 2023 to 2025, the Dechra Board is committed to higher levels of investment than it has incurred historically in both absolute and relative terms, to support the delivery of the pipeline as planned. These longer term investments have, and will continue to have a negative impact on the Dechra Group’s reported earnings and corresponding growth rates in the short term. Against this backdrop, the Dechra Board has committed to prioritising its existing product portfolio and pipeline over the pursuit of new potential opportunities.
  - Whilst the Dechra Board continues to have a high level of confidence in the ability of the leadership and broader management team to meet the potential challenges of delivering the pipeline and other initiatives across the Dechra Group, these longer term initiatives are greater in number than the Dechra Group has managed previously and so carry a degree of execution risk.
  - Dechra’s trading performance, whilst consistent and strong over recent years, in the Dechra Board’s view has not been entirely reflected in the price and valuation rating of the Dechra Shares which have fluctuated significantly in response to various macro-economic factors, notably by anticipated changes in long term interest rates and with it, the likely future cost

of capital and equity returns for the Dechra Group, expectations on inflation, recession and consumer spending power.

- As previously communicated, the Dechra Board is confident that Dechra's end customer demand has continued to be ahead of the animal health market in its major geographies. However, the trading environment in the current financial year has been more volatile and challenging than previously anticipated, representing unprecedented and, by nature, short term trading headwinds. In the US, the impact of the now widely reported de-stocking by US distributors has been deeper and longer than initially expected and had a material impact on Q3 (January to March 2023) performance, although there are encouraging signs that this is now rebounding. A similar de-stocking pattern has also been experienced in the UK during April 2023, due to certain wholesalers managing financial year-end inventory levels, although order patterns are beginning to show signs of normalising. In the rest of Europe, the market appears to be slowing in response to a changing macro-economic environment and country specific dynamics. Accordingly, the Dechra Board announced an update on its expectations for the year ending 30 June 2023 on 22 May 2023.
- The Dechra Board expects that full year underlying operating profit for the year ending 30 June 2023 will be materially below £186 million, the guidance provided within Dechra's interim results announced on 27 February 2023 ("**FY23 Profit Forecast**"). This guidance constitutes a profit forecast for the purposes of Rule 28.1 of the Takeover Code and supersedes the profit forecast included in the 22 May 2023 announcement and consequently the Dechra Directors' confirmation statements pursuant to Rule 28.1(c)(i) of the Takeover Code are no longer required. A further update on the Dechra Board's expectations for the year ending 30 June 2023 will be provided in the Scheme Document, including such relevant requirements of Rule 28.1(c)(iii) of the Takeover Code.
- Subsequent to Dechra's 22 May 2023 announcement EQT approached the Dechra Board with a revised proposal of 3,875 pence per share, in respect of which the Dechra Board confirmed it would provide a unanimous recommendation.
- Since the IPO in 2000 to 12 April 2023, being the latest practicable date prior to Dechra's announcement that it had received a proposal from EQT and therefore the last Business Day before the commencement of the Offer Period, Dechra has produced a total shareholder return of 3,471 per cent. compared to the FTSE100 of 177 per cent. and FTSE250 of 425 per cent. over the same period. The Dechra Board has considered this exceptional performance in the context of the future potential for Dechra as a listed business and contrasted that opportunity with the merits of the Acquisition. The Dechra Board believes the Acquisition is at a level that enables shareholders to accelerate the crystallisation of value in full in cash at a level which is commensurate with its judgments, the opportunities and risks of future potential performance.
- The terms of the Acquisition represent a premium of 49 per cent. to Dechra's volume-weighted average price for the one-month period ended 12 April 2023 and of 40 per cent. to Dechra's volume-weighted average price for the six-month period ended 12 April 2023, being the latest practicable date prior to Dechra's announcement that it had received a proposal from EQT and therefore the last Business Day before the commencement of the Offer Period. The Acquisition, therefore, provides shareholders the opportunity to realise their holdings at material premiums to historical performance.

- EQT, a growth-orientated investor that takes a long-term view, has confirmed to the Dechra Board that it considers Dechra to be a high quality business with a strong management team and sound strategy whose prospects can be underpinned and enhanced without the strictures of being a listed business and can provide, where required, access to additional capital, know-how and resources, informed by its extensive experience in the animal health sector, to accelerate the longer term growth potential of the business. The Dechra Board believes this to be in the interests of employees and all stakeholders.
- Accordingly, the Dechra Board has concluded that the Acquisition fairly reflects both the strength of the Dechra business and its future prospects as well as the risks attendant on delivering that longer term value for shareholders.

### **Irrevocable undertakings**

- Bidco has received irrevocable undertakings from the Dechra Directors who hold Dechra Shares to vote in favour of the resolutions relating to the Scheme and the Acquisition at the Meetings (or in the event that the Acquisition is implemented by an Offer, to accept such Offer), in respect of, in aggregate, 433,573 Dechra Shares (representing approximately 0.381 per cent. of the existing issued ordinary share capital of Dechra) as at 1 June 2023, being the Business Day prior to the date of this announcement). These undertakings will remain binding in the event that a higher competing offer for Dechra is made.
- Bidco has also received irrevocable undertakings from certain Dechra Shareholders who are close relatives of certain of the Dechra Directors to vote in favour of the resolutions relating to the Acquisition at the Meetings (or in the event that the Acquisition is implemented by an Offer, to accept such Offer), in respect of, in aggregate, 38,009 Dechra Shares (representing approximately 0.033 per cent. of the existing issued ordinary share capital of Dechra) as at 1 June 2023, being the Business Day prior to the date of this announcement). These undertakings will also remain binding in the event that a higher competing offer for Dechra is made.
- Bidco has, therefore, received irrevocable undertakings in respect of a total of 471,582 Dechra Shares (representing approximately 0.414 per cent. of the existing issued ordinary share capital of Dechra) as at 1 June 2023, being the Business Day prior to the date of this announcement).
- Further details of these irrevocable undertakings (including the circumstances in which they cease to be binding) are set out in Appendix 3 to this announcement.

### **Information relating to Bidco, EQT and Luxinva**

- Bidco is a private limited company incorporated in England and Wales. Bidco is a newly-formed vehicle, to be indirectly owned by (i) EQT Funds and (ii) Luxinva, a wholly-owned subsidiary of the Abu Dhabi Investment Authority (“ADIA”) managed by the Private Equities department of ADIA (“ADIA PED”). Bidco was formed for the purposes of the Acquisition and has not traded since its date of incorporation, nor has it entered into any obligations other than in connection with the Acquisition. As at the Effective Date, it is intended that Bidco will be indirectly owned in the following proportions (i) EQT will own 74 per cent. and (ii) Luxinva will own 26 per cent.



- EQT is a leading global private markets investor focused on active ownership, founded in Sweden nearly three decades ago. Today, EQT manages EUR 119 billion in fee-generating assets across private equity, infrastructure and real estate and has investment advisory teams based in offices in 20 countries across the UK, Europe, Asia Pacific and the Americas. With its Wallenberg family heritage and a distinctly Scandinavian approach to doing business, EQT uses a thematic investment strategy and value creation approach that values long-term perspective and entrepreneurial freedom. EQT's purpose is to future-proof companies and make a positive impact for all, while striving to be the most reputable investor and owner.
- Luxinva is a wholly-owned indirect subsidiary of ADIA, managed by ADIA PED. ADIA PED is an investment department of ADIA. ADIA's purpose is to receive funds of the Government of Abu Dhabi allocated for investment and to invest those funds for the benefit of the Emirate of Abu Dhabi. ADIA manages a substantial global diversified portfolio of investments, with assets under management in excess of US\$100 billion of which ADIA PED represents between 7-12%. ADIA is a long term, value driven investor, mandated to build value in a systematic and structured manner.

### Information relating to Dechra

- Dechra was formed 26 years ago and is listed on the Premium Segment of the London Stock Exchange's Main Market. The Dechra Group is a global developer, manufacturer and supplier of products to service the veterinary profession worldwide. Dechra's products can be largely split into four main categories (percentage of sales for the year ended 30 June 2022):
  - **Companion Animal Products (74.6 per cent.)** – products focused on dogs and cats. The majority of the products are prescription only medicines (POMs). Key therapeutic sectors include endocrinology, dermatology, analgesia and anaesthesia, cardiology, and critical care. Demand for these products is principally driven by pet owners wanting to provide better care for their animals. Dechra has developed a strong position in providing specialist and clinically necessary novel products. The Dechra Group also supply a range of products which complement these products in key therapeutic sectors where Dechra is seen as the company of choice by many veterinarians.
  - **Food producing Animal Products (11.6 per cent.)** – the key therapeutic areas are water soluble antibiotics, vaccines, locomotion and pain management. The products are predominately POMs that are prescribed by veterinarians. Dechra's portfolio is positioned to match current best practice prescribing habits. Additionally, Dechra's Brazilian vaccines business is providing growth and is anticipated to continue to provide growth opportunities in future years as the Dechra Group seek global registrations.
  - **Equine (7.2 per cent.)** – this is a sector in which few animal health companies specialise due to the relatively small number of horses in the world. Equine veterinarians are specialised in the species and operate out of either mixed practices or, increasingly, specialist equine centres. Dechra offers a wide range of products supporting the equine veterinarian, from pain management to products for anaesthesia, dermatology and lameness. Although there is a big overlap, the market can be divided roughly into high performance sports horses and leisure horses and ponies. High value

sports horses will be treated at almost any cost. Dechra has developed a strong position in lameness and pain management with unique products that have superior efficacy compared to historical treatments.

- **Nutrition (5.1 per cent.)** – Dechra’s range of pet foods is predominantly focused on high quality nutrition to support therapeutic conditions in dogs and cats such as allergies, obesity, heart disease and kidney disease. The ability of Dechra to offer its wide range of products, branded *Specific*®, is necessary to remain competitive in this sector. The veterinary recommendation is respected by pet owners which allows them to take a small but significant part of the diet market. Dechra’s focus is predominantly therapeutic diets which are not available for self-selection through supermarkets and require advice from the veterinarian.

### **Timetable and conditions**

- It is intended that the Acquisition will be implemented by way of a court-sanctioned scheme of arrangement under Part 26 of the 2006 Act (although Bidco reserves the right to effect the Acquisition by way of an Offer, subject to the consent of the Panel and the terms of the Cooperation Agreement).
- The Acquisition is conditional on, among other things, the approval of the requisite majority of Dechra Shareholders at the Court Meeting and at the General Meeting. In order to become Effective, the Scheme must be approved by a majority in number of Dechra Shareholders, present and voting at the Court Meeting, whether in person or by proxy, representing 75 per cent. or more in value of the Scheme Shares voted. In addition, a special resolution implementing the Scheme must be passed by Dechra Shareholders representing at least 75 per cent. of votes cast at the General Meeting. In addition, following the Court Meeting the Scheme must be sanctioned by the Court.
- The Conditions to the Acquisition are set out in full in Appendix 1 to this announcement along with certain other terms; the full terms and conditions will be provided in the Scheme Document.
- It is expected that the Scheme Document, containing further information about the Acquisition and notices of the Court Meeting and General Meeting, together with the associated forms of proxy, will be posted to Dechra Shareholders as soon as practicable and in any event within 28 days of this announcement (or such later time as Dechra, Bidco and the Panel agree) and the Meetings are expected to be held as soon as reasonably practicable thereafter. Subject to certain restrictions relating to persons resident in Restricted Jurisdictions, the Scheme Document will also be made available on Dechra's website at <https://www.dechra.com/investors/cash-offer>.
- The Acquisition is currently expected to complete towards the end of 2023 or early 2024, subject to the satisfaction or (where applicable) waiver of the Conditions. An expected timetable of key events relating to the Acquisition will be set out in the Scheme Document.
- Commenting on this announcement, Elizabeth Alison Platt, the Chair of Dechra, said:

*“Since IPO in 2000, the successful pursuit of our growth strategy under Ian’s leadership has seen Dechra develop from a specialist UK only veterinary distribution business into a global veterinary pharmaceuticals and related products business, ranked seventh globally*

*by revenues, with operations in 26 countries and over 2,400 employees. Dechra is now recognised as a global leader in therapeutic areas such as endocrinology and topical dermatology, as well as being an innovator in specialisations such as the treatment of equine lameness and differentiated generics.*

*The Dechra Board considers EQT, together with ADIA, to be highly experienced investors with a strong sector understanding who will, we believe, prove to be responsible and supportive owners of Dechra and who can build on this legacy and further accelerate the Dechra Group's growth. As such, it is our view that accepting this proposal represents the best interests of all stakeholders and in particular represents a compelling opportunity for shareholders to realise, in cash and with certainty, Dechra's potential for future value creation."*

- Commenting on this announcement, Anthony Santospirito, Partner in the EQT Private Equity advisory team, said:

*"Dechra is a high-quality, innovative business founded in the UK with an impressive global footprint. With medical innovation accelerating and pet ownership increasing, the animal health sector is expected to benefit from long-term growth and we believe Dechra is well positioned to participate in this significant opportunity.*

*We plan to support Dechra's talented management team accelerating their business strategy and long-term growth in an increasingly competitive environment by providing, where needed, additional investment in its innovative pipeline and further supporting global expansion. We believe that private ownership will enable Dechra's management team to take a longer-term view as it focuses on accelerating growth."*

**This summary should be read in conjunction with the following announcement and the Appendices. The conditions to, and certain further terms of, the Acquisition are set out in Appendix 1. The bases and sources for certain financial information contained in this announcement are set out in Appendix 2. Details of undertakings received by Bidco are set out in Appendix 3. Certain definitions and terms used in this announcement are set out in Appendix 4.**

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Kirkland & Ellis International LLP is acting as legal adviser to Bidco and EQT, and Freshfields Bruckhaus Deringer LLP is acting as legal adviser to Luxinva and ADIA.

DLA Piper UK LLP is acting as legal adviser to Dechra.

