Risk Factors Comparison 2024-08-28 to 2023-08-30 Form: 10-K

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You should carefully consider all of the information set forth in this Annual Report on Form 10- K, including the following risk factors, before deciding to invest in our Class A common stock. If any of the following risks occurs, our business, financial condition, results of operation or cash flows could be materially adversely affected. In any such case, the trading price of our Class A common stock could decline, and you could lose all or part of your investment. The risks below are not the only ones the Company faces. Additional risks not currently known to the Company or that the Company presently deems immaterial may also impair its business operations. This Annual Report on Form 10- K also contains forward- looking statements that involve risks and uncertainties. The Company' s results could materially differ from those anticipated in these forward- looking statements as a result of certain factors, including the risks it faces described below and elsewhere. See also " Forward- Looking Statements and Risk Factors Summary. " Risk Factors Relating to Our Business Outbreaks of animal diseases could significantly reduce demand for our products. Sales of our food animal products could be materially adversely affected by the outbreak of disease carried by food animals, which could lead to the widespread death or precautionary destruction of food animals as well as the reduced consumption and demand for animal protein. The demand for our products could be significantly affected by outbreaks of animal diseases, and such occurrences may have a material adverse impact on the sale of our products and our financial condition and results of operations. The outbreaks of disease are beyond our control and could significantly affect demand for our products and consumer perceptions of certain meat products. An outbreak of disease could result in governmental restrictions on the import and export of chicken, pork, beef or other products to or from our customers. This could also create adverse publicity that may have a material adverse effect on our ability to sell our products successfully and on our financial condition and results of operations. In addition, outbreaks of disease carried by animals may reduce regional or global sales of particular animal- derived food products or result in reduced exports of such products, either due to heightened export restrictions or import prohibitions, which may reduce demand for our products due to reduced herd or flock sizes. In recent years, outbreaks of African Swine Fever, primarily in China, have reduced animal populations and have reduced consumer demand for pork in the affected markets. In the past decade, there has been substantial publicity regarding H1N1, known as North American (or Swine) Influenza and, H5N1, known as Highly Pathogenic Avian Influenza, in ~~both~~ the human population **,** ~~and among~~ birds **and, most recently, dairy cattle** . According to the WHO, in 2022, 67 countries in five continents reported H5N1 high pathogenicity avian influenza outbreaks in poultry and wild birds to the World Organization for Animal Health, with more than 131 million domestic poultry lost due to death or culling in affected farms and villages **. In 2023, another 14 countries reported outbreaks, mainly in the Americas, as the disease continued to spread** . There have also been concerns relating to E. coli in beef and Salmonella in poultry and other food poisoning micro- organisms in meats and other foods. Consumers may associate human health fears with animal diseases, food, food production or food animals whether or not it is scientifically valid, which may have an adverse impact on the demand for animal protein. Occurrences of this type could significantly affect demand for animal protein, which in turn could affect the demand for our products in a manner that has a significant adverse effect on our financial condition and results of operations. Also, the outbreak of any highly contagious disease near our main production sites could require us to immediately halt production of our products at such sites or force us to incur substantial expenses in procuring raw materials or products elsewhere. Outbreaks of an exotic or highly contagious disease in a country where we produce our products may result in other countries halting importation of our products for fear that our product may be contaminated with the exotic organism. Perceived adverse effects on human health linked to the consumption of food derived from animals that utilize our products could cause a decline in the sales of those products. Our business depends heavily on a healthy and growing livestock industry. Some in the public perceive risks to human health related to the consumption of food derived from animals that utilize certain of our products, including certain of our MFA products. In particular, there is increased focus in the United States, the E. U., China and other countries on the use of antimicrobials in the livestock industry. In the United States, this focus is primarily on the use of medically important antimicrobials, which include classes that are prescribed in animal and human health and are listed in the Appendix of the FDA- CVM Guidance for Industry (GFI) 152. As defined by the FDA, medically important antimicrobials (" MIAs ") include classes that are prescribed in animal and human health and are listed in the Appendix of GFI 152. Our products that contain virginiamycin, oxytetracycline or neomycin are classified by the FDA as medically important antimicrobials and are included in the GFI 152 list. The FDA announced its intention to further review the GFI 152 list and to review labeling directions of products on the GFI 152 list, which may lead to increased restrictions on the use of these products. In addition to the United States, the World Health Organization (WHO), the E. U., Australia and Canada have promulgated rating lists for antimicrobials that are used in veterinary medicine and that include certain of our products. The classification of our products as MIAs or similar listings may lead to a decline in the demand for and production of food products derived from animals that utilize our products and, in turn, demand for our products. Rules or regulations adopted by any territory that restrict the use of our products, especially our antibacterial products, which require animals or animal origin products imported into that territory to be produced under the same conditions as are required within the territory could result in a reduction or elimination of the use of our products in countries that export animals or animal origin products to such territories. Livestock producers may experience decreased demand for their products or reputational harm as a result of evolving consumer views of nutrition and health- related concerns, animal rights and other concerns. Any reputational harm to the livestock industry may also extend to companies in related industries, including us. In addition, campaigns by interest groups, activists and others with respect to perceived risks associated

with the use of our products in animals, including position statements by livestock producers and their customers based on non- use of certain medicated products in livestock production, whether or not scientifically supported, could affect public perceptions and reduce the use of our products. Those adverse consumer views related to the use of one or more of our products in animals could have a material adverse effect on our financial condition and results of operations. Restrictions on the use of antibacterials in food- producing animals may become more prevalent. The issue of the potential transfer of antibacterial resistance from bacteria from food- producing animals to human bacterial pathogens, and the causality and impact of that transfer, are the subject of global scientific and regulatory discussion. Antibacterials refer to molecules that can be used to treat or prevent bacterial infections and are a sub- categorization of the products that make up our medicated feed additives portfolios. In some countries, this issue has led to government restrictions on the use of specific antibacterials in some food- producing animals, regardless of the route of administration (in feed, water, intra- mammary, topical, injectable or other route of administration). These restrictions include prohibitions on use of antibacterials for non- therapeutic uses, preventative use, duration of use and requiring veterinary oversight to use products. These restrictions are more prevalent in countries where animal protein is plentiful and governments are willing to take action even when there is scientific uncertainty. Effective January 1, 2017, we voluntarily removed non- therapeutic claims from several of our antibacterial products sold in the United States, in order to align with the FDA' s GFI 209 and GFI 213. The FDA objective, as described in GFI 209 and GFI 213, was to eliminate the production (non- therapeutic) uses of medically important antimicrobials administered in feed or water to food producing animals while providing for the continued use of medically important antimicrobials in food- producing animals for treatment, control and prevention of disease (" therapeutic " use) under the ~~28supervision~~ -- **supervision** of a veterinarian. The FDA indicated that it took this action to help preserve the efficacy of medically important antimicrobials to treat infections in humans. Our global sales of antibacterials, anticoccidials and other products, including our Mecadox product, were $ **421 million, $** 387 million ~~,~~ **and** $ 362 ~~million and $ 330~~ million for the years ended June 30, **2024,** 2023 ~~,~~ **and** 2022 ~~and 2021~~, respectively. We cannot predict whether concerns regarding the use of antibacterials will result in additional restrictions, expanded regulations or consumer preferences to discontinue or reduce use of antibacterials in food- producing animals, which could materially adversely affect our operating results and financial condition. ~~If~~ **If** the FDA withdraws approval of our Mecadox (carbadox) product, the loss of sales of such product could have a material adverse effect on our business, financial condition and results of operations. Our Mecadox (carbadox) product has been approved for use in food animals in the United States for over 50 years. Certain regulatory bodies have raised concerns about the possible presence of certain residues of our carbadox product in meat from animals that consume the product. The product was banned for use in the European Union in 1998 and has been banned in several other countries outside the United States. In April 2016, the FDA began initial steps to withdraw approval of carbadox via a regulatory process known as a Notice of Opportunity for Hearing (" NOOH "), due to concerns that certain residues from the product may persist in animal tissues for longer than previously determined. In the years following, Phibro has continued an ongoing process of responding collaboratively and transparently to the FDA' s Center for Veterinary Medicine (" CVM ") inquiries and has provided extensive and meticulous research and data that confirmed the safety of carbadox. In July 2020, the FDA announced it would not proceed to a hearing on the scientific concerns raised in the 2016 NOOH, consistent with the normal regulatory procedure, but instead announced that it was withdrawing the 2016 NOOH and issuing a proposed order to review the regulatory method for carbadox. Phibro reiterated the safety of carbadox and the appropriateness of the regulatory method and offered to work with the CVM to generate additional data to support the existing regulatory method or select a suitable alternative regulatory method. In ~~the event~~ **March 2022,** the FDA ~~continues~~ **held a Part 15 virtual public hearing seeking data and information related** to ~~assert~~ **the safety of carbadox in which Phibro participated and again detailed the research and data** that **confirm the safety of** carbadox **. In November 2023** ~~should be removed from the market~~ , ~~we will argue~~ **the FDA issued a final order to revoke the approved method for detecting carbadox residues. The FDA also provided notice in the Federal Register proposing to withdraw approval of all NADAs providing for use of carbadox in medicated swine feed and announcing an opportunity for Phibro to request a hearing on this proposal. This second action is based on CVM' s determination** that ~~we are entitled~~ **there is no approved regulatory method** to ~~and expect~~ **detect carbadox residues in the edible tissues of the treated swine. Phibro is continuing** to **defend swine producers' ability to use Mecadox. We** have **requested** a full evidentiary hearing on the merits before an administrative law judge **. In January 2024, Phibro filed a lawsuit in the D. C. Federal District Court asking the court to invalidate the order which revoked the regulatory method for carbadox** . Should we be unable to successfully defend the safety of the product, the loss of carbadox sales will have an adverse effect on our financial condition and results of operations. Sales of Mecadox (carbadox) for the year ended June 30, ~~2023~~ **2024** ~~,~~ were approximately $ ~~20~~ **22** million. See also " — We are subject to product registration and authorization regulations in many of the jurisdictions in which we operate and / or distribute our products, including the United States and member states of the European Union "; " Business — Compliance with Government Regulation — United States — Carbadox "; and " Business — Compliance with Government Regulation — Global Policy and Guidance. " A material portion of our sales are generated by antibacterials and other related products. Our medicated products business is comprised of a relatively small number of compounds and accounted for approximately 40 % of net sales for each of the years ended June 30, **2024 and** 2023 ~~and 2022~~ . The significant loss of antibacterial or other related product sales for any reason, including product bans or restrictions, public perception, competition or any of the other risks related to such products as described in this Annual Report on Form 10- K, could have a material adverse effect on our business. Our business may be negatively affected by weather conditions and the availability of natural resources. The animal health industry and demand for many of our animal health products in a particular region are affected by changing disease pressures and by weather conditions, as usage of our products follows varying weather patterns and weather- related pressures from pests and diseases. As a result, we may experience regional and seasonal fluctuations in our results of operations. In addition, livestock producers depend on the availability of natural resources, including abundant rainfall to sustain large supplies of drinking water, grasslands and grain

production. Their animals' health and their ability to operate could be adversely affected if they experience a shortage of fresh water due to human population growth or ~~29floods~~ -- **floods** , droughts or other weather conditions. In the event of adverse weather conditions or a shortage of fresh water, livestock producers may purchase less of our products. ~~Adverse~~ **29Adverse** weather conditions, including excessive cold or heat, natural disasters, floods, droughts and other events, could negatively impact our livestock customers by impairing the health or growth of their animals or the production or availability of feed. Such events can also interfere with our customers' operations due to power outages, fuel shortages, damage to their farms or facilities or disruption of transportation channels. In addition, droughts can lead to reduced availability of grazing pastures, forcing cattle producers to cull their herds. Fewer heads of cattle could result in reduced demand for our products. Further heat waves may cause stress in animals and lead to increased vulnerability to disease, reduced fertility rates and reduced milk production. Adverse weather conditions and natural disasters may also have a material impact on the aquaculture business. Changes in water temperatures could affect the timing of reproduction and growth of various fish species, as well as trigger the outbreak of certain water borne diseases. Adverse weather events and natural disasters may also interfere with and negatively impact operations at our manufacturing sites, research and development facilities and offices, which could have a material adverse effect on our financial condition and results of operations, especially if the impact of an event or disaster is frequent or prolonged. A pandemic, epidemic, or outbreak of an infectious disease in humans, such as COVID- 19, may materially and adversely affect our business and our financial results. Our business is exposed to risks associated with public health crises, including epidemics and pandemics such as the novel coronavirus and its variants (COVID- 19). The COVID- 19 pandemic adversely affected workforces, customers, suppliers, consumer sentiment, economies and financial markets and led to an economic downturn in many countries in which we operate. Disruptions due to a resurgence of COVID- 19 or other similar health epidemics could negatively impact our manufacturing facilities, and our logistics and supply chain operations, as well as those of our customers, third- party manufacturers, suppliers and end users of our products who raise animals or who process meat, milk, eggs and seafood for human consumption and may result in a period of economic and business disruption and could have a material adverse impact on our business and financial results. The COVID- 19 pandemic and similar outbreaks could lead to decreased demand for protein, which may lead to end users of our products reducing their herd or flock sizes. In addition, demand for protein could be reduced because consumers may associate human health fears related to COVID- 19 ~~of~~ **or** other outbreaks with animal diseases, food, food production or food animals, whether **or not** it is scientifically valid. Reductions in demand for animal protein resulting from these factors could in turn affect the demand for our products in a manner that has a significant adverse effect on our financial condition and results of operations. The impact of a pandemic or similar public health crises is uncertain and subject to change and could also exacerbate the other risks discussed in this " Risk Factors " section. We cannot predict with certainty the full scope and severity of any potential disruptions to our business, operating results, cash flows and / or financial condition, but we expect that the resulting adverse impact on our business and financial results could be material. Climate change could have a material adverse impact on our operations and our customers' businesses. Our operations, and the activities of our customers, could be disrupted by climate change. The physical impact of climate change may prompt shifts in regulations or consumer preferences which in turn could have negative consequences for our and our customers' businesses. Climate change may negatively impact our customers' operations, particularly those in the livestock industry, through climate- related impacts such as increased air and water temperatures, rising water levels and increased incidence of disease in livestock. Potential physical risks from climate change may include altered distribution and intensity of rainfall, prolonged droughts or flooding, increased frequency of wildfires and other natural disasters, rising sea levels and a rising heat index, any of which could cause negative impacts to our and our customers' businesses. If such events affect our customers' businesses, they may purchase fewer of our products, and our revenues may be negatively impacted. Climate driven changes could have a material adverse effect on our financial condition and results of operations. There has been a broad range of proposed and promulgated state, national and international regulations aimed at reducing the effects of climate change. Such regulations could result in additional costs to maintain compliance and ~~30additional~~ -- **additional** income or other taxes. Climate change regulations continue to evolve, and it is not possible to accurately estimate potential future compliance costs. ~~The~~ **30The** testing, manufacturing and marketing of certain of our products are subject to extensive regulation by numerous government authorities in the United States and other countries, including, but not limited to, the FDA. Among other requirements, FDA approval of antibacterials and other medicated products, including the manufacturing processes and facilities used to produce such products, is required before such products may be marketed in the United States. Further, cross- clearance approvals are generally required for such products to be used in combination in animal feed. Similarly, marketing approval by a foreign governmental authority is typically required before such products may be marketed in a particular foreign country. In addition to approval of the product and its labeling, regulatory authorities typically require approval and periodic inspection of the manufacturing facilities. In order to obtain FDA approval of a new animal health product, we must, among other things, demonstrate to the satisfaction of the FDA that the product is safe and effective for its intended uses and that we are capable of manufacturing the product with procedures that conform to FDA' s current cGMP regulations, which must be followed at all times. Audits related to cGMP standards are typically carried out by the FDA on a two- year cycle. We are routinely subject to these inspections and respond to the FDA to address any concerns they may make in their inspectional observations (Form 483). Although it is our objective to remain in full conformance with U. S. cGMP standards, there can be no assurance that future inspections will not raise adverse inspectional observations. Failure to comply with cGMP standards could have a material impact on our business and financial results. The process of seeking FDA approvals can be costly, time- consuming, and subject to unanticipated and significant delays. There can be no assurance that such approvals will be granted to us on a timely basis, or at all. Any delay in obtaining or any failure to obtain FDA or foreign government approvals or the suspension or revocation of such approvals would adversely affect our ability to introduce and market medicated feed additive products and to generate product revenue. For more information on FDA and foreign government approvals and cGMP issues, see " Business — Compliance with Government

Regulation. ” We may experience declines in the sales volume and prices of our products as the result of the continuing trend toward consolidation of certain customer and distributor groups as well as the emergence of large buying groups. We make a majority of our sales to integrated poultry, swine and beef and dairy cattle operations and to a number of regional and national feed companies, distributors, co- ops and blenders. Food animal producers, particularly, swine and poultry producers, and our distributors have seen recent consolidation in their industries. Significant consolidation of our customers and distributors may result in these groups gaining additional purchasing leverage and consequently increasing the product pricing pressures facing our business. Additionally, the emergence of large buying groups potentially could enable such groups to attempt to extract price discounts on our products. Moreover, if, as a result of increased leverage, customers require us to reduce our pricing such that our gross margins are diminished, we could decide not to sell our products to a particular customer, which could result in a decrease in our revenues. Consolidation among our customer base may also lead to reduced demand for our products and replacement of our products by the combined entity with those of our competitors. The result of these developments could have a material adverse effect on our business, financial condition and results of operations. Our business is subject to risk based on customer exposure to rising costs and reduced customer income. Livestock producers may experience increased feed, fuel, transportation and other key costs or may experience decreased animal protein prices or sales, inflationary pressures as a result of interest rate increases or otherwise and including as a result of the uncertainties and potential economic downturn relating to a resurgence of the COVID- 19 pandemic or **similar public health crises, or** relating to **armed conflicts, including** the ongoing ~~armed conflict~~ **conflicts between Israel and Hamas and** between Russia and Ukraine. International sanctions, trade disputes and tariffs could reduce demand for our customers’ products. These trends could cause deterioration in the financial condition of our livestock producer customers, potentially inhibiting their ability to purchase our products or pay us for products delivered. Our livestock producer customers may offset rising costs by reducing spending on our products, including by switching to lower- cost alternatives to our products. ~~31Generic~~ -- **Generic** products may be viewed as more cost- effective than certain of our products. We face competition from products produced by other companies, including generic alternatives to certain of our products. We depend primarily on trade secrets to provide us with competitive advantages for many of our products. The ~~protection~~ **31protection** afforded is limited by