### **Further information**

*Merrill Lynch International (“**BofA Securities**”), which is authorised by the Prudential Regulation Authority (“**PRA**”) and regulated by the Financial Conduct Authority (“**FCA**”) and the PRA in the United Kingdom, is acting exclusively for EQT, Luxinva and Bidco and for no one else and will not be responsible to anyone other than EQT, Luxinva and Bidco for providing the protections afforded to its clients or for providing advice in relation to the matters referred to in this announcement. Neither BofA Securities, nor any of its affiliates, owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of BofA Securities in connection with this announcement, any statement contained herein or otherwise.*

*Morgan Stanley & Co. International plc (“**Morgan Stanley**”), which is authorised by the PRA and regulated by the PRA and the FCA in the United Kingdom, is acting exclusively for EQT, Luxinva and Bidco and for no one else in connection with the possible offer. In connection with such matters, Morgan Stanley, its affiliates and their respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to any other person for providing the protections afforded to their clients or for providing advice in connection with the possible offer, the contents of this announcement or any other matter referred to herein.*

*Investec Bank plc (“**Investec**”), which is authorised in the United Kingdom by the PRA and regulated in the UK by the FCA and the PRA, is acting exclusively for Dechra and no one else in connection with the subject matter of this announcements and shall not be responsible to anyone other than Dechra for providing the protections afforded to clients of Investec, nor for providing advice in connection with the Approach or any matter referred to herein. Neither Investec nor any of its affiliates (nor any of its or their respective directors, officers, employees, representatives or agents) owes or accepts any duty, liability or responsibility whatsoever (whether direct, indirect, consequential, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Investec in connection with the Approach, this announcement, any statement contained herein or otherwise.*

*This announcement is for information purposes only and is not intended to, and does not, constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities of Dechra in any jurisdiction in contravention of applicable law. The Acquisition will be implemented solely pursuant to the terms of the Scheme Document (or, if the Acquisition is implemented by way of an Offer, the offer document), which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any vote in respect of the Scheme or other response in relation to the Acquisition should be made only on the basis of the information contained in the Scheme Document (or, if the Acquisition is implemented by way of an Offer, the offer document).*

*This announcement does not constitute a prospectus, prospectus equivalent document or exempted document.*

*This announcement contains inside information in relation to Dechra for the purposes of Article 7 of the Market Abuse Regulation. The person responsible for arranging the release of this announcement on behalf of Dechra is Melanie Hall, Company Secretary. Dechra's Legal Entity Identifier is 213800J4UVB5OWG8VX82.*

***If you are in any doubt about the contents of this announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.***

### **Overseas Shareholders**

*The release, publication or distribution of this announcement in or into jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the UK should inform themselves of, and observe, any applicable legal or regulatory requirements. Any failure to comply with such requirements may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This announcement has been prepared in accordance with and for the purpose of complying with English law, the Takeover Code, the Market Abuse Regulation, the Listing Rules and the Disclosure Guidance and Transparency Rules and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England.*

*The availability of the Acquisition to Dechra Shareholders who are not resident in and citizens of the UK may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the UK should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. In particular, the ability of persons who are not resident in the United Kingdom to vote their Dechra Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. Further details in relation to Overseas Shareholders will be contained in the Scheme Document (or, if the Acquisition is implemented by way of an Offer, the offer document).*

*Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Scheme by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Copies of this announcement and any formal documentation relating to the Acquisition are not being, and must not be, directly*

*or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including, without limitation, agents, custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition. If the Acquisition is implemented by way of an Offer (unless otherwise permitted by applicable law and regulation), the Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.*

*Further details in relation to Overseas Shareholders will be included in the Scheme Document (or, if the Acquisition is implemented by way of an Offer, the offer document).*

### **Notice to U.S. Dechra Shareholders**

*The Acquisition relates to the shares of an English company and is being made by means of a scheme of arrangement provided for under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the tender offer or proxy solicitation rules under the U.S. Securities Exchange Act of 1934 (the “U.S. Exchange Act”). Accordingly, the Acquisition is subject to the disclosure requirements and practices applicable in the UK to schemes of arrangement which differ from the disclosure requirements of the U.S. tender offer and proxy solicitation rules. The financial information included in this announcement has been prepared in accordance with generally accepted accounting principles of the United Kingdom and thus may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.*

*If, in the future, Bidco exercises its right to implement the Acquisition by way of an Offer, which is to be made into the United States, such Offer will be made in compliance with the applicable U.S. laws and regulations.*

*It may be difficult for U.S. holders of Dechra Shares to enforce their rights and any claim arising out of the U.S. federal laws, since Bidco and Dechra are located in a non-U.S. jurisdiction, and some or all of their officers and directors may be residents of a non-U.S. jurisdiction. U.S. holders of Dechra Shares may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court’s judgement.*

*In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the U.S. Exchange Act, EQT, Luxinva or their nominees, or their brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Dechra Shares outside of the U.S., other than pursuant to the Acquisition, until the date on which the Acquisition becomes Effective, lapses or is otherwise withdrawn. Also, in accordance with Rule 14e-5(b) of the U.S. Exchange Act, BofA Securities and Morgan Stanley will continue to act as exempt principal traders in Dechra shares on the London Stock Exchange. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the United Kingdom, will be*

reported to a Regulatory Information Service and will be available on the London Stock Exchange website, [www.londonstockexchange.com/](http://www.londonstockexchange.com/).

U.S. Dechra Shareholders also should be aware that the transaction contemplated herein may have tax consequences in the U.S. and, that such consequences, if any, are not described herein. U.S. Dechra Shareholders are urged to consult with legal, tax and financial advisers in connection with making a decision regarding this transaction.

## **Forward Looking Statements**

*This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Acquisition, and other information published by Bidco and Dechra contain statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Bidco and Dechra about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.*

*The forward-looking statements contained in this announcement include statements relating to the expected effects of the Acquisition on Bidco and Dechra (including their future prospects, developments and strategies), the expected timing and scope of the Acquisition and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "prepares", "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "projects", "synergy", "strategy", "scheduled", "goal", "estimates", "forecasts", "cost-saving", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Forward looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Bidco's, Dechra's, any member of the Bidco Group's or any member of the Dechra Group's operations and potential synergies resulting from the Acquisition; and (iii) the effects of global economic conditions and governmental regulation on Bidco's, Dechra's, any member of the Bidco Group's or any member of the Dechra Group's business.*

*Although Bidco and Dechra believe that the expectations reflected in such forward-looking statements are reasonable, Bidco and Dechra can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements.*

*These factors include, but are not limited to: the ability to complete the Acquisition; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other Conditions on the proposed terms and schedule; changes in the global political, economic, business and competitive environments and in market and regulatory forces; changes in future exchange and interest rates; changes in tax rates; future business combinations or disposals; changes in general economic and business conditions; changes in the behaviour of other market participants; changes in the anticipated benefits from the proposed transaction not*



*being realised as a result of changes in general economic and market conditions in the countries in which Bidco and Dechra operate, weak, volatile or illiquid capital and/or credit markets, changes in tax rates, interest rate and currency value fluctuations, the degree of competition in the geographic and business areas in which Bidco and Dechra operate and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those expected, estimated or projected in the forward-looking statements. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions proves incorrect, actual results may differ materially from those expected, estimated or projected. Such forward-looking statements should therefore be construed in the light of such factors. Neither Bidco nor Dechra, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. You are cautioned not to place any reliance on these forward-looking statements.*

*Specifically, statements of estimated cost savings and synergies related to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the cost savings and synergies referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. Due to the scale of the Dechra Group, there may be additional changes to the Dechra Group's operations. As a result, and given the fact that the changes relate to the future, the resulting cost synergies may be materially greater or less than those estimated.*

*Other than in accordance with their legal or regulatory obligations, neither Bidco nor Dechra is under any obligation, and Bidco and Dechra expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

### **Dealing and Opening Position Disclosure Requirements**

*Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) of the Takeover Code applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights*

*to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk/](http://www.thetakeoverpanel.org.uk/), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

### **Publication on a website**

*In accordance with Rule 26.1 of the Takeover Code, a copy of this announcement and the documents required to be published under Rule 26 of the Takeover Code will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Dechra's website at <https://www.dechra.com/investors/cash-offer> by no later than 12 noon (London time) on the Business Day following this announcement. For the avoidance of doubt, neither the content of these websites nor of any website accessible from hyperlinks is incorporated by reference or forms part of this announcement.*

### **No profit forecasts, estimates or quantified benefits statements**

*The FY23 Profit Forecast set out in this announcement is a profit forecast for the purposes of Rule 28 of the Takeover Code. The Scheme Document will include the relevant reports for the purposes of Rule 28.1(c)(iii) of the Takeover Code. Save for the FY23 Profit Forecast, no statement in this announcement is intended as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for Dechra for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Dechra.*

### **Requesting hard copy documents**

*In accordance with Rule 30.3 of the Takeover Code, Dechra Shareholders, persons with information rights and participants in Dechra Share Plans may request a hard copy of this announcement by: (i) telephoning Equiniti on +44 (0) 371 384 2050. If calling from outside of the UK, please ensure the country code is used. Lines will be open from 8.30 a.m. to 5.30 p.m., Monday to Friday (excluding public holidays in England and Wales); or (ii) submitting a request in writing to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex*

*BN99 6DA, United Kingdom. For persons who receive a copy of this announcement in electronic form or via a website notification, a hard copy of this announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.*

## **Electronic Communications**

*Please be aware that addresses, electronic addresses and certain other information provided by Dechra Shareholders, persons with information rights and other relevant persons for the receipt of communications from Dechra may be provided to Bidco during the offer period as required under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.*

## **Rounding**

*Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of figures that precede them.*

## **General**

*Bidco reserves the right to elect, with the consent of the Panel (where necessary) and subject to the terms of the Cooperation Agreement, to implement the Acquisition by way of an Offer as an alternative to the Scheme. In such an event, an Offer will be implemented on substantially the same terms, so far as applicable, as those which would apply to the Scheme (subject to appropriate amendments, including (without limitation and for so long as the Cooperation Agreement is continuing and the Offer arises as a result of an “Agreed Switch” (as defined therein)) an acceptance condition set at 75 per cent. of the Dechra Shares on a fully diluted basis (or such lesser percentage as may be determined by Bidco after (to the extent reasonably practicable) consultation with Dechra and (to the extent necessary) consultation with the Panel, being in any case more than 50 per cent. of the Dechra Shares).*

*If the Acquisition is effected by way of an Offer, and such an Offer becomes or is declared unconditional in all respects and sufficient acceptances are received, Bidco intends to exercise its rights to apply the provisions of Chapter 3 of Part 28 of the 2006 Act so as to acquire compulsorily the remaining Dechra Shares in respect of which the Offer has not been accepted.*

*Investors should be aware that Bidco may purchase Dechra Shares otherwise than under any Offer or the Scheme, including pursuant to privately negotiated purchases.*

## **Rule 2.9 of the Takeover Code**

*For the purposes of Rule 2.9 of the Takeover Code, Dechra confirms that, as at the date of this announcement, it had in issue 113,884,141 ordinary shares of 1 pence each. Dechra does not hold any ordinary shares in treasury. The ISIN for the ordinary shares is GB0009633180.*

## **Disclaimer**

*The information contained herein does not constitute an offer to sell, nor a solicitation of an offer to buy, any security, and may not be used or relied upon in connection with any offer or solicitation. Any offer or solicitation in respect of EQT and EQT Funds will be made only*

*through a confidential private placement memorandum and related documents which will be furnished to qualified investors on a confidential basis in accordance with applicable laws and regulations. The information contained herein is not for publication or distribution to persons in the U.S. Any securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold without registration thereunder or pursuant to an available exemption therefrom. Any offering of securities to be made in the U.S. would have to be made by means of an offering document that would be obtainable from the issuer or its agents and would contain detailed information about the issuer of the securities and its management, as well as financial information. The securities may not be offered or sold in the U.S. absent registration or an exemption from registration.*

*The Acquisition will be subject to English law, the jurisdiction of the Court, and the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange, the FCA, the Listing Rules and the Registrar of Companies.*

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF THAT JURISDICTION**

**FOR IMMEDIATE RELEASE**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

**2 June 2023**

**RECOMMENDED CASH ACQUISITION**

**of**

**Dechra Pharmaceuticals PLC**

**by**

**Freya Bidco Limited**

**(a newly formed company to be indirectly owned by (i) EQT X EUR SCSp and EQT X USD SCSp, each acting through its manager (*gérant*) EQT Fund Management S.à r.l., and (ii) Luxinva)**

**to be implemented by means of a scheme of arrangement under Part 26 of the Companies Act 2006**

**1 INTRODUCTION**

The boards of directors of Bidco and Dechra are pleased to announce that they have reached agreement on the terms and conditions of a recommended all cash offer to be made by Bidco for the entire issued, and to be issued, ordinary share capital of Dechra.

It is intended that the Acquisition will be implemented by way of a court-sanctioned scheme of arrangement under Part 26 of the 2006 Act (although Bidco reserves the right to effect the Acquisition by way of an Offer, subject to the consent of the Panel and the terms of the Cooperation Agreement). The Conditions to the Acquisition are set out in full in Appendix 1 to this announcement.

**2 THE ACQUISITION**

Under the terms of the Acquisition, which will be subject to the Conditions and further terms set out in Appendix 1 to this announcement and the full terms and conditions to be set out in the Scheme Document, each Dechra Shareholder will be entitled to receive:

**for each Dechra Share held: 3,875 pence in cash**

The Acquisition Price per Dechra Share represents a premium of approximately:

- 44 per cent. to the Closing Price of 2,690 pence per Dechra Share on 12 April 2023 (being the last Business Day before the commencement of the Offer Period);
- 49 per cent. to the volume-weighted average price of 2,602 pence per Dechra Share for the one-month period ended 12 April 2023 (being the last Business Day before the commencement of the Offer Period);
- 38 per cent. to the volume-weighted average price of 2,811 pence per Dechra Share for the three-month period ended 12 April 2023 (being the last Business Day before the commencement of the Offer Period); and
- 40 per cent. to the volume-weighted average price of 2,761 pence per Dechra Share for the six-month period ended 12 April 2023 (being the last Business Day before the commencement of the Offer Period).

The Acquisition values Dechra's entire issued, and to be issued, ordinary share capital at approximately £4,459 million on a fully diluted basis, and implies an enterprise value of £4,882 million and a multiple of approximately 25.9 times Dechra's EBITDA for the twelve months ended 31 December 2022 of £188 million.

The Dechra Shares will be acquired pursuant to the Acquisition fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and any other interests of any nature whatsoever and together with all rights attaching thereto, including without limitation voting rights and the right to receive and retain in full all dividends and other distributions (if any) announced, declared, made or paid with a record date on or after the Effective Date.

In accordance with the reservations set out by EQT in the announcements by Dechra on 13 April 2023 and 11 May 2023, the Acquisition Price which the Dechra Directors intend to unanimously recommend to Dechra Shareholders is lower than the price disclosed in such announcements.

### **3 BACKGROUND TO AND REASONS FOR THE ACQUISITION**

Bidco views Dechra as a high quality and leading company operating in the attractive animal health pharmaceuticals market, which is expected to benefit from numerous long-term growth drivers including positive demographics, increasing pet ownership, medical innovation and greater focus on animal care within the family.

Dechra has an attractive portfolio of products and pipeline and is perceived as a leading specialist by vets and customers in the market segments in which it operates. The company is led by a high quality and experienced management team, with a clear vision and strategy for the future direction of the business.

EQT believes it is well positioned to support Dechra's next phase of growth by virtue of its insights and understanding developed from existing and former investments across the animal health value chain. EQT has a strong track record of deploying capital and expertise into growth-orientated businesses and supporting their management teams in achieving their strategic ambitions.

Bidco believes that it can support Dechra’s strong management team in accelerating its long-term growth potential, and that it can provide, where needed, access to additional capital, expertise and resource to accelerate the longer-term potential of the business. This will enable further investment in its innovative pipeline and execution on its global expansion potential, including via inorganic opportunities. Bidco believes Dechra is better able to achieve its growth potential as a private company than as a public company.

#### **4 RECOMMENDATION**

The Dechra Directors, who have been so advised by Investec as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing its advice, Investec has taken into account the commercial assessments of the Dechra Directors. Investec is providing independent financial advice to the Dechra Directors for the purposes of Rule 3 of the Takeover Code.

Accordingly, the Dechra Directors intend to recommend unanimously that Dechra Shareholders vote in favour of the Scheme at the Court Meeting and the resolution(s) to be proposed at the General Meeting as the Dechra Directors who hold Dechra Shares have irrevocably undertaken to do in respect of their own holdings over which they have control, being, in aggregate 433,573 Dechra Shares (representing approximately 0.381 per cent. of the existing issued ordinary share capital of Dechra) as at 1 June 2023, being the Business Day prior to the date of this announcement. Further details of these undertakings, including the circumstances in which they cease to be binding, are set out in Appendix 3 to this announcement.

#### **5 BACKGROUND TO AND REASONS FOR THE RECOMMENDATION**

Dechra has a long history in the animal health market and has successfully and consistently grown under the leadership of the Chief Executive Officer, Ian Page, from a UK veterinary wholesale distribution business which was listed on the London Stock Exchange in 2000 with an equity capitalisation of £60 million into a global veterinary pharmaceuticals and related products business, ranked seventh globally by revenues, with operations in 26 countries and 2,470 employees.