the availability of new competitive products or generic versions of existing products that can successfully compete with our products. As a result, we may face competition from new competitive products or lower- priced generic alternatives to many of our products. Generic competitors are becoming more aggressive in terms of pricing, and generic products are an increasing percentage of overall animal health sales in certain regions. If animal health customers increase their use of new or existing generic products, our financial condition and results of operations could be materially adversely affected. Advances in veterinary medical practices and animal health technologies could negatively affect the market for our products. The market for our products could be impacted negatively by the introduction and / or broad market acceptance of newly developed or alternative products that address the diseases and conditions for which we sell products, including “ green ” or “ holistic ” health products or specially bred disease- resistant animals. In addition, technological breakthroughs by others may obviate our technology and reduce or eliminate the market for our products. Introduction or acceptance of such products or technologies could materially adversely affect our business, financial condition and results of operations. The misuse or extra- label use of our products may harm our reputation or result in financial or other damages. Our products have been approved for use under specific circumstances for, among other things, the prevention, control and / or treatment of certain diseases and conditions in specific species, in some cases subject to certain dosage levels or minimum withdrawal periods prior to the slaughter date. There may be increased risk of product liability if livestock producers or others attempt any extra- label use of our products, including the use of our products in species for which they have not been approved, or at dosage levels or periods prior to withdrawal that have not been approved. If we are deemed by a governmental or regulatory agency to have engaged in the promotion of any of our products for extra- label use, such agency could request that we modify our training or promotional materials and practices and we could be subject to significant fines and penalties. The imposition of such fines and penalties could also affect our reputation and position within the industry. Even if we were not responsible for having promoted the extra- label use, concerns could arise about the safety of the resulting meat in the human food supply. Any of these events could materially adversely affect our financial condition and results of operations. The public perception of the safety, quality and efficacy of certain of our animal health products may harm our reputation. The public perception of the safety, quality and efficacy of certain of our animal health products, whether or not these concerns are scientifically or clinically supported, may lead to product recalls, withdrawals, suspensions or declining sales as well as product liability and other claims. Regulatory actions based on these types of safety, quality or efficacy concerns could impact all, or a significant portion of a product’ s sales and could, depending on the circumstances, materially adversely affect our results of operations. In addition, we depend on positive perceptions of the safety, quality and efficacy of our products, and animal health products generally, by our customers, veterinarians and end- users, and such concerns may harm our reputation. In some countries, these perceptions may be exacerbated by the existence of counterfeit versions of our products, which, depending on the legal and law enforcement recourse available in the jurisdiction where the counterfeiting occurs, may be difficult to police or stop. These concerns and the related harm to our reputation could materially adversely affect our financial condition and results of operations, regardless of whether such reports are accurate. ~~32We~~ **We** are dependent on suppliers having current regulatory approvals, and the failure of those suppliers to maintain these approvals or other challenges in replacing any of those suppliers could affect our supply of materials or affect the distribution or sale of our products. Suppliers and third- party contract manufacturers for our animal health and mineral nutrition products or the active pharmaceutical ingredients or other materials we use in our products, like us, are subject to extensive regulatory compliance. If any one of these third parties discontinues its supply to us because of changes in the regulatory environment to which such third parties are subject, significant regulatory violations or for any other reason, or an ~~adverse~~ **32adverse** event occurs at one of their facilities, the interruption in the supply of these materials could decrease sales of our affected products. In this event, we may seek to enter into agreements with third

parties to purchase active ingredients, raw materials or products or to lease or purchase new manufacturing facilities. We may be unable to find a third party willing or able to provide the necessary products or facilities suitable for manufacturing pharmaceuticals on terms acceptable to us or the cost of those pharmaceuticals may be prohibitive. If we have to obtain substitute materials or products, additional regulatory approvals will likely be required, as approvals are typically specific to a single product produced by a specified manufacturer in a specified facility and there can be no assurances that such regulatory approvals will be obtained. As such, the use of new facilities also requires regulatory approvals. While we take measures where economically feasible and available to secure back- up suppliers, the continued receipt of active ingredients or products from a sole source supplier could create challenges if a sole source was interrupted. We may not be able to provide adequate and timely product to eliminate any threat of interruption of supply of our products to customers and these problems may materially adversely impact our business. The raw materials used by us and our third- party contract manufacturers in the manufacture of our products can be subject to price fluctuations and their availability can be limited. While the selling prices of our products tend to increase or decrease over time with the cost of raw materials, such changes may not occur simultaneously or to the same degree. The costs of certain of our significant raw materials are subject to considerable volatility, and we generally do not engage in activities to hedge the costs of our raw materials and our third- party contract manufacturers may demand price increases related to increases in the costs of raw materials. In addition, we may be subject to new or increased tariffs on imported raw materials with limited ability to pass those increased costs through to our customers. Although no single raw material accounted for more than 5 % of our cost of goods sold for the year ended June 30, ~~2023~~ **2024** , volatility in raw material costs can result in significant fluctuations in our ~~costs~~ **cost** of goods sold of the affected products. The costs of raw materials used by our Mineral Nutrition business are particularly subject to fluctuations in global commodities markets and cost changes in the underlying commodities markets typically lead directly to a corresponding change in our revenues. Although we attempt to adjust the prices of our products to reflect significant changes in raw material costs, we may not be able to pass any increases in raw material costs through to our customers in the form of price increases. Significant increases in the costs of raw materials, if not offset by product price increases, could have a material adverse effect on our financial condition and results of operations. The supply of certain of our raw materials is dependent on third party suppliers. There is no guarantee that supply shortages or disruptions of such raw materials will not occur and the likelihood of such supply shortages and disruptions has been, and may continue to be, increased due to global supply chain disruptions, including those caused by the COVID- 19 pandemic **or similar health crises** and the ongoing ~~conflict~~ **conflicts between Israel and Hamas and** between Russia and Ukraine. In addition, if any one of these third parties discontinues its supply to us, or an adverse event occurs at one of their facilities, the interruption in the supply of these materials could decrease sales of our affected products. In the event that we cannot procure necessary major raw materials from other suppliers, the occurrence of any of these may have an adverse impact on our business. Our revenues are dependent on the continued operation of our various manufacturing facilities. Although presently all our manufacturing facilities are considered to be in good condition, the operation of our manufacturing facilities involves many risks which could cause product interruptions, including the breakdown, failure or substandard performance of equipment, construction delays, mislabeling, shortages of materials, labor problems, power outages, political and social instability, the improper installation or operation of equipment, natural disasters, terrorist activities, armed conflicts, the outbreak of any highly contagious diseases, such as COVID- 19 in humans or African Swine Fever in swine, near our production sites and the need to comply with environmental and other directives of governmental agencies. In addition, regulatory authorities such as the FDA typically require approval and periodic inspection of the manufacturing facilities to confirm compliance with applicable regulatory requirements, and those requirements may be enforced by various means, including seizures and injunctions. Certain of our product lines are ~~33manufactured~~ **manufactured** at a single facility, and certain of our product lines are manufactured at a single facility with limited capacity at a second facility, and production would not be easily transferable to another site. The occurrence of material operational problems, including but not limited to the above events, may adversely affect our financial condition and results of operations. Our manufacturing network may be unable to meet the demand for our products or we may have excess capacity if demand for our products changes. The unpredictability of a product' s regulatory or commercial success or failure, the ~~lead~~ **33lead** time necessary to construct highly technical and complex manufacturing sites and shifting customer demand (including as a result of market conditions or entry of branded or generic competition) increase the potential for capacity imbalances. In addition, construction of manufacturing sites is expensive, and our ability to recover costs will depend on the market acceptance and success of the products produced at the new sites, which is uncertain. We could be subject to changes in our tax rates, the adoption of new U. S. or foreign tax legislation or exposure to additional tax liabilities. We are subject to income taxes in the U. S. and numerous foreign jurisdictions. Changes in the relevant tax laws, regulations and interpretations could adversely affect our future effective tax rates. Modifications to key elements of the U. S. or international tax framework could have a material adverse effect on our consolidated financial statements. Our consolidated effective tax rate is subject to potential risks that various taxing authorities may challenge the pricing of our cross- border arrangements and subject us to additional tax, adversely affecting our expected consolidated effective tax rate and our tax liability. If our effective tax rates were to increase, particularly in the U. S. or other material foreign jurisdictions, our business, financial condition and results of operations could be materially adversely affected. In addition, our tax returns and other tax filings and positions are subject to review by the Internal Revenue Service (the " IRS ") and other tax authorities and governmental bodies. We regularly assess the likelihood of an adverse outcome resulting from these examinations to determine the adequacy of our provision for taxes. There can be no assurance as to the outcome of these examinations or the effects on our consolidated financial statements. A significant portion of our operations are conducted in foreign jurisdictions and are subject to the economic, political, legal and business environments of the countries in which we do business. Our international operations could be limited or disrupted by any of the following: ● volatility in the international financial markets; ● compliance with governmental controls; ● difficulties enforcing contractual and intellectual property rights; ● compliance with a wide variety of laws and regulations, such as the U.

S. Foreign Corrupt Practices Act (" FCPA ") and similar non- U. S. laws and regulations; ● compliance with foreign labor laws; ● compliance with Environmental Laws; ● burdens to comply with multiple and potentially conflicting foreign laws and regulations, including those relating to EHS requirements; ● changes in laws, regulations, government controls or enforcement practices with respect to our business and the businesses of our customers; ● political and social instability, including crime, civil disturbance, terrorist activities, outbreaks of disease and pandemics and armed conflicts, such as the ongoing **conflicts between Israel and Hamas (and potential broader military** conflict **in the region) and** between Russia and Ukraine; ● trade restrictions, export controls and sanctions laws and restrictions on direct investments by foreign entities, including restrictions administered by the Office of Foreign Assets Control of the U. S. Department of the Treasury; ● government limitations on foreign ownership; ~~34~~ ● government takeover or nationalization of businesses; ● changes in tax laws and tariffs; ● changes in the economic, business, competitive and regulatory environment, including changes in the value of foreign currencies relative to the U. S. dollar or high inflation; **34** ● imposition of anti- dumping and countervailing duties or other trade- related sanctions; ● costs and difficulties and compliance risks in staffing, managing and monitoring international operations; ● corruption risk inherent in business arrangements and regulatory contacts with foreign government entities; ● longer payment cycles and increased exposure to counterparty risk; and ● additional limitations on transferring personal information between countries or other restrictions on the processing of personal information. The multinational nature of our business subjects us to potential risks that various taxing authorities may challenge the pricing of our cross- border arrangements and subject us to additional tax, adversely impacting our effective tax rate and our tax liability. In addition, international transactions may involve increased financial and legal risks due to differing legal systems and customs, as well as restrictions and sanctions that may be imposed on one or more persons and / or jurisdictions in which we operate, including those arising from the ongoing armed **conflicts between Israel and Hamas (and potential broader military** conflict **in the region) and** between Russia and Ukraine. Compliance with these requirements may prohibit the import or export of certain products and technologies or may require us to obtain a license before importing or exporting certain products or technology. A failure to comply with any of these laws, regulations or requirements could result in civil or criminal legal proceedings, monetary or non- monetary penalties, or both, disruptions to our business, limitations on our ability to import and export products and services, and damage to our reputation. In addition, variations in the pricing of our products in different jurisdictions may result in the unauthorized importation of our products between jurisdictions. While the impact of these factors is difficult to predict, any of them could materially adversely affect our financial condition and results of operations. Changes in any of these laws, regulations or requirements, or the political environment in a particular country, may affect our ability to engage in business transactions in certain markets, including investment, procurement and repatriation of earnings. We are subject to product registration and authorization regulations in many of the jurisdictions in which we operate and / or distribute our products, including the United States and member states of the European Union. We are subject to regulations related to testing, manufacturing, labeling, registration and safety analysis in order to lawfully distribute many of our products, including for example, in the United States, the Federal Toxic Substances Control Act and the Federal Insecticide, Fungicide, and Rodenticide Act, and in the European Union, the Regulation on REACH. We are also subject to similar requirements in many of the other jurisdictions in which we operate and / or distribute our products. In some cases, such registrations are subject to periodic review by relevant authorities. Such regulations may lead to governmental restrictions or cancellations of, or refusal to issue, certain registrations or authorizations, or cause us or our customers to make product substitutions in the future. Such regulations may also lead to increased third party scrutiny and personal injury or product liability claims. Compliance with these regulations can be difficult, costly and time consuming and liabilities or costs relating to such regulations could have a material adverse effect on our business, financial condition and results of operations. We have significant assets located outside the United States and a significant portion of our sales and earnings is attributable to operations conducted abroad that may be adversely affected by foreign currency exchange rate fluctuations and other inherent risks. As of June 30, ~~2023~~ **2024** , we had manufacturing and direct sales operations in ~~25~~ **24** countries and sold our products in over 80 countries. Our operations outside the United States accounted for **59 % and** 58 ~~% and 56~~ % of our consolidated assets as of June 30, **2024 and** 2023 ~~and 2022~~ , respectively, and **43 % and** 41 ~~% and 40~~ % of our consolidated net sales for the years ended June 30, **2024 and** 2023 ~~and 2022~~ , respectively. Our foreign operations are subject to currency exchange fluctuations and restrictions, political instability in some countries, and uncertainty of, and governmental control over, commercial rights. ~~35Changes~~ -- **Changes** in the relative values of currencies take place from time to time and could in the future adversely affect our results of operations as well as our ability to meet interest and principal obligations on our indebtedness. To the extent that the U. S. dollar fluctuates relative to the applicable foreign currency, our results are favorably or unfavorably affected. We may from time to time manage this exposure by entering into foreign currency contracts. Such contracts generally are entered into with respect to anticipated costs denominated in foreign currencies for which timing of the ~~payment~~ **35payment** can be reasonably estimated. No assurances can be given that such hedging activities will not result in, or will be successful in preventing, losses that could have an adverse effect on our financial condition or results of operations. There are times when we do not hedge against foreign currency fluctuations and therefore are subject to the risks associated with fluctuations in currency exchange rates. In addition, international manufacturing, sales and raw materials sourcing are subject to other inherent risks, including possible nationalization or expropriation, labor unrest, political instability, price and exchange controls, limitation on foreign participation in local enterprises, health- care regulation, export duties and quotas, domestic and international customs and tariffs, compliance with export controls and sanctions laws, the Foreign Corrupt Practices Act and other laws and regulations governing international trade, unexpected changes in regulatory environments, difficulty in obtaining distribution and support, and potentially adverse tax consequences. Although such risks have not had a material adverse effect on us in the past, these factors could have a material adverse impact on our ability to increase or maintain our international sales or on our results of operations in the future. We have manufacturing facilities located in Israel and a portion of our net sales and earnings is attributable to products produced and operations conducted in Israel. Our Israeli manufacturing facilities and local

operations accounted for **28 % and** 27 % ~~and 28 %~~ of our consolidated assets, as of June 30, **2024 and** 2023 ~~and 2022~~, and ~~19~~ **21** % and 19 % of our consolidated net sales for the years ended June 30, **2024 and** 2023 ~~and 2022~~, respectively. We maintain manufacturing facilities in Israel, which manufacture: ● anticoccidials and antimicrobials, most of which are exported; ● vaccines, a substantial portion of which are exported; and ● animal health pharmaceuticals, nutritional specialty products and trace minerals for the domestic animal industry. A substantial portion of this production is exported from Israel to major world markets. Accordingly, our Israeli operations are dependent on foreign markets and the ability to reach those markets. Hostilities between Israel and its neighbors **, including the ongoing conflict between Israel and Hamas (and potential broader military conflict in the region),** may hinder Israel' s international trade. This, in turn, could have a material adverse effect on our business, financial condition and results of operations. **See " Part II. Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations – Factors affecting our performance – Armed conflicts – Israel and Hamas. "** Certain countries, companies and organizations continue to participate in a boycott of Israeli firms and other companies doing business in Israel or with Israeli companies. We do not believe that the boycott has had a material adverse effect on us, but we cannot provide assurance that restrictive laws, policies or practices directed toward Israel or Israeli businesses will not have an adverse impact on our operations or expansion of our business. Our business, financial condition and results of operations in Israel may be adversely affected by factors outside of our control, such as currency fluctuations, energy shortages and other political, social and economic developments in or affecting Israel, including as a result of the impact of **any resurgence of** the COVID- 19 pandemic ~~in~~ **or the ongoing conflict between** Israel **and Hamas**. We have manufacturing facilities located in Brazil and a portion of our sales and earnings is attributable to products produced and operations conducted in Brazil. Our Brazilian manufacturing facilities and local operations accounted for 14 % ~~and 12 %~~ of our consolidated assets, as of June 30, **2024 and** 2023 ~~and 2022, respectively~~, and 16 ~~% and 15~~ % of our consolidated net sales for the years ended June 30, **2024 and** 2023 ~~and 2022, respectively~~. We maintain manufacturing facilities in Brazil, which manufacture virginiamycin, semduramicin, salinomycin and nicarbazin. Our Brazilian facilities also produce Stafac, Aviax, Aviax Plus, Coxistac, Nicarb, Kamoran ®, and Terramycin granular formulations. A substantial portion of the production is exported from Brazil to major world markets. Accordingly, our Brazilian operations are dependent on foreign markets and the ability to reach those markets. ~~36Our~~ -- **Our** business, financial condition and results of operations in Brazil may be adversely affected by factors outside of our control, such as currency fluctuations, energy shortages and other political, social and economic developments in or affecting Brazil, including as a result of the impact of **a resurgence of** the