With the sale of the Dechra Group’s veterinary distribution business in 2013 the Dechra Group’s focus and expertise became solely in the development, manufacture and sales and marketing of high quality Companion Animal Products (“CAP”), Equine, Food producing Animal Products (“FAP”) and Nutrition. It is now recognised as a global leader in veterinary endocrinology and topical dermatology, as well as having a broad portfolio of analgesia and anaesthetics products for the treatment of pain. It is also recognised as an innovator in other specialisations such as the treatment of equine lameness and differentiated generics.

The growth of Dechra has been both organic and through the successful acquisition and integration of businesses. Over the last 25 years, the Dechra Group has acquired more than 20 businesses and regularly in-licensed complementary technology and products to build out the product portfolio. The strategic benefits from the acquisitions can broadly be categorised as: delivering enhanced scale and geographic footprint; manufacturing capacity and new competencies; synergies; as well as enhanced product range and novelty.

The success of the Dechra Group has been driven by consistent focus over the long-term on the execution of the four key elements of Dechra's strategy: Pipeline Delivery; Portfolio Focus; Geographical Expansion; and relevant Acquisitions. The Dechra Board has no plans to change this strategy.

In light of this, the Dechra Board is confident that the Dechra Group is well placed to continue to grow, not least as the animal health market is well supported by long term secular growth trends, notably in the CAP segment of the market. The Dechra Board's confidence is also founded on the quality of the Dechra Group's management and employees, the exciting and attractive development pipeline of new products to complement and supplement the Dechra Group's existing portfolio, bolstered by the acquisition of Piedmont in July 2022, and the many initiatives around the Dechra Group to improve manufacturing quality and efficiency as well as extending its geographical sales footprint.

Against this backdrop, the Dechra Board received a series of unsolicited proposals from EQT to acquire Dechra. Following initial rejections and further discussion, the Dechra Board indicated to EQT on 3 April 2023 that it had made a proposal which the Dechra Board was minded to recommend and granted EQT access to undertake due diligence. On 13 April 2023, EQT's interest in Dechra was reported on the newswires and Dechra confirmed in a joint announcement EQT's conditional proposal to acquire Dechra.

In concluding that it should recommend EQT's proposal to shareholders, the Dechra Board has, in addition to the above, considered, in the context of a challenging economic environment, inter alia:

- The value of the Piedmont pipeline, acquired in July 2022, which, following a Dechra Board review, is broadly unchanged, on a risk adjusted basis. However, the Dechra Board also recognises that there are risks to delivering that pipeline portfolio potential which, assuming the pipeline delivers to plan, are unlikely to materially impact the Dechra Group before 2026.
- As previously communicated, in financial years 2023 to 2025, the Dechra Board is committed to higher levels of investment than it has incurred historically in both absolute and relative terms, to support the delivery of the pipeline as planned. These longer term investments have, and will continue to have a negative impact on the Dechra Group's reported earnings and corresponding growth rates in the short term. Against this backdrop, the Dechra Board has committed to prioritising its existing product portfolio and pipeline over the pursuit of new potential opportunities.
- Whilst the Dechra Board continues to have a high level of confidence in the ability of the leadership and broader management team to meet the potential challenges of delivering the pipeline and other initiatives across the Dechra Group, these longer term initiatives are greater in number than the Dechra Group has managed previously and so carry a degree of execution risk.
- Dechra's trading performance, whilst consistent and strong over recent years, in the Dechra Board's view has not been entirely reflected in the price and valuation rating of the Dechra Shares which have fluctuated significantly in response to various macro-economic factors, notably by anticipated changes in long term interest rates and with



it, the likely future cost of capital and equity returns for the Dechra Group, expectations on inflation, recession and consumer spending power.

- As previously communicated, the Dechra Board is confident that Dechra's end customer demand has continued to be ahead of the animal health market in its major geographies. However, the trading environment in the current financial year has been more volatile and challenging than previously anticipated, representing unprecedented and, by nature, short term trading headwinds. In the US, the impact of the now widely reported de-stocking by US distributors has been deeper and longer than initially expected and had a material impact on Q3 (January to March 2023) performance, although there are encouraging signs that this is now rebounding. A similar de-stocking pattern has also been experienced in the UK during April 2023, due to certain wholesalers managing financial year-end inventory levels, although order patterns are beginning to show signs of normalising. In the rest of Europe, the market appears to be slowing in response to a changing macro-economic environment and country specific dynamics. Accordingly, the Dechra Board announced an update on its expectations for the year ending 30 June 2023 on 22 May 2023.
- The Dechra Board expects that full year underlying operating profit for the year ending 30 June 2023 will be materially below £186 million, the guidance provided within Dechra's interim results announced on 27 February 2023. This guidance constitutes a profit forecast for the purposes of Rule 28.1 of the Takeover Code and supersedes the profit forecast included in the 22 May 2023 announcement and consequently the Dechra Directors' confirmation statements pursuant to Rule 28.1(c)(i) of the Takeover Code are no longer required. A further update on the Dechra Board's expectations for the year ending 30 June 2023 will be provided in the Scheme Document, including such relevant requirements of Rule 28.1(c)(iii) of the Takeover Code.
- Subsequent to Dechra's 22 May 2023 announcement EQT approached the Dechra Board with a revised proposal of 3,875 pence per share, in respect of which the Dechra Board confirmed it would provide a unanimous recommendation.
- Since the IPO in 2000 to 12 April 2023, being the latest practicable date prior to Dechra's announcement that it had received a proposal from EQT and therefore the last Business Day before the commencement of the Offer Period, Dechra has produced a total shareholder return of 3,471 per cent. compared to the FTSE100 of 177 per cent. and FTSE250 of 425 per cent. over the same period. The Dechra Board has considered this exceptional performance in the context of the future potential for Dechra as a listed business and contrasted that opportunity with the merits of the Acquisition. The Dechra Board believes the Acquisition is at a level that enables shareholders to accelerate the crystallisation of value in full in cash at a level which is commensurate with its judgments, the opportunities and risks of future potential performance.
- The terms of the Acquisition represent a premium of 49 per cent. to Dechra's volume-weighted average price for the one-month period ended 12 April 2023 and of 40 per cent. to Dechra's volume-weighted average price for the six-month period ended 12 April 2023, being the latest practicable date prior to Dechra's announcement that it had received a proposal from EQT and therefore the last Business Day before the

commencement of the Offer Period. The Acquisition, therefore, provides shareholders the opportunity to realise their holdings at material premiums to historical performance.

- EQT, a growth-orientated investor that takes a long-term view, has confirmed to the Dechra Board that it considers Dechra to be a high quality business with a strong management team and sound strategy whose prospects can be underpinned and enhanced without the strictures of being a listed business and can provide, where required, access to additional capital, know-how and resources, informed by its extensive experience in the animal health sector, to accelerate the longer term growth potential of the business. The Dechra Board believes this to be in the interests of employees and all stakeholders.

Accordingly, the Dechra Board has concluded that the Acquisition fairly reflects both the strength of the Dechra business and its future prospects as well as the risks attendant on delivering that longer term value for shareholders.

## **6 INFORMATION RELATING TO BIDCO, EQT AND LUXINVA**

### Bidco

Bidco is a private limited company incorporated in England and Wales. Bidco is a newly-formed vehicle to be indirectly owned by (i) EQT Funds and (ii) Luxinva, a wholly-owned subsidiary of ADIA managed by ADIA PED. Bidco was formed for the purposes of the Acquisition and has not traded since its date of incorporation, nor has it entered into any obligations other than in connection with the Acquisition. As at the Effective Date, it is intended that Bidco will be indirectly owned in the following proportions (i) EQT will own 74 per cent. and (ii) Luxinva will own 26 per cent.

The current directors of Bidco are Anthony Santospirito, Peter Balslev and Sebastian Shea. Further details in relation to Bidco will be contained in the Scheme Document.

### EQT

EQT is a leading global private markets investor focused on active ownership, founded in Sweden nearly three decades ago. Today, EQT manages EUR 119 billion in fee-generating assets across private equity, infrastructure and real estate and has investment advisory teams based in offices in 20 countries across the UK, Europe, Asia Pacific and the Americas. With its Wallenberg family heritage and a distinctly Scandinavian approach to doing business, EQT uses a thematic investment strategy and value creation approach that values long-term perspective and entrepreneurial freedom. EQT's purpose is to future-proof companies and make a positive impact for all, while striving to be the most reputable investor and owner.

### Luxinva / ADIA PED

Luxinva is a wholly-owned indirect subsidiary of ADIA, managed by ADIA PED. ADIA PED is an investment department of ADIA. ADIA's purpose is to receive funds of the Government of Abu Dhabi allocated for investment and to invest those funds for the benefit of the Emirate of Abu Dhabi. ADIA manages a substantial global diversified portfolio of investments, with assets under management in excess of US\$100 billion of

which ADIA PED represents between 7-12%. ADIA is a long term, value driven investor, mandated to build value in a systematic and structured manner.

## 7 INFORMATION RELATING TO DECHRA

Dechra was formed 26 years ago and is listed on the Premium Segment of the London Stock Exchange's Main Market. The Dechra Group is a global developer, manufacturer and supplier of products to service the veterinary profession worldwide. Dechra's products can be largely split into four main categories (percentage of sales for the year ended 30 June 2022):

- **Companion Animal Products (74.6 per cent.)** – products focused on dogs and cats. The majority of the products are prescription only medicines (POMs). Key therapeutic sectors include endocrinology, dermatology, analgesia and anaesthesia, cardiology, and critical care. Demand for these products is principally driven by pet owners wanting to provide better care for their animals. Dechra has developed a strong position in providing specialist and clinically necessary novel products. The Dechra Group also supply a range of products which complement these products in key therapeutic sectors where Dechra is seen as the company of choice by many veterinarians.
- **Food producing Animal Products (11.6 per cent.)** – the key therapeutic areas are water soluble antibiotics, vaccines, locomotion and pain management. The products are predominately POMs that are prescribed by veterinarians. Dechra's portfolio is positioned to match current best practice prescribing habits. Additionally, Dechra's Brazilian vaccines business is providing growth and is anticipated to continue to provide growth opportunities in future years as the Dechra Group seek global registrations.
- **Equine (7.2 per cent.)** – this is a sector in which few animal health companies specialise due to the relatively small number of horses in the world. Equine veterinarians are specialised in the species and operate out of either mixed practices or, increasingly, specialist equine centres. Dechra offers a wide range of products supporting the equine veterinarian, from pain management to products for anaesthesia, dermatology and lameness. Although there is a big overlap, the market can be divided roughly into high performance sports horses and leisure horses and ponies. High value sports horses will be treated at almost any cost. Dechra has developed a strong position in lameness and pain management with unique products that have superior efficacy compared to historical treatments.
- **Nutrition (5.1 per cent.)** – Dechra's range of pet foods is predominantly focused on high quality nutrition to support therapeutic conditions in dogs and cats such as allergies, obesity, heart disease and kidney disease. The ability of Dechra to offer its wide range of products, branded *Specific*®, is necessary to remain competitive in this sector. The veterinary recommendation is respected by pet owners which allows them to take a small but significant part of the diet market. Dechra's focus is predominantly therapeutic diets which are not available for self-selection through supermarkets and require advice from the veterinarian.

Dechra reports through four operating segments:

- **EU Pharmaceuticals Segment** – Dechra Veterinary Products markets and sells Dechra’s products in 19 countries via its own sales and marketing organisations. Its main distribution centre is in Denmark. This segment encompasses Dechra Pharmaceuticals Manufacturing and Supply, which manufactures and supplies Dechra’s product range efficiently to the highest quality standards maintaining a reliable supply chain. Approximately 48% of Dechra’s pharmaceuticals are produced in-house and the remaining are managed through external supply relationships. There are manufacturing sites in Croatia, the Netherlands and the UK.
- **North American Pharmaceuticals Segment** – Dechra Veterinary Products markets and sells Dechra’s products via its own sales and marketing organisations or via distributors in Canada, Mexico and the US, this last territory being the world’s largest animal health market. In addition, there are manufacturing sites in California, Florida and Texas.
- **International Pharmaceuticals Segment** – Dechra Veterinary Products markets and sells Dechra’s products in 66 countries either via its sales and marketing organisations (Australia, New Zealand (ANZ), South Korea and Brazil) or via distributors. Dechra has manufacturing facilities and a Product Development and Regulatory Affairs presence in Australia and Brazil.
- **Product Development and Regulatory Affairs** – Develops Dechra’s own branded veterinary product portfolio of novel, generic and generic plus pharmaceuticals and related medical products. It obtains licences for the products, manages post approval adverse event reporting, periodic product renewals and other activities required to maintain the product licences. Product Development and Regulatory Affairs have a presence in Australia, Brazil, Canada, Croatia, Netherlands, Mexico, UK and the US.

## 8 IRREVOCABLE UNDERTAKINGS

As described above, Bidco has received irrevocable undertakings to vote in favour of the resolutions relating to the Scheme and the Acquisition at the Meetings (or in the event that the Acquisition is implemented by an Offer, to accept such Offer) from all of the Dechra Directors who own Dechra Shares, in respect of their own holdings over which they have control, being, in aggregate, 433,573 Dechra Shares (representing approximately 0.381 per cent. of the existing issued ordinary share capital of Dechra) as at 1 June 2023, being the Business Day prior to the date of this announcement) and from certain Dechra Shareholders who are close relatives of certain of the Dechra Directors in respect of, in aggregate, 38,009 Dechra Shares (representing approximately 0.033 per cent. of the existing issued ordinary share capital of Dechra) as at 1 June 2023, being the Business Day prior to the date of this announcement). The undertakings will remain binding in the event that a higher competing offer for Dechra is made.

Further details of these irrevocable undertakings, including the circumstances in which they cease to be binding, are set out in Appendix 3 to this announcement.

## **9 FINANCING OF THE ACQUISITION**

The cash consideration payable to Dechra Shareholders under the terms of the Acquisition will be financed by: (i) equity to be invested by investment vehicles managed by EQT. It is expected that on or following the Effective Date, certain of such equity commitments will be provided by equity co-investors in investment vehicles managed by EQT (such co-investors would be passive and not be granted any governance or control rights over Bidco or any member of the Bidco Group or Dechra Group). Further information will be set out in the Scheme Document; (ii) equity to be invested by Luxinva; and (iii) debt to be provided under the Interim Facilities Agreement.

BofA Securities and Morgan Stanley, in their capacities as joint financial advisers to Bidco, are satisfied that sufficient resources are available to Bidco to satisfy in full the cash consideration payable to Dechra Shareholders under the terms of the Acquisition.

Further information on the financing of the Acquisition will be set out in the Scheme Document.

## **10 OFFER-RELATED ARRANGEMENTS**

### Confidentiality Agreement

On 6 April 2023, EQT, on behalf of Bidco, and Dechra entered into a Confidentiality Agreement in relation to the Acquisition, pursuant to which, amongst other things, EQT, on behalf of Bidco has undertaken to: (i) subject to certain exceptions, keep information relating to Dechra and the Acquisition confidential and not to disclose it to third parties; and (ii) use such confidential information only in connection with the Acquisition. These confidentiality obligations will remain in force until the earlier of (a) completion of the Acquisition and (b) 6 April 2025. The Dechra Confidentiality Agreement also contains undertakings from EQT and its affiliates that for a period of 12 months after the date of the Dechra Confidentiality Agreement, it will not: (a) encourage or assist any distributor, agent, customer or supplier of the Wider Dechra Group, in relation to goods and services which are similar to goods or services supplied by or to the Dechra Group, to restrict, vary or cease that relationship other than in the ordinary and usual course of EQT's existing business; and (b) solicit or offer to employ or engage any employee of the Dechra Group involved in discussions relating to the Acquisition (subject to customary carve-outs).

### Cooperation Agreement

Pursuant to the Cooperation Agreement, Bidco and Dechra have, amongst other things, each agreed to: (i) cooperate in relation to obtaining any consents, clearances, permissions, waivers and/or approvals as may be necessary, and the making of all filings as may be necessary, from or under the law, regulations or practices applied by any applicable regulatory authority in connection with the Acquisition; and (ii) cooperate in preparing and implementing appropriate proposals in relation to the Dechra Share Plans. In addition, Bidco has agreed to certain provisions if the Scheme should switch to an Offer. The Cooperation Agreement will terminate in certain circumstances, including if the Acquisition is withdrawn, terminated or lapses, a third party announces a firm intention to make an offer for Dechra which completes, becomes

effective or becomes unconditional, if prior to the Long Stop Date any Condition has been invoked by Bidco (with the consent of the Panel), if the Dechra Directors withdraw their recommendation of the Acquisition or if the Scheme does not become Effective in accordance with its terms by the Long Stop Date or otherwise as agreed between Bidco and Dechra. Pursuant to the terms of the Cooperation Agreement and the requirements of Paragraph 3(g)(i) of Appendix 7 to the Takeover Code, Bidco undertakes that it will deliver a notice in writing to Dechra and the Panel on the Business Day prior to the Sanction Hearing confirming either: (i) the satisfaction or waiver of the Conditions (other than the Scheme Conditions); or (ii) to the extent permitted by the Panel, that it intends to invoke or treat as unsatisfied or incapable of satisfaction one or more Conditions.

#### Bid Conduct Agreement

Bidco, EQT and Luxinva have entered into the Bid Conduct Agreement, pursuant to which they have agreed certain principles in accordance with which they intend to cooperate in respect of the Acquisition.

Pursuant to the Bid Conduct Agreement, it is agreed that each of EQT and Luxinva will make certain material decisions with respect to the conduct of the Acquisition unanimously

The terms of the Bid Conduct Agreement also include an agreement not to pursue a competing proposal to the Acquisition with respect to Dechra or take any action to frustrate the Acquisition or directly or indirectly solicit, encourage or otherwise facilitate any enquiries or the making of any offer or proposal by a third party to make a competing proposal to the Acquisition, in each case for so long as the Bid Conduct Agreement is in force.

The Bid Conduct Agreement will terminate in certain circumstances, including 14 days after the date on which the Acquisition becomes effective or wholly unconditional; at such time as the Acquisition is withdrawn or lapses; at such time as a competing bid in relation to Dechra becomes effective or wholly unconditional; at such time as one of the parties withdraws from participating in the Acquisition in accordance with the terms of the Bid Conduct Agreement; or at such time as the parties thereto agree.

#### Joint Defence Agreement

Dechra, EQT, Luxinva and their respective external legal counsels have entered into the Joint Defence Agreement, originally dated 14 April 2023 and novated and restated on 2 June 2023, the purpose of which is to ensure that the exchange or disclosure of certain materials relating to the parties only takes place between their respective external legal counsels and external experts, and does not diminish in any way the confidentiality of such materials and does not result in a waiver of privilege, right or immunity that might otherwise be available.

#### Commercial Clean Team Agreement

Dechra, EQT and Luxinva have entered into the Commercial Clean Team Agreement, originally dated 5 May 2023 and novated and restated on 2 June 2023, the purpose of which is to set out the terms governing the disclosure of competitively sensitive

information (including in relation to Dechra's pipeline products) by Dechra or Dechra's external legal counsel to EQT and Luxinva's respective external legal counsel and external experts, as well as the related collection and analysis and potential destruction of such competitively sensitive information.

## **11 DISCLOSURE OF INTERESTS IN DECHRA SECURITIES**

Except for the irrevocable undertakings referred to in paragraph 8 above and Appendix 3, as at 1 June 2023 (being the last practicable date prior to the date of this announcement) neither Bidco, nor any of its directors, nor, so far as Bidco is aware, any person treated as acting in concert (within the meaning of the Takeover Code) with it for the purposes of the Acquisition (i) had any interest in or right to subscribe for or had borrowed or lent any Dechra Shares or securities convertible or exchangeable into Dechra Shares, or (ii) had any short positions in respect of relevant securities of Dechra (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, or (iii) has borrowed or lent any relevant securities of Dechra (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Takeover Code) save for any borrowed shares which have been either on-lent or resold, or (iv) is a party to any dealing arrangement of the kind referred to in Note 11 on the definition of acting in concert in the Takeover Code.

## **12 DIRECTORS, MANAGEMENT, EMPLOYEES, PENSIONS, RESEARCH AND DEVELOPMENT AND LOCATIONS**

### ***Bidco's strategic plans for Dechra***

As set out in paragraph 3, Bidco believes that Dechra is a high quality and leading company in the animal health market with an attractive portfolio of products and pipeline led by an experienced and strong management team, with a clear vision and strategy for the future direction of Dechra.

Bidco believes that the successful execution of the four key elements of Dechra's strategy: Pipeline Delivery; Portfolio Focus; Geographical Expansion; and Acquisitions meeting well-defined criteria, can be underpinned and enhanced without the pressures of being a listed business and private ownership can allow access to additional capital and resources to accelerate the longer term potential of the business.

Prior to this Announcement, consistent with market practice, Bidco was granted access to Dechra's senior management for the purposes of confirmatory due diligence. However, because of the constraints of a public offer process, Bidco has not yet had access to sufficiently detailed information to formulate specific plans or intentions regarding the impact of the Acquisition on Dechra.

Therefore, following the Acquisition becoming Effective, Bidco intends to work with Dechra's management to undertake an in-depth review of the Dechra Group.

Bidco expects that this evaluation will be completed within approximately six months from the Effective Date. In addition to improving its understanding of the business, the evaluation will include:

- engaging with the key stakeholders (including, but not limited to, employees, veterinary professionals, suppliers and, where applicable, regulators) of the Dechra Group; and
- assessing opportunities to accelerate potential investment that will support Dechra's growth ambitions and overall strategy, particularly in Dechra's innovative pipeline and potential for further geographical expansion.

### ***Employees and management***

Bidco attaches great importance to the skill and experience of Dechra's management and employees and recognises that the employees and management of Dechra have been and will continue to be key to the continued success of the Dechra Group.

Once Dechra ceases to be a listed company, a very limited number of listed company-related functions may be reduced in scope, capable of being merged or reorientated or become unnecessary to align with Dechra's new status as a private company. This may lead to a very limited reduction in the headcount of the Dechra Group. Bidco confirms that its intention is for any individuals impacted to be treated in a manner consistent with Dechra's high standards, culture and practices, including, where possible and appropriate offering affected individuals alternative roles within the Group.

Other than as described above, Bidco does not intend to make any other reductions to the Dechra Group's headcount or changes to the conditions of employment or the balance of skills and functions of the employees and management of the Dechra Group.

It is intended that, with effect from the Effective Date, each of the Non-Executive Directors of Dechra shall resign from their office.

### ***Existing employment rights and pensions***

Bidco confirms that, following the Acquisition becoming Effective, the existing contractual and statutory employment rights, including pension rights, of all Dechra management and employees will be fully safeguarded in accordance with applicable law.

Dechra operates a number of pension schemes worldwide, including a Dechra Group stakeholder personal pension scheme made available to certain employees, including in the UK, with contributions varying depending on length of service and/or grade, and state-run defined contribution schemes in France and the Netherlands. Dechra also operates jubilee (or long service) awards to employees in the Netherlands, Germany and Croatia, amounting to a liability of £0.3 million in total as at 30 June 2022.

Bidco does not intend to make any changes to the current employer pension contribution arrangements, the accrual of benefits for existing members or the rights of admission of new members.

### ***Management incentive arrangements***

Following the Acquisition becoming Effective, Bidco intends to review the management, governance and incentive structures of Dechra. Bidco has not entered



into, and has not had discussions on proposals to enter into, any form of incentivisation arrangements with members of Dechra's management, but may have discussions and enter into such discussions for certain members of the Dechra management team following the Effective Date.

### ***Headquarters, locations, fixed assets and research and development***

Following the Acquisition becoming Effective, Bidco intends that Dechra will continue to operate as a standalone business group. Currently, Dechra generates a large proportion of its revenue from each of North America and Europe. Recognising the different currencies of such jurisdictions, Bidco is considering a reorganisation of Dechra's North American and European corporate entities into sub-groups underneath two separate holding companies (each ultimately controlled by Bidco or its holding companies). Such group reorganisation would take place following the Effective Date and would not impact employee headcount or the functions of Dechra employees.

Bidco has no plans to undertake any material restructurings or change in, and does not anticipate that the North American and European reorganisation would have any effect on, the locations of Dechra's fixed assets or places of business. Bidco also has no plans to change the location or functions of Dechra's headquarters in Northwich, other than in respect of the listed company-related functions as described above.

Furthermore, no changes are envisaged with respect to the locations of Dechra's manufacturing or research and development facilities, in each case, subject to the outcome of Bidco's strategic review (which will include evaluating opportunities to: (i) expand certain facilities; (ii) expand research and development facilities related to pipeline development; (iii) re-allocate manufacturing of certain products between existing facilities to maximise potential of each facility; and (iv) expand the commercial set-up) and Bidco intends for Dechra to maintain a level of expenditure on research and development which is at least consistent with past practice.

### ***Trading Facilities***

Dechra Shares are currently listed on the Official List and admitted to trading on the London Stock Exchange. As set out in paragraph 16, applications will be made for the cancellation of the listing of Dechra Shares on the Official List and the cancellation of trading of Dechra Shares on the London Stock Exchange and steps will be taken to re-register Dechra as a private company.

None of the statements in this paragraph 12 are "post-offer undertakings" for the purposes of Rule 19.5 of the Takeover Code.

## **13 DECHRA SHARE PLANS**

Participants in the Dechra Share Plans will be contacted regarding the effect of the Acquisition on their options and awards under the Dechra Share Plans and an appropriate proposal will be made to such participants which reflects their options and awards under the Dechra Share Plans in due course. Details of the impact of the Scheme on each of the Dechra Share Plans and the proposals will be set out in the Scheme Document.

## 14 SCHEME PROCESS

The Acquisition is subject to the Conditions and certain further terms referred to in Appendix 1 to this announcement and to the full terms and conditions to be set out in the Scheme Document, and will only become Effective if, among other things, the following events occur on or before the Long Stop Date (or such later date as the Bidco and Dechra may, with the consent of the Panel, agree and, if required, the Court may approve):

- a resolution to approve the Scheme is passed by a majority in number of Dechra Shareholders present and voting (and entitled to vote) at the Court Meeting, either in person or by proxy, representing 75 per cent. or more in value of each class of the Scheme Shares held by those Dechra Shareholders;
- the resolution(s) necessary to implement the Scheme and the Acquisition is/are passed by the requisite majority of Dechra Shareholders at the General Meeting;
- following the Court Meeting and General Meeting and satisfaction and/or waiver (where applicable) of the other Conditions, the Scheme is sanctioned by the Court (without modification, or with modification on terms agreed by the Bidco and Dechra); and
- following such sanction, an office copy of the Scheme Court Order is delivered to the Registrar of Companies.

The Conditions in paragraphs 1 and 2 of Appendix 1 to this announcement provide that the Scheme will lapse (under the authority of Rule 13.5(b) of the Takeover Code) if:

- the Court Meeting and the General Meeting are not held by the 22<sup>nd</sup> day after the expected date of the Court Meeting and the General Meeting to be set out in the Scheme Document in due course (or such later date as may be agreed between Bidco and Dechra);
- the Sanction Hearing to approve the Scheme is not held by the 22<sup>nd</sup> day after the expected date of the Sanction Hearing to be set out in the Scheme Document in due course (or such later date as may be agreed between Bidco and Dechra); or
- the Scheme does not become Effective by 11.59 p.m. on the Long Stop Date (or such later date as Bidco and Dechra may, with the consent of the Panel, agree and (if required) the Court may allow).

If any Condition in paragraph 2 of Part A of Appendix 1 to this announcement is not capable of being satisfied by the date specified therein, Bidco shall make an announcement through a Regulatory Information Service as soon as practicable and, in any event, by not later than 8.00 a.m. on the Business Day following the date so specified, stating whether Bidco has invoked that Condition, (where applicable) waived that Condition or, with the agreement of Dechra, specified a new date by which that Condition must be satisfied.

Once the necessary approvals from Dechra Shareholders have been obtained and the other Conditions have been satisfied or (where applicable) waived and the Scheme has

been approved by the Court, the Scheme will become Effective upon delivery of a copy of the Court Order to the Registrar of Companies. Subject to the satisfaction of the Conditions, the Scheme is expected to become Effective towards the end of 2023 or early 2024.

Upon the Scheme becoming Effective: (i) it will be binding on all Dechra Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting (and if they attended and voted, whether or not they voted in favour); and (ii) share certificates in respect of Dechra Shares will cease to be valid and entitlements to Dechra Shares held within the CREST system will be cancelled. In accordance with the applicable provisions of the Takeover Code, the consideration for the transfer of the Scheme Shares to Bidco will be despatched no later than 14 days after the Effective Date.

Any Dechra Shares issued before the Scheme Record Time will be subject to the terms of the Scheme. The resolution(s) to be proposed at the General Meeting will, amongst other matters, provide that the Articles be amended to incorporate provisions requiring any Dechra Shares issued after the Scheme Record Time (other than to Bidco and/or their nominees) to be automatically transferred to Bidco on the same terms as the Acquisition (other than terms as to timings and formalities). The provisions of the Articles (as amended) will avoid any person (other than Bidco and their nominees) holding shares in the capital of Dechra after the Effective Date.

Further details of the Scheme, including expected times and dates for each of the Court Meeting, the General Meeting and the Sanction Hearing, together with notices of the Court Meeting and the General Meeting, will be set out in the Scheme Document. It is expected that the Scheme Document and the Forms of Proxy accompanying the Scheme Document will be published as soon as practicable and in any event within 28 days of this announcement (or such later date as the Bidco and Dechra may, with the consent of the Panel, agree and, if required, the Court may approve).

## **15 DIVIDENDS**

If, on or after the date of this announcement and prior to the Acquisition becoming Effective, any dividend and/or other distribution and/or other return of capital or value is announced, declared, made or paid or becomes payable in respect of the Dechra Shares, Bidco reserves the right to reduce the consideration payable under the terms of the Acquisition for the Dechra Shares by an amount up to the aggregate amount of such dividend and/or distribution and/or other return of capital or value, in which case any reference in this announcement to the consideration payable under the terms of the Acquisition will be deemed to be a reference to the consideration as so reduced. Any exercise by Bidco of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Scheme or the Acquisition. In such circumstances, Dechra Shareholders would be entitled to retain any such dividend, distribution and/or other return of capital or value.

## **16 DELISTING, AND CANCELLATION OF TRADING AND RE-REGISTRATION**

It is intended that the London Stock Exchange and the FCA will be requested respectively to cancel trading in Dechra Shares on the London Stock Exchange's Main Market and the listing of the Dechra Shares from the Official List on or shortly after the Effective Date.

It is expected that the last day of dealings in Dechra Shares on the Main Market of the London Stock Exchange is expected to be the Business Day immediately prior to the Effective Date and no transfers will be registered after 6.00 p.m. (London time) on that date.

It is intended that Dechra will be re-registered as a private limited company and for this to take effect as soon as practicable on or following the Effective Date.

## **17 DOCUMENTS**

Copies of the following documents will be available promptly on Dechra's website, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, at <https://www.dechra.com/investors/cash-offer> and in any event by no later than noon on the Business Day following this announcement:

- this announcement;
- the Confidentiality Agreement;
- the Cooperation Agreement;
- the Bid Conduct Agreement;
- the Joint Defence Agreement;
- the Commercial Clean Team Agreement;
- the irrevocable undertakings referred to in paragraph 8 above and summarised in Appendix 3 to this announcement;
- the documents entered into for the financing of the Acquisition referred to in paragraph 9 above, including the Interim Facility Agreement; and
- the consents from financial advisers to being named in this announcement.