COVID- 19 pandemic **or similar public health crises** in Brazil. ~~Certain~~ **36Certain** of our employees are covered by collective bargaining or other labor agreements. As of June 30, ~~2023~~ **2024**, approximately ~~290~~ **300** of our Israeli employees and ~~460~~ **600** of our Brazilian employees were covered by collective bargaining agreements. We believe we have satisfactory relations with our employees. There can be no assurance that we will not experience a work stoppage or strike at our manufacturing facilities. A prolonged work stoppage or strike at any of our manufacturing facilities could have a material adverse effect on our business, financial condition and results of operations. The loss of key personnel may disrupt our business and adversely affect our financial results. Our operations and future success are dependent on the continued efforts of our senior executive officers and other key personnel. Although we have entered into employment agreements with certain executives, we may not be able to retain all of our senior executive officers and key employees. These senior executive officers and other key employees may be hired by our competitors, some of which have considerably more financial resources than we do. The loss of the services of any of our senior executive officers or other key personnel, or the inability to hire and retain qualified employees, could have a material adverse effect on our business, financial condition and results of operations. Our R & D relies on evaluations in animals, which may become subject to bans or additional regulations. As a company that produces animal health medicines and vaccines, evaluation of our existing and new products in animals is required in order to be able to register our products. Animal testing in certain industries has been the subject of controversy and adverse publicity. Some organizations and individuals have attempted to ban animal testing or encourage the adoption of additional regulations applicable to animal testing. To the extent that the activities of such organizations and individuals are successful, our R & D, and by extension our financial condition and results of operations, could be materially adversely affected. In addition, negative publicity about us or our industry could harm our reputation. Our operations, properties and subsidiaries are subject to a wide variety of complex and stringent federal, state, local and foreign environmental laws and regulations. We are subject to environmental, health and safety laws and regulations, including those governing pollution; protection of the environment; the use, management and release of hazardous materials, substances and wastes; air emissions; greenhouse gas emissions; water use, supply and discharges; the investigation and remediation of contamination; the manufacture, distribution and sale of regulated materials, including pesticides; the importing, exporting and transportation of products; and the health and safety of our employees and the public (collectively, " Environmental Laws "). See " Business — Environmental, Health and Safety. " Pursuant to Environmental Laws, certain of our subsidiaries are required to obtain and maintain numerous governmental permits, licenses, registrations, authorizations and approvals, including " RCRA Part B " hazardous waste permits, to conduct various aspects of their operations (collectively " Environmental Permits "), any of which may be subject to suspension, revocation, modification, termination or denial under certain circumstances or which may not be renewed upon their expiration for various reasons, including noncompliance. See " Business — Environmental, Health and Safety. " These Environmental Permits can be difficult, costly and time consuming to obtain and may contain conditions that limit our operations. Additionally, any failure to obtain and maintain such Environmental Permits could restrict or otherwise prohibit certain aspects of our operations, which could have a material adverse effect on our business, financial condition and results of operations. We have expended, and may be required to expend in the future, substantial funds for compliance with Environmental Laws. As recyclers of hazardous metal- containing chemical wastes, certain of our subsidiaries have been, and are likely to be, the focus of extensive compliance reviews by environmental regulatory authorities under Environmental Laws, including those relating to the generation, transportation, treatment, storage and disposal of solid and hazardous wastes under the

RCRA. In the past, some of our subsidiaries have paid fines and entered into consent orders to address alleged environmental violations. See " Business — Environmental, Health and Safety. " We cannot ~~37assure --~~ **assure** you that our operations or activities or those of certain of our subsidiaries, including with respect to compliance with Environmental Laws, will not result in civil or criminal enforcement actions or private actions, regulatory or judicial orders enjoining or curtailing operations or requiring corrective measures, installation of pollution control equipment or remedial measures or costs, revocation of required Environmental Permits, or fines, penalties or damages, ~~which~~ **37which** could have a material adverse effect on our business, financial condition and results of operations. In addition, we cannot predict the extent to which Environmental Laws, and the interpretation or enforcement thereof, may change or become more stringent in the future, each of which may affect the market for our products or give rise to additional capital expenditures, compliance costs or liabilities that could be material. Our operations or products may impact the environment or cause or contribute to contamination or exposure to hazardous substances. Given the nature of our current and former operations, particularly at our chemical manufacturing sites, we have incurred, are currently incurring and may in the future incur liabilities under CERCLA, or under other federal, state, local and foreign Environmental Laws related to releases of or contamination by hazardous substances, with respect to our current or former sites, adjacent or nearby third- party sites, or offsite disposal locations. See " Business — Environmental, Health and Safety. " Certain Environmental Laws, including CERCLA, can impose strict, joint, several and retroactive liability for the cost of investigation and cleanup of contaminated sites on owners and operators of such sites, as well as on persons who dispose of or arrange for disposal of hazardous substances at such sites. Accordingly, we could incur liability, whether as a result of government enforcement or private claims, for known or unknown liabilities at, or caused by migration from or hazardous waste transported from, any of our current or former facilities or properties, including those owned or operated by predecessors or third parties. See " Business — Environmental, Health and Safety. " Such liability could have a material adverse effect on our business, financial condition and results of operations. The nature of our current and former operations also exposes us to the risk of claims under Environmental Laws. We could be subject to claims by environmental regulatory authorities, individuals and other third parties seeking damages for alleged personal injury, property damage and damages to natural resources resulting from hazardous substance contamination or human exposure caused by our operations, facilities or products, and there can be no assurance that material costs and liabilities will not be incurred in connection with any such claims. Our insurance may not be sufficient to cover any of these exposures, product, injury or damage claims. Furthermore, regulatory agencies are showing increasing concern over the impact of animal health products and livestock operations on the environment. This increased regulatory scrutiny may necessitate that additional time and resources be spent to address these concerns for both new and existing products and could affect product sales and materially adversely affect our business, financial condition or results of operations. We cannot assure you that our liabilities arising from past or future releases of, or exposure to, hazardous substances will not materially adversely affect our business, financial condition or results of operations. We have been and may continue to be subject to claims of injury from direct exposure to certain of our products that constitute or contain hazardous substances and from indirect exposure when such substances are incorporated into other companies' products. Because certain of our products constitute or contain hazardous substances, and because the production of certain chemicals involves the use, handling, processing, storage and transportation of hazardous substances, from time to time we are subject to claims of injury from direct exposure to such substances and from indirect exposure when such substances are incorporated into other companies' products. There can be no assurance that as a result of past or future operations, there will not be additional claims of injury by employees or members of the public due to exposure, or alleged exposure, to such substances. We are also party to a number of claims and lawsuits arising out of the normal course of business, including product liability claims and allegations of violations of governmental regulations, and face present and future claims with respect to workplace exposure, workers' compensation and other matters. In most cases, such claims are covered by insurance and, where applicable, workers' compensation insurance, subject to policy limits and exclusions; however, our insurance coverage, to the extent available, may not be adequate to protect us from all liabilities that we might incur in connection with the manufacture, sale and use of our products. Insurance is expensive and, in the future, may not be available on acceptable terms, if at all. A successful claim or series of claims brought against us in excess of our insurance coverage could have a materially adverse effect on our business, financial condition ~~38and --~~ **and** results of operations. In addition, any claims, even if not ultimately successful, could adversely affect the marketplace' s acceptance of our products. ~~We~~ **38We** are subject to risks from litigation that may materially impact our operations. We face an inherent business risk of exposure to various types of claims and lawsuits. We are involved in various legal proceedings that arise in the ordinary course of our business. Although it is not possible to predict with certainty the outcome of every pending claim or lawsuit or the range of probable loss, we believe these pending lawsuits and claims will not individually or in the aggregate have a material adverse impact on our results of operations. However, we could, in the future, be subject to various lawsuits, including intellectual property, product liability, personal injury, product warranty, environmental or antitrust claims, among others, and incur judgments or enter into settlements of lawsuits and claims that could have a material adverse effect on our results of operations in any particular period. We are subject to risks that may not be covered by our insurance policies. In addition to pollution and other environmental risks, we are subject to risks inherent in the animal health, mineral nutrition and performance products industries, such as explosions, fires, spills or releases. Any significant interruption of operations at our principal facilities could have a material adverse effect on us. We maintain general liability insurance, pollution legal liability insurance and property and business interruption insurance with coverage limits that we believe are adequate. Because of the nature of industry hazards, it is possible that liabilities for pollution and other damages arising from a major occurrence may not be covered by our insurance policies or could exceed insurance coverages or policy limits or that such insurance may not be available at reasonable rates in the future. Any such liabilities, which could arise due to injury or loss of life, severe damage to and destruction of property and equipment, pollution or other environmental damage or suspension of operations, could have a material adverse effect on our business. **We may fail to consummate the proposed acquisition of certain Zoetis products**