Neither the content of the website referred to in this announcement, nor any website accessible from hyperlinks, is incorporated into or forms part of this announcement.

## **18 GENERAL**

Bidco reserves the right to elect (with the consent of the Panel and subject to the terms of the Cooperation Agreement) to implement the acquisition of the Dechra Shares by way of an Offer as an alternative to the Scheme. In such event, the Offer will be

implemented on substantially the same terms, so far as applicable, as those which would apply to the Scheme.

If the Acquisition is effected by way of an Offer, and such an Offer becomes or is declared unconditional in all respects and sufficient acceptances are received, Bidco intends to (i) make a request to the FCA to cancel the listing of the Dechra Shares from the Official List; (ii) make a request to the London Stock Exchange to cancel trading in Dechra Shares on its Main Market; and (iii) exercise its rights to apply the provisions of Chapter 3 of Part 28 of the 2006 Act so as to acquire compulsorily the remaining Dechra Shares in respect of which the Offer has not been accepted.

Investors should be aware that Bidco may purchase Dechra Shares otherwise than under the Scheme or any Offer, including pursuant to privately negotiated purchases.

The Acquisition will be on the terms and subject to the conditions set out herein and in Appendix 1, and to be set out in the Scheme Document. The bases and sources for certain financial information contained in this announcement are set out in Appendix 2. Details of undertakings received by Bidco are set out in Appendix 3. Certain definitions and terms used in this announcement are set out in Appendix 4. The formal Scheme Document will be sent to shareholders of Dechra within 28 days of this announcement (or on such later date as may be agreed with Dechra and the Panel).

BofA Securities and Morgan Stanley (as joint financial advisers to Bidco) and Investec (as financial adviser to Dechra) have each given and not withdrawn their consent to the publication of this announcement with the inclusion herein of the references to their names in the form and context in which they appear.

This announcement does not constitute an offer or an invitation to purchase or subscribe for any securities.

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Kirkland & Ellis International LLP is acting as legal adviser to Bidco and EQT, and Freshfields Bruckhaus Deringer LLP is acting as legal adviser to Luxinva and ADIA.

DLA Piper UK LLP is acting as legal adviser to Dechra.

## **Further information**

*Merrill Lynch International (“**BofA Securities**”), which is authorised by the Prudential Regulation Authority (“**PRA**”) and regulated by the Financial Conduct Authority (“**FCA**”) and the PRA in the United Kingdom, is acting exclusively for EQT, Luxinva and Bidco and for no one else and will not be responsible to anyone other than EQT, Luxinva and Bidco for providing the protections afforded to its clients or for providing advice in relation to the matters referred to in this announcement. Neither BofA Securities, nor any of its affiliates, owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of BofA Securities in connection with this announcement, any statement contained herein or otherwise.*

*Morgan Stanley & Co. International plc (“**Morgan Stanley**”), which is authorised by the PRA and regulated by the PRA and the FCA in the United Kingdom, is acting exclusively for EQT, Luxinva and Bidco and for no one else in connection with the possible offer. In connection with such matters, Morgan Stanley, its affiliates and their respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to any other person for providing the protections afforded to their clients or for providing advice in connection with the possible offer, the contents of this announcement or any other matter referred to herein.*

*Investec Bank plc (“**Investec**”), which is authorised in the United Kingdom by the PRA and regulated in the UK by the FCA and the PRA, is acting exclusively for Dechra and no one else in connection with the subject matter of this announcements and shall not be responsible to anyone other than Dechra for providing the protections afforded to clients of Investec, nor for providing advice in connection with the Approach or any matter referred to herein. Neither Investec nor any of its affiliates (nor any of its or their respective directors, officers, employees, representatives or agents) owes or accepts any duty, liability or responsibility whatsoever (whether direct, indirect, consequential, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Investec in connection with the Approach, this announcement, any statement contained herein or otherwise.*

*This announcement is for information purposes only and is not intended to, and does not, constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities of Dechra in any jurisdiction in contravention of applicable law. The Acquisition will be implemented solely pursuant to the terms of the Scheme Document (or, if the Acquisition is implemented by way of an Offer, the offer document), which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any vote in respect of the Scheme or other response in relation to the Acquisition should be made only on the basis of the information contained in the Scheme Document (or, if the Acquisition is implemented by way of an Offer, the offer document).*

*This announcement does not constitute a prospectus, prospectus equivalent document or exempted document.*

*This announcement contains inside information in relation to Dechra for the purposes of Article 7 of the Market Abuse Regulation. The person responsible for arranging the release of*

*this announcement on behalf of Dechra is Melanie Hall, Company Secretary. Dechra's Legal Entity Identifier is 213800J4UVB5OWG8VX82.*

***If you are in any doubt about the contents of this announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.***

### ***Overseas Shareholders***

*The release, publication or distribution of this announcement in or into jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the UK should inform themselves of, and observe, any applicable legal or regulatory requirements. Any failure to comply with such requirements may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This announcement has been prepared in accordance with and for the purpose of complying with English law, the Takeover Code, the Market Abuse Regulation, the Listing Rules and the Disclosure Guidance and Transparency Rules and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England.*

*The availability of the Acquisition to Dechra Shareholders who are not resident in and citizens of the UK may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the UK should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. In particular, the ability of persons who are not resident in the United Kingdom to vote their Dechra Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. Further details in relation to Overseas Shareholders will be contained in the Scheme Document (or, if the Acquisition is implemented by way of an Offer, the offer document).*

*Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Scheme by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Copies of this announcement and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including, without limitation, agents, custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition. If the Acquisition is implemented by way of an*



*Offer (unless otherwise permitted by applicable law and regulation), the Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.*

*Further details in relation to Overseas Shareholders will be included in the Scheme Document (or, if the Acquisition is implemented by way of an Offer, the offer document).*

### ***Notice to U.S. Dechra Shareholders***

*The Acquisition relates to the shares of an English company and is being made by means of a scheme of arrangement provided for under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the tender offer or proxy solicitation rules under the U.S. Securities Exchange Act of 1934 (the “U.S. Exchange Act”). Accordingly, the Acquisition is subject to the disclosure requirements and practices applicable in the UK to schemes of arrangement which differ from the disclosure requirements of the U.S. tender offer and proxy solicitation rules. The financial information included in this announcement has been prepared in accordance with generally accepted accounting principles of the United Kingdom and thus may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.*

*If, in the future, Bidco exercises its right to implement the Acquisition by way of an Offer, which is to be made into the United States, such Offer will be made in compliance with the applicable U.S. laws and regulations.*

*It may be difficult for U.S. holders of Dechra Shares to enforce their rights and any claim arising out of the U.S. federal laws, since Bidco and Dechra are located in a non-U.S. jurisdiction, and some or all of their officers and directors may be residents of a non-U.S. jurisdiction. U.S. holders of Dechra Shares may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court’s judgement.*

*In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the U.S. Exchange Act, EQT, Luxinva or their nominees, or their brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Dechra Shares outside of the U.S., other than pursuant to the Acquisition, until the date on which the Acquisition becomes Effective, lapses or is otherwise withdrawn. Also, in accordance with Rule 14e-5(b) of the U.S. Exchange Act, BofA Securities and Morgan Stanley will continue to act as exempt principal traders in Dechra shares on the London Stock Exchange. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the United Kingdom, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website, [www.londonstockexchange.com/](http://www.londonstockexchange.com/).*

*U.S. Dechra Shareholders also should be aware that the transaction contemplated herein may have tax consequences in the U.S. and, that such consequences, if any, are not described herein.*

*U.S. Dechra Shareholders are urged to consult with legal, tax and financial advisers in connection with making a decision regarding this transaction.*

### ***Forward Looking Statements***

*This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Acquisition, and other information published by Bidco and Dechra contain statements which are, or may be deemed to be, “forward-looking statements”. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Bidco and Dechra about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.*

*The forward-looking statements contained in this announcement include statements relating to the expected effects of the Acquisition on Bidco and Dechra (including their future prospects, developments and strategies), the expected timing and scope of the Acquisition and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as “prepares”, “plans”, “expects” or “does not expect”, “is expected”, “is subject to”, “budget”, “projects”, “synergy”, “strategy”, “scheduled”, “goal”, “estimates”, “forecasts”, “cost-saving”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. Forward looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Bidco’s, Dechra’s, any member of the Bidco Group’s or any member of the Dechra Group’s operations and potential synergies resulting from the Acquisition; and (iii) the effects of global economic conditions and governmental regulation on Bidco’s, Dechra’s, any member of the Bidco Group’s or any member of the Dechra Group’s business.*

*Although Bidco and Dechra believe that the expectations reflected in such forward-looking statements are reasonable, Bidco and Dechra can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements.*

*These factors include, but are not limited to: the ability to complete the Acquisition; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other Conditions on the proposed terms and schedule; changes in the global political, economic, business and competitive environments and in market and regulatory forces; changes in future exchange and interest rates; changes in tax rates; future business combinations or disposals; changes in general economic and business conditions; changes in the behaviour of other market participants; changes in the anticipated benefits from the proposed transaction not being realised as a result of changes in general economic and market conditions in the countries in which Bidco and Dechra operate, weak, volatile or illiquid capital and/or credit markets, changes in tax rates, interest rate and currency value fluctuations, the degree of competition in the geographic and business areas in which Bidco and Dechra operate and changes in laws or in supervisory expectations or requirements. Other unknown or*

*unpredictable factors could cause actual results to differ materially from those expected, estimated or projected in the forward-looking statements. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions proves incorrect, actual results may differ materially from those expected, estimated or projected. Such forward-looking statements should therefore be construed in the light of such factors. Neither Bidco nor Dechra, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. You are cautioned not to place any reliance on these forward-looking statements.*

*Specifically, statements of estimated cost savings and synergies related to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the cost savings and synergies referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. Due to the scale of the Dechra Group, there may be additional changes to the Dechra Group's operations. As a result, and given the fact that the changes relate to the future, the resulting cost synergies may be materially greater or less than those estimated.*

*Other than in accordance with their legal or regulatory obligations, neither Bidco nor Dechra is under any obligation, and Bidco and Dechra expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

### ***Dealing and Opening Position Disclosure Requirements***

*Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) of the Takeover Code applies must be made by no later than 3.30 pm (London time) on the 10<sup>th</sup> business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10<sup>th</sup> business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk/](http://www.thetakeoverpanel.org.uk/), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

### ***Publication on a website***

*In accordance with Rule 26.1 of the Takeover Code, a copy of this announcement and the documents required to be published under Rule 26 of the Takeover Code will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Dechra's website at <https://www.dechra.com/investors/cash-offer> by no later than 12 noon (London time) on the Business Day following this announcement. For the avoidance of doubt, neither the content of these websites nor of any website accessible from hyperlinks is incorporated by reference or forms part of this announcement.*

### ***No profit forecasts, estimates or quantified benefits statements***

*The FY23 Profit Forecast set out in this announcement is a profit forecast for the purposes of Rule 28 of the Takeover Code. The Scheme Document will include the relevant reports for the purposes of Rule 28.1(c)(iii) of the Takeover Code. Save for the FY23 Profit Forecast, no statement in this announcement is intended as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for Dechra for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Dechra.*

### ***Requesting hard copy documents***

*In accordance with Rule 30.3 of the Takeover Code, Dechra Shareholders, persons with information rights and participants in Dechra Share Plans may request a hard copy of this announcement by: (i) telephoning Equiniti on +44 (0) 371 384 2050. If calling from outside of the UK, please ensure the country code is used. Lines will be open from 8.30 a.m. to 5.30 p.m., Monday to Friday (excluding public holidays in England and Wales); or (ii) submitting a request in writing to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom. For persons who receive a copy of this announcement in electronic form or via a website notification, a hard copy of this announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.*

## **Electronic Communications**

*Please be aware that addresses, electronic addresses and certain other information provided by Dechra Shareholders, persons with information rights and other relevant persons for the receipt of communications from Dechra may be provided to Bidco during the offer period as required under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.*

## **Rounding**

*Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of figures that precede them.*

## **General**

*Bidco reserves the right to elect, with the consent of the Panel (where necessary) and subject to the terms of the Cooperation Agreement, to implement the Acquisition by way of an Offer as an alternative to the Scheme. In such an event, an Offer will be implemented on substantially the same terms, so far as applicable, as those which would apply to the Scheme (subject to appropriate amendments, including (without limitation and for so long as the Cooperation Agreement is continuing and the Offer arises as a result of an "Agreed Switch" (as defined therein)) an acceptance condition set at 75 per cent. of the Dechra Shares on a fully diluted basis (or such lesser percentage as may be determined by Bidco after (to the extent reasonably practicable) consultation with Dechra and (to the extent necessary) consultation with the Panel, being in any case more than 50 per cent. of the Dechra Shares).*

*If the Acquisition is effected by way of an Offer, and such an Offer becomes or is declared unconditional in all respects and sufficient acceptances are received, Bidco intends to exercise its rights to apply the provisions of Chapter 3 of Part 28 of the 2006 Act so as to acquire compulsorily the remaining Dechra Shares in respect of which the Offer has not been accepted.*

*Investors should be aware that Bidco may purchase Dechra Shares otherwise than under any Offer or the Scheme, including pursuant to privately negotiated purchases.*

## **Rule 2.9 of the Takeover Code**

*For the purposes of Rule 2.9 of the Takeover Code, Dechra confirms that, as at the date of this announcement, it had in issue 113,884,141 ordinary shares of 1 pence each. Dechra does not hold any ordinary shares in treasury. The ISIN for the ordinary shares is GB0009633180.*

## **Disclaimer**

*The information contained herein does not constitute an offer to sell, nor a solicitation of an offer to buy, any security, and may not be used or relied upon in connection with any offer or solicitation. Any offer or solicitation in respect of EQT and EQT Funds will be made only through a confidential private placement memorandum and related documents which will be furnished to qualified investors on a confidential basis in accordance with applicable laws and regulations. The information contained herein is not for publication or distribution to persons in the U.S. Any securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold without registration*

*thereunder or pursuant to an available exemption therefrom. Any offering of securities to be made in the U.S. would have to be made by means of an offering document that would be obtainable from the issuer or its agents and would contain detailed information about the issuer of the securities and its management, as well as financial information. The securities may not be offered or sold in the U.S. absent registration or an exemption from registration.*

*The Acquisition will be subject to English law, the jurisdiction of the Court, and the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange, the FCA, the Listing Rules and the Registrar of Companies.*

**Appendix 1**  
**Conditions and Further Terms of the Transaction**

**Part A**  
***Conditions to the Scheme and Acquisition***

1. The Acquisition will be conditional upon the Scheme becoming unconditional and becoming Effective, subject to the provisions of the Takeover Code, by no later than 11.59 p.m. on the Long Stop Date.

Conditions of the Scheme

2. The Scheme will be subject to the following Conditions:
  - 2.1 (i) its approval by a majority in number representing not less than 75 per cent. in value of Scheme Shares held by Dechra Shareholders who are on the register of members of Dechra (or the relevant class or classes thereof) at the Voting Record Time, present and voting, whether in person or by proxy, at the Court Meeting and at any separate class meeting which may be required (or any adjournment thereof), and (ii) such Court Meeting being held on or before the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document in due course (or such later date as may be agreed between Bidco and Dechra with the consent of the Panel (and that the Court may approve if required));
  - 2.2 (i) the Resolution(s) being duly passed at the General Meeting (or any adjournment thereof); and (ii) such General Meeting being held on or before the 22nd day after the expected date of the General Meeting to be set out in the Scheme Document in due course (or such later date as may be agreed between Bidco and Dechra with the consent of the Panel (and that the Court may approve if required));
  - 2.3 (i) the sanction of the Scheme by the Court (with or without modification (but subject to such modification being acceptable to Bidco and Dechra)); and (ii) the Sanction Hearing being held on or before the 22nd day after the expected date of the Sanction Hearing to be set out in the Scheme Document in due course (or such later date as may be agreed between Bidco and Dechra with the consent of the Panel (and that the Court may approve, if required)); and
  - 2.4 the delivery of a copy of the Court Order to the Registrar of Companies.

General Conditions

3. In addition, subject as stated in Part B of this Appendix 1, Bidco and Dechra have agreed that the Acquisition will be conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme Effective will not be taken unless the following Conditions (as amended if appropriate) have been satisfied or, where relevant, waived:

Antitrust

European Union

- 3.1 Insofar as the Acquisition constitutes, or is deemed to constitute, a concentration with a Union dimension within scope of Council Regulation (EC) 139/2004 (as amended) (the “**Regulation**”), or the European Commission otherwise accepts jurisdiction to review the Acquisition under the Regulation:
- 3.1.1 the European Commission having issued a decision under Article 6(1)(b), 6(2), 8(1) or 8(2) of the Regulation, or being deemed to have done so under Article 10(6) of the Regulation, declaring the Acquisition compatible with the internal market; and/or
  - 3.1.2 following a referral by the European Commission of the Acquisition (or part of it) to a relevant national competition authority under Article 9 of the Regulation, all such relevant competition authority or authorities having issued or being deemed to have issued a decision with equivalent effect to that referred to in paragraph 3.1.1 above with respect to those parts of the Acquisition referred to it or them, as the case may be, and, to the extent relevant, the European Commission issuing a decision referred to in paragraph 3.1.1 above with respect to any part of the Acquisition retained by it;

#### United States of America

- 3.2 all applicable filings having been made and any applicable waiting period under the Hart Scott Rodino Antitrust Improvements Act of 1976 (as amended) and the regulations made thereunder relating to the Acquisition having expired, lapsed or been terminated;

#### Austria

- 3.3 insofar as the Acquisition is subject to a mandatory filing requirement under the Austrian Cartel Act, the Austrian Federal Competition Authority and the Austrian Federal Cartel Prosecutor having approved the consummation of the Acquisition (whether conditionally or unconditionally) and/or the applicable waiting periods having expired;

#### Brazil

- 3.4 insofar as the Acquisition is subject to a mandatory filing requirement under the Antitrust Law 12.529 of 30 November 2011, the Administrative Council for Economic Defense of Brazil (CADE) having approved the consummation of the Acquisition (whether conditionally or unconditionally) and/or the applicable waiting periods having expired;

#### Germany

- 3.5 insofar as the Acquisition requires pre-closing clearance under the German Act Against Restraints of Competition (Gesetz gegen Wettbewerbsbeschränkungen), the German Competition Authority (Bundeskartellamt) having approved the consummation of the Acquisition (whether conditionally or unconditionally) and/or the applicable waiting periods having expired;



## Regulatory

### Australia

- 3.6 insofar as the Acquisition is subject to a mandatory filing requirement under the Australian Foreign Acquisitions and Takeovers Act 1975 (Cth) (“**FATA**”), receipt of a written notice under FATA by or on behalf of the Treasurer of the Commonwealth of Australia stating, or to the effect that, the Commonwealth Government does not object to the Acquisition, with or without imposing conditions, or otherwise the Treasurer of the Commonwealth of Australia ceasing to be empowered to make any order under Part 3 of FATA in respect of the Acquisition;

### Spain

- 3.7 insofar as the Acquisition is subject to a mandatory filing requirement under the Law 19/2003 of 4 July, on the legal regime of capital movements and economic transactions abroad (“**Spanish FDI Act**”), the Spanish FDI Authority: (i) having confirmed that no approval under the Spanish FDI Act is needed in relation to the Acquisition; or (ii) having approved the consummation of the Acquisition (whether conditionally or unconditionally);

### Other Third Party clearances

- 3.8 other than in relation to the matters referred to in Conditions 3.1 to 3.7, no central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, environmental body, employee representative body or any other body or person whatsoever in any jurisdiction (each a “**Third Party**”) having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference, or having required any action to be taken or otherwise having done anything or having enacted, made or proposed any statute, regulation, decision, order or change to published practice and there not continuing to be outstanding any statute, regulation, decision or order which would:
- 3.8.1 make the Acquisition, its implementation or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, any member of the Wider Dechra Group by any member of the Wider Bidco Group void, illegal and/or unenforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly prevent, prohibit or restrain, restrict or impede the implementation of the Acquisition or the acquisition of any shares or other securities in, or control or management of, any member of the Wider Dechra Group by any member of the Wider Bidco Group or require an amendment of the Scheme;
- 3.8.2 require, prevent or materially delay the divestiture or alter the terms envisaged for such divestiture by any member of the Wider Bidco Group of all or any part of their businesses, assets or property or

impose any limitation on the ability of all or any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof) to an extent which is material in the context of the Wider Bidco Group taken as a whole or in the context of the Acquisition;

- 3.8.3 impose any material limitation on the ability of any member of the Wider Bidco Group directly or indirectly to acquire or hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in Dechra (or any member of the Wider Dechra Group) or on the ability of any member of the Wider Dechra Group or any member of the Wider Bidco Group directly or indirectly to hold or exercise effectively any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise management control over, any member of the Wider Dechra Group to an extent which is material in the context of the Wider Dechra Group taken as a whole or in the context of the Acquisition;
- 3.8.4 other than pursuant to the implementation of the Scheme or, if applicable, sections 974 to 991 of the 2006 Act, require any member of the Wider Bidco Group or the Wider Dechra Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider Dechra Group or any asset owned by any third party which is material in the context of the Wider Dechra Group or the Wider Bidco Group, in either case taken as a whole;
- 3.8.5 result in any member of the Wider Dechra Group ceasing to be able to carry on business under any name under which it presently carries on business to an extent which is material in the context of the Wider Dechra Group taken as a whole or in the context of the Acquisition; or
- 3.8.6 impose any limitation on the ability of any member of the Wider Bidco Group and/or any member of the Wider Dechra Group to conduct, integrate or co-ordinate all or any part of their respective businesses with all or any part of the business of any other member of the Wider Bidco Group and/or the Wider Dechra Group in a manner which is adverse and material to the Wider Bidco Group and/or the Wider Dechra Group, in each case taken as a whole or in the context of the Acquisition;

and all applicable waiting and other time periods (including any extensions thereof) during which any such Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Acquisition or proposed acquisition of any Dechra Shares or otherwise intervene having expired, lapsed, or been terminated;

- 3.9 other than in relation to the matters referred to in Conditions 3.1 to 3.7, all notifications, filings or applications which are deemed by Bidco to be necessary or reasonably considered to be required in any relevant jurisdiction having been made in connection with the Acquisition and all necessary waiting and other

time periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory and regulatory obligations in any jurisdiction having been complied with and all Authorisations which are deemed by Bidco, acting reasonably, to be necessary or reasonably considered to be required in any jurisdiction for or in respect of the Acquisition or the proposed acquisition of any shares or other securities in, or control of, Dechra by any member of the Wider Bidco Group having been obtained on terms and in a form reasonably satisfactory to Bidco from all appropriate Third Parties or (without prejudice to the generality of the foregoing) from any person or bodies with whom any member of the Wider Dechra Group or the Wider Bidco Group has entered into contractual arrangements in each case where the direct consequence of a failure to make such notification or filing or to wait for the expiry, lapse or termination of any such waiting or other time period or to comply with such obligation or obtain such Authorisation would be unlawful in any relevant jurisdiction or have a material adverse effect on the Wider Dechra Group, any member of the Bidco Group or the ability of Bidco to implement the Scheme and all such Authorisations remaining in full force and effect at the time at which the Scheme becomes otherwise unconditional in all respects and there being no notice or intimation of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations;

- 3.10 no temporary restraining order, preliminary or permanent injunction, preliminary or permanent enjoinder, or other order issued and being in effect by a court or other Third Party which has the effect of making the Acquisition or any acquisition or proposed acquisition of any shares or other securities or control or management of, any member of the Wider Dechra Group by any member of the Wider Bidco Group, or the implementation of either of them, void, voidable, illegal and/or unenforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly prohibiting, preventing, restraining, restricting, delaying or otherwise interfering with the completion or the approval of the Acquisition or any matter arising from the proposed acquisition of any shares or other securities in, or control or management of, any member of the Wider Dechra Group by any member of the Wider Bidco Group;

Confirmation of absence of adverse circumstances

- 3.11 except as Disclosed, there being no provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider Dechra Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or be subject or any event or circumstance which, as a consequence of the Acquisition or the proposed acquisition by any member of the Wider Bidco Group of any shares or other securities in Dechra or because of a change in the control or management of any member of the Wider Dechra Group or otherwise, would or might reasonably be expected to result in, in each case to an extent which is material in the context of the Wider Dechra Group taken as a whole or to the financing of the Acquisition:

- 3.11.1 any monies borrowed by, or any other indebtedness, actual or contingent of, or any grant available to, any member of the Wider

Dechra Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;

- 3.11.2 the rights, liabilities, obligations, interests or business of any member of the Wider Dechra Group or any member of the Wider Bidco Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider Dechra Group or any member of the Wider Bidco Group in or with any other firm or company or body or person (or any agreement or arrangement relating to any such business or interests) being or likely to become terminated or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken or arising thereunder;
- 3.11.3 any member of the Wider Dechra Group ceasing to be able to carry on business under any name under which it presently carries on business to an extent which is material in the context of the Dechra Group taken as a whole or in the context of the Acquisition;
- 3.11.4 any assets or interests of, or any asset the use of which is enjoyed by, any member of the Wider Dechra Group being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any member of the Wider Dechra Group otherwise than in the ordinary course of business;
- 3.11.5 other than in the ordinary course of business, the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider Dechra Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen), becoming enforceable;
- 3.11.6 the business, assets, value, financial or trading position, profits, prospects or operational performance of any member of the Wider Dechra Group being prejudiced or adversely affected; or
- 3.11.7 the creation or acceleration of any material liability (actual or contingent) by any member of the Wider Dechra Group other than trade creditors or other liabilities incurred in the ordinary course of business; or
- 3.11.8 any liability of any member of the Wider Dechra Group to make any severance, termination, bonus or other payment to any of its directors or other officers other than in the ordinary course of business;

No material transactions, claims or changes in the conduct of the business of the Dechra Group

- 3.12 except as Disclosed, no member of the Wider Dechra Group having since 31 December 2022:
- 3.12.1 save as between Dechra and its wholly-owned subsidiaries or between such wholly-owned subsidiaries and save for the issue or transfer out of treasury of Dechra Shares on the exercise of options or vesting of awards granted in the ordinary course under the Dechra Share Plans, issued or agreed to issue or authorised or proposed or announced its intention to authorise or propose the issue of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of Dechra Shares out of treasury;
  - 3.12.2 recommended, declared, paid or made or agreed to recommend, declare, pay or make any bonus issue, dividend or other distribution (whether payable in cash or otherwise) other than to Dechra or one of its wholly-owned subsidiaries;
  - 3.12.3 save as between Dechra and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, merged with (by statutory merger or otherwise) or demerged from or acquired any body corporate, partnership or business or acquired or disposed of, or, other than in the ordinary course of business, transferred, mortgaged or charged or created any security interest over, any assets or any right, title or interest in any asset (including shares and trade investments) or authorised, proposed or announced any intention to do so, in each case to an extent which is material in the context of the Wider Dechra Group taken as a whole;
  - 3.12.4 save as between Dechra and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, made, authorised, proposed or announced an intention to propose any change in its loan capital other than in the ordinary course of business and to an extent which is material in the context of the Wider Dechra Group taken as a whole;
  - 3.12.5 issued, authorised or proposed or announced an intention to authorise or propose the issue of, or made any change in or to the terms of, any debentures or (save in the ordinary course of business and save as between Dechra and its wholly-owned subsidiaries or between such wholly-owned subsidiaries) incurred or increased any indebtedness or become subject to any contingent liability to an extent which is material in the context of the Wider Dechra Group taken as a whole or in the context of the Acquisition;
  - 3.12.6 entered into, varied, authorised or proposed entry into or variation of, or announced its intention to enter into or vary, any contract,

transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) (otherwise than in the ordinary course of business) which is of a long-term, unusual or onerous nature, or which involves or could reasonably be expected to involve an obligation of a nature or magnitude which is or is likely to be materially restrictive on the business of any member of the Wider Dechra Group to an extent which is or is reasonably likely to be material to the Wider Dechra Group taken as a whole;

- 3.12.7 entered into any licence or other disposal of intellectual property rights of any member of the Wider Dechra Group which are material in the context of the Wider Dechra Group and outside the normal course of business;
- 3.12.8 entered into, varied, authorised or proposed entry into or variation of, or announced its intention to enter into or vary the terms of or made any offer (which remains open for acceptance) to enter into or vary the terms of, any contract, commitment, arrangement or any service agreement with any director or senior executive of the Wider Dechra Group save for salary increases, bonuses or variations of terms in the ordinary course;
- 3.12.9 proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme, or other benefit relating to the employment or termination of employment of any employee of the Wider Dechra Group which, taken as a whole, are material in the context of the Wider Dechra Group taken as a whole;
- 3.12.10 (i) (excluding the trustee of any pension scheme(s) established by a member of the Wider Dechra Group other than Dechra itself) made, agreed or consented to or procured any significant change to: (a) the terms of any existing trust deeds, rules, policy or other governing documents, or entered into or established any new trust deeds, rules, policy or other governing documents, constituting any pension scheme or other retirement or death benefit arrangement established for the directors, former directors, employees or former employees of any entity in the Wider Dechra Group or their dependants and established by a member of the Wider Dechra Group (a “**Relevant Pension Plan**”); (b) the basis on which benefits accrue, pensions which are payable or the persons entitled to accrue or be paid benefits, under any Relevant Pension Plan; (c) the basis on which the liabilities of any Relevant Pension Plan are funded or valued; or (d) the basis or rate of employer contribution to a Relevant Pension Plan, in each case to the extent which is material in the context of the Wider Dechra Group taken as a whole or in the context of the Acquisition and other than as required in accordance with applicable law; or (ii) enter into or propose to enter into one or more bulk annuity contracts in relation to any Relevant Pension Plan; or (iii) carried out any act: (a) which would or could reasonably be expected to lead to the commencement of the winding up of any Relevant Pension Plan; (b) which would or is reasonably likely to create a material debt owed by an employer to any

Relevant Pension Plan; (c) which would or might accelerate any obligation on any employer to fund or pay additional contributions to any Relevant Pension Plan; or (d) which would, having regard to the published guidance of the Pensions Regulator give rise directly or indirectly to a liability in respect of a Relevant Pension Plan arising out of the operation of sections 38 and 38A of the Pensions Act 2004 in relation to a Relevant Pension Plan, in each case to the extent which is material in the context of the Wider Dechra Group taken as a whole or in the context of the Acquisition and other than as required in accordance with applicable law;