and assets, may not consummate the proposed acquisition on expected terms, or may not achieve the anticipated benefits. In April 2024, we entered into a definitive agreement with Zoetis to acquire Zoetis' s MFA product portfolio, certain water- soluble products and related assets. It is currently anticipated that the Proposed Acquisition will be completed between October and December 2024. Completion of the Proposed Acquisition is subject to customary closing conditions, including clearances by applicable regulatory authorities. Until all such closing conditions are satisfied or waived, the possible timing and likelihood of completion of the Proposed Acquisition are uncertain, and, accordingly, there can be no assurance that the Proposed Acquisition will be completed on the expected terms, on the anticipated schedule or at all. Any delay in consummation of the Proposed Acquisition may result in greater transaction costs and professional fees. Our efforts to complete the Proposed Acquisition could cause substantial disruptions in our business. A substantial amount of our management' s attention is being directed towards the completion of the Proposed Acquisition and such distraction could affect our management' s ability to service our existing business, pursue other business opportunities or could otherwise adversely affect our business. If consummated, the success of the Proposed Acquisition will depend, in significant part, on our ability to successfully integrate the acquired business, establish and maintain good relationships with new and existing customers, suppliers, and other business partners, grow the revenue of the consolidated company and realize the anticipated strategic benefits and synergies. The combination of businesses is a complex, costly and time- consuming process. As a result, we expect to devote significant management attention and resources prior to closing to prepare for integration, and we expect to devote significant management attention and resources post- closing to integrate the business practices and operations. The integration process may disrupt the businesses and, if implemented ineffectively, would impair the realization of the full expected benefits. The growth and the anticipated benefits of the Proposed Acquisition may not be realized fully or at all, or may take longer to realize than we expect. Actual operating, strategic and revenue opportunities, if achieved at all, may be less significant than we expect or may take longer to achieve than anticipated. If we are not able to achieve these objectives and realize the anticipated benefits and synergies expected from the Proposed Acquisition within a reasonable time, our business, financial condition and operating results may be adversely affected. Adverse U. S. and international economic and market conditions may adversely affect our product sales and business. Current U. S. and international economic and market conditions are uncertain. The COVID- 19 pandemic adversely affected international economic conditions and financial markets and led to economic downturns in many countries in which we operate. Our revenues and operating results may be affected by uncertain or changing economic and market ~~conditions~~ **39conditions** , including as a result of a resurgence of **the** COVID- 19 pandemic or other similar public health crises, and other challenges faced in the credit markets and financial services industry. Economic, business, political and financial disruptions from the ongoing armed **conflicts between Israel and Hamas (and potential broader military** conflict **in the region) and** between Russia and Ukraine and the imposition of sanctions and business disruptions as well as inflation, could also have a material adverse effect on our operating results, financial condition, and liquidity. Certain of our customers and suppliers could be affected directly by an economic downturn and could face credit issues or cash flow problems that could give rise to payment delays, increased credit risk, bankruptcies and other financial hardships that could decrease the demand for our products or hinder our ability to collect amounts due from customers. Customers may seek lower price alternatives to our products if they are negatively impacted by poor economic conditions. Furthermore, our exposure to credit and collectability risk and cybersecurity risk is higher in certain international markets and as a result of the crisis resulting from the ongoing armed ~~conflict~~ **conflicts between Israel and Hamas and** between Russia and Ukraine, our ability to mitigate such risks may be limited. While we have procedures to monitor and limit exposure to credit and collectability risk and we have defensive measures in place to prevent and mitigate cyberattacks, there can be no assurance that such procedures and measures will effectively limit such risks and avoid losses. If domestic and global economic and market conditions remain uncertain or persist or deteriorate further, we may experience material impacts on our business, financial condition and results of operations. Adverse economic conditions impacting our customers, including, among others, increased taxation, higher unemployment, lower customer confidence in the economy, higher customer debt levels, lower availability of customer credit, higher interest rates and hardships relating to declines in the stock markets, could cause purchases of meat products to decline, resulting in a decrease in purchases of our products, which could adversely affect our financial condition and results of operation. Adverse economic and market conditions could also negatively impact our business by negatively affecting the parties with whom we do business, including among others, our customers, our manufacturers and our suppliers. ~~39We~~ **We** may not be able to realize the expected benefits of our investments in emerging markets. We have been taking steps to take advantage of the rise in global demand for animal protein in emerging markets, including by expanding our manufacturing presence, sales, marketing and distribution in these markets. Failure to continue to maintain and expand our business in emerging markets could also materially adversely affect our operating results and financial condition. Some countries within emerging markets may be especially vulnerable to periods of local, regional or global economic, political or social instability or crisis. For example, our sales in certain emerging markets have suffered from extended periods of disruption due to natural disasters. Furthermore, we have also experienced lower than expected sales in certain emerging markets due to local, regional and global restrictions on banking and commercial activities in those countries. For all these and other reasons, sales within emerging markets carry significant risks. Modification of foreign trade policy may harm our food animal product customers. Changes in laws, agreements and policies governing foreign trade in the territories and countries where our customers do business could negatively impact such customers' businesses and adversely affect our results of operations. A number of our customers, particularly U. S.- based food animal producers have benefited from free trade agreements, including, in the past, the North American Free Trade Agreement (" NAFTA "). The U. S., Canada and Mexico reached an agreement to replace NAFTA with the United States- Mexico- Canada Agreement. Any other changes to international trade agreements or policies could harm our customers, and as a result, negatively impact our financial condition and results of operations. Additionally, in response to

new U. S. tariffs affecting foreign imports, some foreign governments, including China, have instituted or are considering instituting tariffs on certain U. S. goods. While the scope and duration of these and any future tariffs remain uncertain, tariffs imposed by the U. S. or foreign governments on our customers' products, or on our products or the active pharmaceutical ingredients or other components thereof, could negatively impact our financial condition and results of operations. ~~Our~~ **40Our** product approval, R & D, acquisition and licensing efforts may fail to generate new products and product lifecycle developments. Our future success depends on both our existing product portfolio, including our ability to obtain cross-clearances enabling the use of our medicated products in conjunction with other products, approval for use of our products with new species, approval for new claims for our products, approval of our products in new markets and our pipeline of new products, including new products that we may develop through joint ventures and products that we are able to obtain through license or acquisition. The majority of our R & D programs focus on product lifecycle development, which is defined as R & D programs that leverage existing animal health products by adding new species or claims, achieving approvals in new markets or creating new combinations and reformulations. We commit substantial effort, funds and other resources to expanding our product approvals and R & D, both through our own dedicated resources and through collaborations with third parties. We may be unable to determine with accuracy when or whether any of our expanded product approvals for our existing product portfolio or any of our products now under development will be approved or launched, or we may be unable to obtain expanded product approvals or develop, license or otherwise acquire product candidates or products. In addition, we cannot predict whether any products, once launched, will be commercially successful or will achieve sales and revenues that are consistent with our expectations. The animal health industry is subject to regional and local trends and regulations and, as a result, products that are successful in some of our markets may not achieve similar success when introduced into new markets. Furthermore, the timing and cost of our R & D may increase, and our R & D may become less predictable. For example, changes in regulations applicable to our industry may make it more time- consuming and / or costly to research, test and develop