- 3.12.11 other than to replace a vacancy on the board of directors of a corporate trustee, changed the trustee or trustee directors or other fiduciary or any Relevant Pension Plan;
- 3.12.12 entered into, implemented or effected, or authorised, proposed or announced its intention to implement or effect, any joint venture, asset or profit sharing arrangement, partnership, composition, assignment, reconstruction, amalgamation, commitment, scheme or other transaction or arrangement (other than the Scheme) otherwise than in the ordinary course of business which is material in the context of the Wider Dechra Group taken as a whole or in the context of the Acquisition;
- 3.12.13 purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or made any other change to any part of its share capital to an extent which (other than in the case of Dechra) is material in the context of the Wider Dechra Group taken as a whole;
- 3.12.14 other than with respect to claims between Dechra and its wholly owned subsidiaries (or between such subsidiaries), waived, compromised or settled any claim otherwise than in the ordinary course of business which is material in the context of the Wider Dechra Group taken as a whole or in the context of the Acquisition;
- 3.12.15 made any alteration to its articles of association or other constitutional documents (in each case, other than in connection with the Scheme) which is material in the context of the Acquisition;
- 3.12.16 (other than in respect of a member of the Wider Dechra Group which is dormant and was solvent at the relevant time) taken or proposed any steps, corporate action or had any legal proceedings instituted or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, reorganisation or for the appointment of any administrator, receiver, manager, administrative receiver, trustee or similar officer of all or any of its assets or revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed which is material in

the context of the Wider Dechra Group taken as a whole or in the context of the Acquisition;

- 3.12.17 been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business which is material in the context of the Wider Dechra Group taken as a whole or in the context of the Acquisition;
- 3.12.18 entered into any contract, commitment, agreement or arrangement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition;
- 3.12.19 terminated or varied the terms of any agreement or arrangement between any member of the Wider Dechra Group and any other person in a manner which would or might be expected to have a material adverse effect on the financial position of the Wider Dechra Group taken as a whole; or
- 3.12.20 taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of Dechra Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code;

No material adverse change

- 3.13 since 31 December 2022, and except as Disclosed, there having been:
  - 3.13.1 no adverse change and no circumstance having arisen which would be expected to result in any adverse change or deterioration in the business, assets, value, financial or trading position, profits, prospects or operational performance of any member of the Wider Dechra Group to an extent which is material to the Wider Dechra Group taken as a whole or to the financing of the Acquisition;
  - 3.13.2 no litigation, arbitration proceedings, prosecution or other legal proceedings including, without limitation, with regard to intellectual property rights used by the Wider Dechra Group having been threatened, announced or instituted by or against or remaining outstanding against any member of the Wider Dechra Group or to which any member of the Wider Dechra Group is or may become a party (whether as claimant or defendant or otherwise) which, in any such case, might reasonably be expected to have a material adverse effect on the Wider Dechra Group taken as a whole, and no enquiry, review, investigation or enforcement proceedings by, or complaint or reference to, any Third Party against or in respect of any member of



the Wider Dechra Group having been threatened, announced or instituted by or against, or remaining outstanding in respect of, any member of the Wider Dechra Group which, in any such case, might reasonably be expected to have a material adverse effect on the Wider Dechra Group taken as a whole;

- 3.13.3 no contingent or other liability having arisen, increased or become apparent which is reasonably likely to adversely affect the business, assets, financial or trading position, profits, prospects or operational performance of any member of the Wider Dechra Group to an extent which is material to the Wider Dechra Group taken as a whole
  - 3.13.4 no steps having been taken and no omissions having been made which are reasonably likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Dechra Group, which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which is material and reasonably likely to have a material adverse effect on the Wider Dechra Group taken as a whole; and
  - 3.13.5 no member of the Wider Dechra Group having conducted its business in material breach of any applicable laws and regulations which in any case is material in the context of the Wider Dechra Group taken as a whole;
- 3.14 since 31 December 2022, except as Disclosed, Bidco not having discovered:
- 3.14.1 that any financial, business or other information concerning the Wider Dechra Group publicly announced or disclosed to any member of the Wider Bidco Group at any time prior to the date of this announcement by or on behalf of any member of the Wider Dechra Group or to any of their advisers is misleading, contains a misrepresentation of fact or omits to state a fact necessary to make that information not misleading and which is, in any case, material in the context of the Wider Dechra Group taken as a whole or in the context of the Acquisition;
  - 3.14.2 that any member of the Wider Dechra Group is subject to any liability, contingent or otherwise and which is material in the context of the Wider Dechra Group taken as a whole; or
  - 3.14.3 any information which affects the import of any information disclosed to Bidco at any time prior to the date of this announcement by or on behalf of any member of the Wider Dechra Group which is material in the context of the Wider Dechra Group taken as a whole;

#### Environmental liabilities

- 3.15 except as Disclosed, Bidco not having discovered that, in relation to any release, emission, accumulation, discharge, disposal or other similar circumstance which has impaired or is likely to impair the environment (including property)

or harmed or is likely to harm the health of humans, animals or other living organisms or eco-systems, no past or present member of the Wider Dechra Group, in a manner or to an extent which is material in the context of the Wider Dechra Group, (i) having committed any violation of any applicable laws, statutes, regulations, Authorisations, notices or other requirements of any Third Party giving rise to a material liability; and/or (ii) having incurred any material liability (whether actual or contingent) to any Third Party; and/or (iii) being likely to incur any material liability (whether actual or contingent), or being required, to make good, remediate, repair, re-instate or clean up the environment (including any property) in each case of (i), (ii) or (iii) which such liability or requirement would be material to the Wider Dechra Group taken as a whole;

#### Intellectual property

- 3.16 except as Disclosed, no circumstance having arisen or event having occurred in relation to any intellectual property owned or used by any member of the Wider Dechra Group which would be reasonably likely to have a material adverse effect on the Wider Dechra Group taken as a whole or is otherwise material and adverse in the context of the Acquisition, including:
- 3.16.1 any member of the Wider Dechra Group losing its title to any intellectual property material to its business, or any intellectual property owned by the Wider Dechra Group and material to its business being revoked, cancelled or declared invalid;
  - 3.16.2 any claim being asserted in writing or threatened in writing by any person challenging the ownership of any member of the Wider Dechra Group to, or the validity or effectiveness of, any intellectual property that is material to the business of the Wider Dechra Group;

#### Anti-corruption and sanctions

- 3.17 except as Disclosed, Bidco not having discovered that (to an extent that is material in the context of the Wider Dechra Group taken as a whole):
- 3.17.1 any past or present member of the Wider Dechra Group or any person that performs or has performed services for or on behalf of any such company is or has at any time engaged in any activity, practice or conduct (or omitted to take any action) in contravention of the UK Bribery Act 2010, the U.S. Foreign Corrupt Practices Act of 1977, as amended or any other applicable anti-corruption legislation;
  - 3.17.2 any member of the Wider Dechra Group is ineligible to be awarded any contract or business under section 23 of the Public Contracts Regulations 2006 or section 26 of the Utilities Contracts Regulations 2006 (each as amended);
  - 3.17.3 any past or present member of the Wider Dechra Group has engaged in any activity or business with, or made any investments in, or made any payments to any government, entity or individual covered by any of the economic sanctions administered by the United Nations or the

European Union (or any of their respective member states) or the United States Office of Foreign Assets Control or any other governmental or supranational body or authority in any jurisdiction; or

- 3.17.4 a member of the Dechra Group has engaged in a transaction which would cause the Bidco Group to be in breach of any law or regulation on completion of the Acquisition, including the economic sanctions administered by the United States Office of Foreign Assets Control or HM Treasury & Customs or any government, entity or individual targeted by any of the economic sanctions of the United Nations, United States or the European Union or any of its member states; or

No criminal property

- 3.18 except as Disclosed, Bidco not having discovered that any asset of any member of the Wider Dechra Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

**Part B**  
***Further terms of the Acquisition***

1. Subject to the requirements of the Panel, Bidco reserves the right in its sole discretion to waive, in whole or in part, all or any of the Conditions set out in Part A of Appendix 1, except Conditions 1, 2.1(i), 2.2(i), 2.3(i) and 2.4 which cannot be waived. If any of Conditions 2.1(ii), 2.2(ii) or 2.3(ii) is not satisfied by the relevant deadline specified in the relevant Condition, Bidco shall make an announcement by 8.00 a.m. on the Business Day following such deadline confirming whether it has invoked the relevant Condition, waived the relevant deadlines or agreed with Dechra to extend the relevant deadline.
2. Bidco shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of the Conditions in Part A of Appendix 1 above that are capable of waiver by a date earlier than the latest date for the fulfilment of that Condition notwithstanding that the other Conditions of the Acquisition may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.
3. Under Rule 13.5(a) of the Takeover Code and subject to paragraph 4, Bidco may only invoke a Condition so as to cause the Acquisition not to proceed, to lapse or to be withdrawn with the consent of the Panel. The Panel will normally only give its consent if the circumstances which give rise to the right to invoke the Condition are of material significance to Bidco in the context of the Acquisition. This will be judged by reference to the facts of each case at the time that the relevant circumstances arise.
4. Condition 1 (subject to Rule 12 of the Takeover Code), Conditions 2.1(i), 2.2(i), 2.3(i) and 2.4 in Part A of Appendix 1 above, and, if applicable, any acceptance condition if the Acquisition is implemented by means of an Offer, are not subject to Rule 13.5(a) of the Takeover Code.
5. Any Condition that is subject to Rule 13.5(a) of the Takeover Code may be waived by Bidco.
6. If the Panel requires Bidco to make an offer or offers for Dechra Shares under the provisions of Rule 9 of the Takeover Code, Bidco may make such alterations to the Conditions as are necessary to comply with the provisions of that Rule.
7. Bidco reserves the right to elect to implement the Acquisition by way of an Offer as an alternative to the Scheme, subject to the Panel's consent and (while the Cooperation Agreement is continuing) to the terms of the Cooperation Agreement. In such event, such Offer will be implemented on the same terms and conditions so far as applicable, as those which would apply to the Scheme (subject to appropriate amendments, including (without limitation and for so long as the Cooperation Agreement is continuing and the Offer arises as a result of an "Agreed Switch" (as defined therein)) an acceptance condition set at 75 per cent. of the Dechra Shares on a fully diluted basis (or such lesser percentage as may be determined by Bidco after (to the extent reasonably practicable) consultation with Dechra and (to the extent necessary) consultation with the Panel, being in any case more than 50 per cent. of the Dechra Shares). If the Acquisition is effected by way of an Offer, and such Offer becomes or is declared unconditional and sufficient acceptances are received in respect of such Offer, Bidco

intends to exercise its rights to apply the provisions of Chapter 3 of Part 28 of the 2006 Act so as to acquire compulsorily the remaining Dechra Shares in respect of which the Offer has not been accepted.

8. The Acquisition will be subject, *inter alia*, to the Conditions and certain further terms which are set out in this Appendix 1 and to the full terms which will be set out in the Scheme Document and such further terms as may be required to comply with the provisions of the Listing Rules, the provisions of the Takeover Code and the applicable requirements of the Panel and the London Stock Exchange.
9. Dechra Shares will be acquired by Bidco fully paid and free from all liens, charges, encumbrances and other third party rights of any nature whatsoever and together with all rights attaching to them as at the Effective Date, including the right to receive and retain all dividends and distributions (if any) declared, made or paid after the Acquisition becomes Effective.
10. If, on or after the date of this announcement and prior to the Acquisition becoming Effective, any dividend and/or distribution and/or other return of capital or value is announced, declared, made or paid in respect of the Dechra Shares, Bidco reserves the right to reduce the consideration payable under the terms of the Acquisition for the Dechra Shares by an amount up to the aggregate amount of such dividend and/or distribution and/or other return of capital or value, in which case any reference in this announcement to the consideration payable under the terms of the Acquisition will be deemed to be a reference to the consideration as so reduced. Any exercise by Bidco of its rights referred to in this paragraph 10 shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Scheme or the Acquisition. In such circumstances, Dechra Shareholders would be entitled to retain any such dividend, distribution and/or return of capital or value.
11. The availability of the Acquisition to persons not resident in the United Kingdom may be affected by the laws or regulatory requirements of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.
12. The Scheme will be governed by English law and be subject to the jurisdiction of the Court, to the Conditions set out above and full terms to be set out in the Scheme Document. The Acquisition will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange, the FCA, the Listing Rules and the Registrar of Companies.
13. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

## **Appendix 2**

### **Sources and Bases of Information**

In this announcement, unless otherwise stated or the context otherwise requires, the following sources and bases have been used.

1. The fully diluted issued ordinary share capital of 115,066,556 Dechra Shares is based on:
  - 1.1 113,884,141 Dechra Shares in issue as at 31 May 2023 (being the latest practicable date before this announcement); plus
  - 1.2 1,182,415 Dechra Shares which may be issued on or after the date of this announcement pursuant to the Dechra Share Plans and share awards as at 30 May 2023 (being the latest practicable date before this announcement).
2. A value of approximately £4,459 million for the entire issued and to be issued share capital of Dechra is based on:
  - 2.1 the Acquisition Price of 3,875 pence per Dechra Share; and
  - 2.2 Dechra's fully diluted issued ordinary share capital of 115,066,556 Dechra Shares, as set out in paragraph 1 above.
3. The implied enterprise value for Dechra of £4,882 million is calculated by reference to the valuation of the Acquisition referenced in paragraph 2 above plus reported net debt of £423.3 million as at 31 December 2022.
4. Dechra's EBITDA for the twelve months ended 31 December 2022 of £188 million is based on underlying EBITDA of £190.6 million for the financial year ended 30 June 2022, and £101.3 million and £98.9 million for the six-month periods ended 31 December 2021 and 31 December 2022, respectively.
5. Unless otherwise stated, the financial information of Dechra is extracted (without material adjustment) from the annual report and audited accounts of the Dechra Group for the 12 months ended 30 June 2022, and the unaudited, consolidated financial statements of Dechra for the six months ended 31 December 2022.
6. The volume-weighted average prices and total shareholder returns have been derived from Bloomberg data.
7. Certain figures included in this announcement have been subject to rounding adjustments.

### Appendix 3 Details of Irrevocable Undertakings

#### 1. Directors

The following Dechra Directors have given irrevocable undertakings to vote in favour of the resolutions (including the Scheme) relating to the Acquisition at the Meetings (or in the event that the Acquisition is implemented by way of an Offer, to accept the Offer) in respect of their own beneficial holdings of Dechra Shares:

Name	Total Number of Dechra Shares	Percentage of existing issued share capital
Ian Page*	370,168	0.325
Paul Sandland*	8,672	0.008
Tony Griffin	37,049	0.033
Alison Platt	3,709	0.003
Ishbel Macpherson	6,722	0.006
Lawson Macartney	5,880	0.005
Lisa Bright	1,373	0.001
John Shipsey**	Nil	0.000
<b>TOTAL</b>	<b>433,573</b>	<b>0.381</b>

\* In addition to the Dechra Shares held by Ian Page and Paul Sandland, their respective spouses (Zoe Bamford and Adele Sandland) hold 34,367 Dechra Shares and 3,042 Dechra Shares respectively in their own name and have signed separate undertakings as outlined in paragraph 2 below.

\*\* John Shipsey does not hold Dechra Shares in his own name, however, his spouse, Fiona Shipsey holds 600 Dechra Shares in her own name and she has signed a separate irrevocable undertaking as outlined in paragraph 2 below.

These irrevocable undertakings also extend to any Dechra Shares acquired by the Dechra Directors as a result of the vesting of awards or the exercise of options under the Dechra Share Plans.