products. Products in the animal health industry are sometimes derived from molecules and compounds discovered or developed as part of human health research. We may enter into collaboration or licensing arrangements with third parties to provide us with access to compounds and other technology for purposes of our business. Such agreements are typically complex and require time to negotiate and implement. If we enter into these arrangements, we may not be able to maintain these relationships or establish new ones in the future on acceptable terms or at all. In addition, any collaboration that we enter into may not be successful, and the success may depend on the efforts and actions of our ~~40collaborators~~ **collaborators**, which we may not be able to control. If we are unable to access human health- generated molecules and compounds to conduct R & D on cost- effective terms, our ability to develop new products could be limited. The actual or purported intellectual property rights of third parties may negatively affect our business. A third party may sue us, our distributors or licensors, or otherwise make a claim, alleging infringement or other violation of the third- party' s patents, trademarks, trade dress, copyrights, trade secrets, domain names or other intellectual property rights. If we do not prevail in this type of litigation, we may be required to: ● pay monetary damages; ● obtain a license in order to continue manufacturing or marketing the affected products, which may not be available on commercially reasonable terms, or at all; or ● stop activities, including any commercial activities, relating to the affected products, which could include a recall of the affected products and / or a cessation of sales in the future. The costs of defending an intellectual property claim could be substantial and could materially adversely affect our operating results and financial condition, even if we successfully defend such claims. We may also incur costs in connection with an obligation to indemnify a distributor, licensor or other third party. Moreover, even if we believe that we do not infringe a validly existing third- party patent, we may choose to license such patent, which would result in associated costs and obligations. The intellectual property positions of animal health medicines and vaccines businesses frequently involve complex legal and factual questions, and an issued patent does not guarantee us the right to practice the patented technology or develop, manufacture or commercialize the patented product. We cannot be certain that a competitor or other third party does not have or will not obtain rights to intellectual property that may prevent us from manufacturing, developing or marketing certain of our products, regardless of whether we believe such intellectual property rights are valid and ~~enforceable~~ **41enforceable** or we believe we would be otherwise able to develop a more commercially successful product, which may harm our financial condition and results of operations. If our intellectual property rights are challenged or circumvented, competitors may be able to take advantage of our R & D efforts. We are also dependent upon trade secrets, which in some cases may be difficult to protect. Our long- term success largely depends on our ability to market technologically competitive products. We rely and expect to continue to rely on a combination of intellectual property, including patent, trademark, trade dress, copyright, trade secret and domain name protection laws, as well as confidentiality and license agreements with our employees and others, to protect our intellectual property and proprietary rights. If we fail to obtain and maintain adequate intellectual property protection, we may not be able to prevent third parties from using our proprietary technologies or from marketing products that are very similar or identical to ours. Our currently pending or future patent applications may not result in issued patents, or be approved on a timely basis, or at all. Similarly, any term extensions that we seek may not be approved on a timely basis, if at all. In addition, our issued patents may not contain claims sufficiently broad to protect us against third parties with similar technologies or products or provide us with any competitive advantage, including exclusivity in a particular product area. The scope of our patent claims also may vary between countries, as individual countries have their own patent laws. For example, some countries only permit the issuance of patents covering a novel chemical compound itself, and its first use, and thus further methods of use for the same compound, may not be patentable. We may be subject to challenges by third parties regarding our intellectual property, including claims regarding validity, enforceability, scope and effective term. The validity, enforceability, scope and effective term of patents can be highly uncertain and often involve complex legal and factual questions and proceedings. Our ability to enforce our patents also depends on the laws of individual countries and each country' s practice with respect to enforcement of intellectual property rights. In addition, if we are unable to maintain our existing license agreements or other agreements pursuant to which third parties grant

us rights to intellectual property, including because such agreements expire or are terminated, our financial condition and results of operations could be materially adversely affected. Patent law changes in the United States and other countries may also weaken our ability to enforce our patent rights or make such enforcement financially unattractive. Any such changes could result in increased costs to protect our intellectual property or limit our ability to obtain and maintain patent protection for our products in these jurisdictions. ~~41Additionally~~ -- **Additionally** , certain foreign governments have indicated that compulsory licenses to patents may be granted in the case of national emergencies, which could diminish or eliminate sales and profits from those regions and materially adversely affect our operating results and financial condition. Likewise, in the United States and other countries, we currently hold issued trademark registrations and have trademark applications pending, any of which may be the subject of a governmental or third- party objection, which could prevent the maintenance or issuance of the same and thus create the potential need to rebrand or relabel a product. As our products mature, our reliance on our trademarks to differentiate us from our competitors increases and as a result, if we are unable to prevent third parties from adopting, registering or using trademarks and trade dress that infringe, dilute or otherwise violate our trademark rights, our business could be materially adversely affected. Our competitive position is also dependent upon unpatented trade secrets, which in some cases may be difficult to protect. Others may independently develop substantially equivalent proprietary information and techniques or may otherwise gain access to our trade secrets and trade secrets may be disclosed or we may not be able to protect our rights to unpatented trade secrets. Many of our vaccine products and other products are based on or incorporate proprietary information, including proprietary master seeds and proprietary or patented adjuvant formulations. We actively seek to protect our proprietary information, including our trade secrets and proprietary know- how, by requiring our employees, consultants, other advisors and other third parties to execute confidentiality agreements upon the commencement of their employment, engagement or other relationship. Despite these efforts and precautions, we may be unable to prevent a third party from copying or otherwise obtaining and using our trade secrets or our other intellectual property without authorization and legal remedies may not adequately compensate us for the damages caused by such unauthorized use. Further, others may independently and lawfully develop substantially similar or identical products that circumvent our intellectual property by means of alternative designs or processes or otherwise. ~~The~~ **42The** misappropriation and infringement of our intellectual property, particularly in foreign countries where the laws may not protect our proprietary rights as fully as in the United States, may occur even when we take steps to prevent it. In the future, we may be party to patent lawsuits and other intellectual property rights claims that are expensive and time consuming, and if resolved adversely, could have a significant impact on our business and financial condition. In the future, we may not be able to enforce intellectual property that relates to our products for various reasons, including licensor restrictions and other restrictions imposed by third parties, and the costs of doing so may outweigh the value of doing so, and this could have a material adverse impact on our business and financial condition. We are subject to the U. S. Foreign Corrupt Practices Act and other anti- corruption laws or trade control laws, as well as other laws governing our **international** operations. If we fail to comply with these laws, we could be subject to civil or criminal penalties, other remedial measures and legal expenses, which could adversely affect our business, financial condition and results of operations. Our operations are subject to anti- corruption laws, including the FCPA and other anti- corruption laws that apply in countries where we do business. The FCPA, UK Bribery Act and other laws generally prohibit us and our employees and intermediaries from bribing, being bribed or making other prohibited payments to government officials or other persons to obtain or retain business or gain some other business advantage. We operate in a number of jurisdictions that pose a high risk of potential FCPA violations, and we participate in relationships with third parties whose actions could potentially subject us to liability under the FCPA or local anti- corruption laws. In addition, we cannot predict the nature, scope or effect of future regulatory requirements to which our international operations might be subject or the manner in which existing laws might be administered or interpreted. We are also subject to other laws and regulations governing our international operations, including regulations administered by the U. S. Department of Commerce' s Bureau of Industry and Security, the U. S. Department of Treasury' s Office of Foreign Asset Control and various non- U. S. government entities, including applicable export control regulations, economic sanctions on countries and persons, customs requirements, currency exchange regulations and transfer pricing regulations (collectively, the " Trade Control laws "). There is no assurance that we will be completely effective in ensuring our compliance with all applicable anticorruption laws, including the FCPA or other legal requirements, including Trade Control laws. If we are not in compliance with the FCPA and other anti- corruption laws or Trade Control laws, we may be subject to criminal and civil ~~42penalties~~ -- **penalties** , disgorgement and other sanctions and remedial measures, and legal expenses, which could have an adverse impact on our business, financial condition, results