The irrevocable undertakings referred to in paragraph 1 above cease to be binding on the earlier of the following occurrences: (i) this announcement not having been released by 10.00 a.m. (London time) on the date that is one Business Day from the date of the undertaking (or such later date as Bidco and Dechra may agree); (ii) the Scheme Document is not sent to Dechra Shareholders within 28 days (or such later period as the Panel may agree) after the date of this announcement; (iii) Bidco announces, with the

consent of the Panel, that it does not intend to make or proceed with the Acquisition and no new, revised or replacement offer or scheme is announced at the same time; (iv) the Scheme lapses or is withdrawn in accordance with its terms and Bidco publicly confirms that it does not intend to proceed with the Acquisition or to implement the Acquisition by way of an Offer or otherwise; (v) the Scheme has not become Effective by 11.59 p.m. on the Long Stop Date (or such other time and date as agreed between Bidco and Dechra, with the approval of the Court and/or the Panel, if required (other than in circumstances where Bidco has, prior to such date, elected to exercise its right to proceed by way of an Offer and announced the same in accordance with the requirements of Paragraph 8 of Appendix 7 to the Takeover Code, and such Offer has not lapsed or been withdrawn)); or (vi) the date on which any competing offer for the entire issued, and to be issued, share capital of Dechra is declared wholly unconditional or, if proceeding by way of a scheme of arrangement, becomes Effective.

2. Close relatives of certain Dechra Directors

The following holders of Dechra Shares, being close relatives of certain Dechra Directors, have given irrevocable undertakings to vote in favour of the resolutions (including the Scheme) relating to the Acquisition at the Meetings (or in the event that the Acquisition is implemented by way of an Offer, to accept the Offer) in respect of their own beneficial holdings of Dechra Shares:

<b>Name</b>	<b>Total Number of Dechra Shares</b>	<b>Percentage of existing issued share capital</b>
Zoe Bamford (spouse of Ian Page)	34,367	0.030
Adele Sandland (spouse of Paul Sandland)	3,042	0.003
Fiona Shipsey (spouse of John Shipsey)	600	0.001
<b>TOTAL</b>	<b>38,009</b>	<b>0.033</b>

The irrevocable undertakings referred to in paragraph 2 above cease to be binding on the earlier of the following occurrences: (i) this announcement not having been released by 10.00 a.m. (London time) on the date that is one Business Day from the date of the undertaking (or such later date as Bidco and Dechra may agree); (ii) the Scheme Document is not sent to Dechra Shareholders within 28 days (or such later period as the Panel may agree) after the date of this announcement; (iii) Bidco announces, with the consent of the Panel, that it does not intend to make or proceed with the Acquisition and no new, revised or replacement offer or scheme is announced at the same time; (iv) the Scheme lapses or is withdrawn in accordance with its terms and Bidco publicly confirms that it does not intend to proceed with the Acquisition or to implement the Acquisition by way of an Offer or otherwise; (v) the Scheme has not become Effective by 11.59 p.m. on the Long Stop Date (or such other time and date as agreed between Bidco and Dechra, with the approval of the Court and/or the Panel, if required (other



than in circumstances where Bidco has, prior to such date, elected to exercise its right to proceed by way of an Offer and announced the same in accordance with the requirements of Paragraph 8 of Appendix 7 to the Takeover Code, and such Offer has not lapsed or been withdrawn)); or (vi) the date on which any competing offer for the entire issued, and to be issued, share capital of Dechra is declared wholly unconditional or, if proceeding by way of a scheme of arrangement, becomes Effective.

## **Appendix 4 Definitions**

**The following definitions apply throughout this document unless the context otherwise requires:**

<b>“2006 Act”</b>	the Companies Act 2006, as amended from time to time
<b>“2022 Dechra Annual Report”</b>	the annual report and audited accounts of the Dechra Group for the year ended 30 June 2022
<b>“Acquisition”</b>	the proposed cash acquisition by Bidco of the entire issued, and to be issued, share capital of Dechra by means of the Scheme, or should Bidco so elect, and where required the Panel consent and subject to the terms of the Cooperation Agreement, by means of an Offer and, where the context admits, any subsequent revision, variation, extension or renewal thereof
<b>“Acquisition Price”</b>	3,875 pence per Dechra Share
<b>“Articles”</b>	the articles of association of Dechra from time to time
<b>“associated undertaking”</b>	shall be construed in accordance with paragraph 19 of Schedule 6 to The Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) but for this purpose ignoring paragraph 19(1)(b) of Schedule 6 to those regulations)
<b>“ADIA”</b>	Abu Dhabi Investment Authority
<b>“ADIA PED”</b>	the Private Equities investment department of ADIA
<b>“Authorisations”</b>	authorisations, orders, grants, recognitions, confirmations, consents, licences, clearances, certificates, permissions or approvals, in each case of a Third Party
<b>“Bid Conduct Agreement”</b>	the agreement between Bidco, EQT and Luxinva relating to bid conduct in connection with the Acquisition dated 2 June 2023
<b>“Bidco”</b>	Freya Bidco Limited
<b>“Bidco Board”</b>	the directors of Bidco

<b>“Bidco Group”</b>	Bidco and its subsidiary undertakings and where the context permits, each of them
<b>“BofA Securities”</b>	Merrill Lynch International
<b>“Business Day”</b>	a day, not being a public holiday, Saturday or Sunday, on which clearing banks in London are open for normal business
<b>“certificated” or “certificated form”</b>	in relation to a share or other security, a share or other security title to which is recorded in the relevant register of the share or other security as being held in certificated form (that is, not in CREST)
<b>“Closing Price”</b>	the closing middle market price of a Dechra Share as derived from the Daily Official List on any particular date
<b>“Commercial Clean Team Agreement”</b>	the commercial clean team agreement between Dechra, EQT and Luxinva, originally dated 5 May 2023 and novated and restated on 2 June 2023
<b>“Condition”</b>	each of the conditions listed in Part A of Appendix 1 and any reference to a numbered Condition shall be a reference to the Condition set out in the paragraph of Part A of Appendix 1 bearing such number
<b>“Confidentiality Agreement”</b>	the confidentiality agreement dated 6 April 2023 between EQT and Dechra
<b>“Cooperation Agreement”</b>	the cooperation agreement dated on or around the date of this announcement between Bidco and Dechra
<b>“Court”</b>	the High Court of Justice in England and Wales
<b>“Court Meeting”</b>	the meeting of Dechra Shareholders to be convened at the direction of the Court pursuant to Part 26 of the 2006 Act at which a resolution will be proposed to approve the Scheme, including any adjournment thereof
<b>“Court Order”</b>	the order of the Court sanctioning the Scheme under Part 26 of the 2006 Act
<b>“CREST”</b>	the relevant system (as defined in the Regulations) in respect of which Euroclear UK

	& Ireland Limited is the operator (as defined in CREST)
<b>“Daily Official List”</b>	the daily official list of the London Stock Exchange
<b>“Dealing Disclosure”</b>	an announcement by a party to an offer or a person acting in concert as required by Rule 8 of the Takeover Code
<b>“Dechra”</b>	Dechra Pharmaceuticals PLC
<b>“Dechra Board” or “Dechra Directors”</b>	the directors of Dechra
<b>“Dechra Group”</b>	Dechra and its subsidiary undertakings and where the context permits, each of them
<b>“Dechra Share Plans”</b>	the Dechra Unapproved Share Option Scheme, the Dechra 2017 Long Term Incentive Plan, the Dechra Global Save As You Earn Plan 2018, the Dechra Save As You Earn Option Scheme, the Dechra Approved Share Option Scheme and the Dechra 2021 Deferred Bonus Plan
<b>“Dechra Shareholder(s)”</b>	holders of Dechra Shares
<b>“Dechra Shares”</b>	the existing unconditionally allotted or issued and fully paid ordinary shares of 1p each in the capital of Dechra and any further shares which are unconditionally allotted or issued before the Scheme becomes Effective and <b>“Dechra Share”</b> means any one of them
<b>“Disclosed”</b>	the information fairly disclosed by or on behalf of Dechra: (i) in the 2022 Dechra Annual Report; (ii) in the Half Year Results for the six months period ended 31 December 2022; (iii) in this announcement; (iv) in any other announcement to a Regulatory Information Service prior to the publication of this announcement; (v) in writing (including via the virtual data room operated by or on behalf of Dechra in respect of the Acquisition) or orally in meetings and calls by Dechra management prior to the date of this announcement to Bidco or Bidco’s officers, employees, agents or advisers (in their capacity as such)
<b>“Disclosure Guidance and Transparency Rules”</b>	the Disclosure Guidance and Transparency Rules sourcebook issued by the FCA

<b>“EQT”</b>	EQT Fund Management S.à r.l. acting for an on behalf of the EQT Funds in its capacity as manager ( <i>gérant</i> )
<b>“EQT Funds”</b>	EQT X EUR SCSp and EQT X USD SCSp
<b>“Effective”</b>	in the context of the Acquisition: (i) if the Acquisition is implemented by way of the Scheme, the Scheme having become effective pursuant to its terms; or (ii) if the Acquisition is implemented by way of the Offer, the Offer having been declared or having become unconditional in all respects in accordance with the requirements of the Takeover Code
<b>“Excluded Shares”</b>	the Treasury Shares
<b>“Effective Date”</b>	the date on which the Acquisition becomes Effective
<b>“FCA”</b>	the Financial Conduct Authority
<b>“FCA Handbook”</b>	the FCA’s Handbook of rules and guidance as amended from time to time
<b>“FY23 Profit Forecast”</b>	the Dechra profit forecast for the financial year ending 30 June 2023, as defined in this announcement
<b>“General Meeting”</b>	the general meeting of Dechra Shareholders to be convened to consider and if thought fit pass, inter alia, the Resolution(s) in relation to the Scheme including any adjournments thereof
<b>“Interim Facilities Agreement”</b>	the interim facilities agreement between (amongst others) Bidco, the original lenders named therein and Wilmington Trust (London) Limited as agent and security agent dated on or about the date of this announcement
<b>“Investec”</b>	Investec Bank plc
<b>“Joint Defence Agreement”</b>	the confidentiality and joint defence agreement between Dechra, EQT, Luxinva and their respective external legal counsels, originally dated 14 April 2023 and novated and restated on 2 June 2023
<b>“London Stock Exchange”</b>	the London Stock Exchange plc or its successor

<b>“Long Stop Date”</b>	4 March 2024 or such later date as may be agreed between Bidco and Dechra and, if required, the Panel and the Court may allow
<b>“Luxinva”</b>	Luxinva S.A.
<b>“Market Abuse Regulation”</b>	Regulation (EU) 596/2014, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended
<b>“Meetings”</b>	the Court Meeting and the General Meeting
<b>“Morgan Stanley”</b>	Morgan Stanley & Co. International plc
<b>“Offer”</b>	subject to the consent of the Panel and the terms of the Cooperation Agreement, should the Acquisition be implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the 2006 Act, the offer to be made by or on behalf of Bidco to acquire the entire issued, and to be issued, share capital of Dechra, and, where the context admits, any subsequent revision, variation, extension or renewal of such offer
<b>“Offer Period”</b>	the offer period (as defined by the Takeover Code) relating to Dechra which commenced on 13 April 2023
<b>“Official List”</b>	the Official List of the FCA
<b>“Opening Position Disclosure”</b>	an announcement pursuant to Rule 8 of the Takeover Code containing details of interests or short positions in, or rights to subscribe for, any relevant securities of a party to the Acquisition
<b>“Overseas Shareholders”</b>	holders of Scheme Shares who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom
<b>“Panel”</b>	the Panel on Takeovers and Mergers
<b>“PRA”</b>	the Prudential Regulation Authority
<b>“Registrar of Companies”</b>	the Registrar of Companies in England and Wales
<b>“Regulatory Authority”</b>	any central bank, ministry, governmental, quasigovernmental (including the European Union), supranational, statutory, regulatory or investigative body or authority (including any national or supranational antitrust or merger

	control authority, any sectoral ministry or regulator and any foreign investment review body), national, state, municipal or local government (including any subdivision, court, administrative agency or commission or other authority thereof), any entity owned or controlled by them, any private body exercising any regulatory, taxing, importing or other authority, trade agency, association, institution or professional or environmental body in any jurisdiction
<b>“Regulatory Information Service”</b>	a regulatory information service as defined in the FCA Handbook
<b>“relevant securities”</b>	as the context requires, Dechra Shares, other Dechra share capital and any securities convertible into or exchangeable for, and rights to subscribe for, any of the foregoing
<b>“Resolution(s)”</b>	the resolution(s) to be proposed at the General Meeting necessary to implement the Scheme, including, amongst other things, a special resolution proposed in connection with, inter alia, implementation of the Scheme and certain amendments to be made to the articles of association of Dechra
<b>“Restricted Jurisdiction”</b>	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Offer is sent or made available to Dechra Shareholders in that jurisdiction
<b>“Sanction Hearing”</b>	the Court hearing to sanction the Scheme
<b>“Scheme”</b>	the proposed scheme of arrangement under Part 26 of the 2006 Act between Dechra and the holders of the Scheme Shares, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Dechra and Bidco
<b>“Scheme Document”</b>	the document to be sent to Dechra Shareholders and persons with information rights containing, amongst other things, the Scheme and notices of the Meetings
<b>“Scheme Record Time”</b>	the time and date to be specified in the Scheme Document, expected to be 6.00 p.m. on the

	Business Day immediately following the date of the Sanction Hearing
<b>“Scheme Shares”</b>	all Dechra Shares: (i) in issue at the date of the Scheme Document; (ii) (if any) issued after the date of the Scheme Document but before the Voting Record Time; and (iii) (if any) issued at or after the Voting Record Time and before the Scheme Record Time in respect of which the original or any subsequent holders thereof are, or shall have agreed in writing to be, bound by the Scheme, in each case other than any Excluded Shares
<b>“Spanish FDI Authority”</b>	the Sub-directorate General for Foreign Investment ( <i>Subdirección General de Inversiones Exteriores</i> ) and the General Directorate of International Trade and Investments ( <i>Dirección General de Comercio Internacional e Inversiones</i> ), within the Spanish Ministry of Industry, Trade and Tourism ( <i>Ministerio de Industria, Comercio y Turismo</i> ) and any other relevant foreign direct investment authority in Spain, including the Spanish Council of Ministers, as applicable
<b>“subsidiary”, “subsidiary undertaking” and “undertaking”</b>	shall be construed in accordance with the 2006 Act
<b>“Takeover Code”</b>	the Takeover Code issued by the Panel on Takeovers and Mergers, as amended from time to time
<b>“Treasury Shares”</b>	any Dechra Shares which are for the time being held by Dechra as treasury shares within the meaning of the 2006 Act
<b>“UK” or “United Kingdom”</b>	means United Kingdom of Great Britain and Northern Ireland
<b>“uncertificated” or “in uncertificated form”</b>	a share or other security title to which is recorded in the relevant register of the share or security as being held in uncertificated form, in CREST, and title to which, by virtue of the Regulations may be transferred by means of CREST
<b>“Voting Record Time”</b>	the time and date to be specified in the Scheme Document by reference to which entitlement to vote on the Scheme will be determined



**“Wider Bidco Group”**

Bidco Group and associated undertakings and any other body corporate, partnership, joint venture or person in which Bidco and such undertakings (aggregating their interests) have an interest of more than 30 per cent. of the voting or equity capital or the equivalent

**“Wider Dechra Group”**

Dechra and associated undertakings and any other body corporate, partnership, joint venture or person in which Dechra and such undertakings (aggregating their interests) have an interest of more than 30 per cent. of the voting or equity capital or the equivalent (excluding, for the avoidance of doubt, Bidco and all of its associated undertakings which are not members of the Dechra Group)

References to an enactment include references to that enactment as amended, replaced, consolidated or re-enacted by or under any other enactment before or after the date of this announcement.

All references to “pounds”, “pounds Sterling”, “Sterling”, “GBP”, “£”, “pence”, “penny” and “p” are to the lawful currency of the United Kingdom.

All times referred to are London time unless otherwise stated.

A reference to “includes” shall mean “includes without limitation”, and references to “including” and any other similar term shall be construed accordingly.