of operations and liquidity. Likewise, any investigation of any potential violations of the FCPA other anti- corruption laws or Trade Control laws by U. S. or foreign authorities could also have an adverse impact on our reputation, business, financial condition and results of operations. Increased regulation or decreased governmental financial support for the raising, processing or consumption of food animals could reduce demand for our animal health products. Companies in the animal health industry are subject to extensive and increasingly stringent regulations. If livestock producers are adversely affected by new regulations or changes to existing regulations, they may reduce herd sizes or become less profitable and, as a result, they may reduce their use of our products, which may materially adversely affect our operating results and financial condition. Furthermore, adverse regulations related, directly or indirectly, to the use of one or more of our products may injure livestock producers' market position. More stringent regulation of the livestock industry or our products could have a material adverse effect on our operating results and financial condition. Also, many industrial producers, including livestock producers, benefit from governmental subsidies, and if such subsidies were to be reduced or eliminated, these companies may become less profitable and, as a result, may reduce their use of our products. Increased or decreased inventory levels at our channel distributors can lead to fluctuations in our revenues and variations in payment terms extended to our distributors can impact our cash flows. In addition to selling our products directly to customers, we also sell to distributors who, in turn, sell our products to third parties. Inventory levels at our distributors may

increase or decrease as a result of various factors, including end customer demand, new customer contracts, the influence of competition, political and socio- economic climate, contractual obligations related to minimum inventory levels, changing perceptions, including those of alternative products, our ability to renew distribution contracts with expected terms, our ability to implement commercial strategies, ~~regulatory~~ **43regulatory** restrictions, armed conflicts, unexpected customer behavior, proactive measures taken by us in response to shifting market dynamics and procedures and environmental factors beyond our control, including weather conditions or an outbreak of infectious disease such as COVID- 19 or diseases carried by farm animals such as African Swine fever. These increases and decreases can lead to variations in our quarterly and annual revenues. In addition, we have policies that govern the payment terms that we extend to our customers. From time to time, our distributors have requested exceptions to the payment term policies that we extend to them for various reasons, including consolidation amongst our distributors, changes in the buying patterns of end customers, as well as the perception of our distributors regarding the need to maintain certain inventory levels to avoid supply disruptions. Extensions of anticipated customer payment terms can impact our cash flows, liquidity and results of operations. We have substantial debt and interest payment requirements that may restrict our future operations and impair our ability to meet our obligations under our indebtedness. Restrictions imposed by our outstanding indebtedness, including the restrictions contained in our ~~2021~~ **2024** Credit Facilities, may limit our ability to operate our business and to finance our future operations or capital needs or to engage in other business activities. As of June 30, ~~2023~~ **2024** , we had outstanding indebtedness (reflecting the principal amounts) of $ ~~273~~ **256** . ~~8~~ **9** million under our 2021 Term A loan (as defined below), $ ~~50~~ **45** . 0 million under our 2023 Incremental Term loan (as defined below), $ ~~141~~ **176** . 0 million of outstanding borrowings under our revolving credit facility, $ 11. ~~7~~ **3** million under our 2022 Term Loan (as defined below) and $ 2. ~~5~~ **3** million of outstanding letters of credit. **In July** ~~Subject to restrictions in our 2021~~ **2024 , to refinance our existing indebtedness and to fund the pending Proposed Acquisition, we entered into the 2024** Credit Facilities (as defined below) **. Subject to restrictions in our 2024 Credit Facilities** , we may incur significant additional indebtedness. If we and our subsidiaries incur significant additional indebtedness, the related risks that we face could intensify. Our substantial debt may have important consequences. For instance, it could: ● make it more difficult for us to satisfy our financial obligations, including those relating to the ~~2021~~ **2024** Credit Facilities; ~~43~~ ● require us to dedicate a substantial portion of any cash flow from operations to the payment of interest and principal due under our debt, which will reduce funds available for other business purposes, including capital expenditures and acquisitions; ● increase our vulnerability to general adverse economic and industry conditions; ● limit our flexibility in planning for or reacting to changes in our business and the industry in which we operate; ● place us at a competitive disadvantage compared with some of our competitors that may have less debt and better access to capital resources; and ● limit our ability to obtain additional financing required to fund working capital and capital expenditures and for other general corporate purposes. Our ability to satisfy our obligations and to reduce our total debt depends on our future operating performance and on economic, financial, competitive and other factors, many of which are beyond our control. Our business may not generate sufficient cash flow, and future financings may not be available to provide sufficient net proceeds, to meet these obligations or to successfully execute our business strategy. The terms of the ~~2021~~ **2024** Credit Facilities contain certain covenants that limit our ability and that of our subsidiaries to create liens, merge or consolidate, dispose of assets, incur indebtedness and guarantees, repurchase or redeem capital stock and indebtedness, make certain investments or acquisitions, enter into certain transactions with affiliates or change the nature of our business. As a result of these covenants and restrictions, we will be limited in how we conduct our business, and we may be unable to raise additional debt or equity financing to compete effectively or to take advantage of new business opportunities. The terms of any future indebtedness we may incur could include more restrictive covenants. We may not be able to maintain compliance with the covenants in any of our debt instruments in the future and, if we fail to do so, we may not be able to obtain waivers from the lenders and / or amend the covenants. ~~We~~ **44We** may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful. Our ability to make scheduled payments on or refinance our debt obligations depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond our control, including the impact of **any public health crises, such as** the COVID- 19 pandemic ~~and~~ **,** the ongoing armed ~~conflict~~ **conflicts between Israel and Hamas and** between Russia and Ukraine, and the related economic downturn in the debt markets **. In connection with the pending Proposed Acquisition and corresponding refinancing of our existing indebtedness through the 2024 Credit Facilities, we expect our debt interest payments to increase substantially** . We may be unable to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal and interest on our indebtedness. If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures, or to dispose of material assets or operations, alter our dividend policy, seek additional debt or equity capital or restructure or refinance our indebtedness. We may not be able to effect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow us to meet our scheduled debt service obligations. The instruments that govern our indebtedness may restrict our ability to dispose of assets and may restrict the use of proceeds from those dispositions and may also restrict our ability to raise debt or equity capital to be used to repay other indebtedness when it becomes due. We may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations when due. In addition, we conduct our operations through our subsidiaries. Accordingly, repayment of our indebtedness will depend on the generation of cash flow by our subsidiaries, including our international subsidiaries, and their ability to make such cash available to us, by dividend, debt repayment or otherwise. Our subsidiaries may not have any obligation to pay amounts due on our indebtedness or to make funds available for that purpose. Our subsidiaries may not be able to, or may not be permitted to, make distributions to enable us to make payments in respect of our indebtedness. Each subsidiary is a distinct legal entity, and under certain circumstances, legal, tax and contractual restrictions may limit our ability to obtain

cash from our subsidiaries or may subject any transfer of cash from our subsidiaries to substantial tax liabilities. In the event that we do not receive distributions from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness. ~~44Our~~ -- **Our** inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, may materially adversely affect our operating results, financial condition and liquidity and our ability to satisfy our obligations under our indebtedness or pay dividends on our common stock. We are subject to change of control provisions. We are a party to certain contractual arrangements that are subject to change of control provisions. In this context, " change of control " is generally defined as including (a) any person or group, other than Mr. Jack C. Bendheim and his family and affiliates (the current holders of approximately 90. 9 % of the combined voting power of all classes of our outstanding common stock), becoming the beneficial owner of more than 50 % of the total voting power of our stock, and (b) a change in any twelve month period in the majority of the members of the Board that is not approved by Mr. Bendheim and / or his family and affiliates or by the majority of directors in office at the start of such period. Mr. Bendheim and his family and affiliates may choose to dispose of part or all of their stakes in us and / or may cease to exercise the current level of control they have over the appointment and removal of members of our Board. Any such changes may trigger a " change of control " event that could result in us being forced to repay the ~~2021~~ **2024** Credit Facilities ~~(which includes our 2023 Incremental Term Loan)~~ or lead to the termination of a significant contract to which we are a party. If any such event occurs, this may negatively affect our financial condition and operating results. In addition, we may not have sufficient funds to finance repayment of any of such indebtedness upon any such " change in control. " We depend on sophisticated information technology and infrastructure. We rely on various information systems to manage our operations, and we increasingly depend on third parties and applications on virtualized, or " cloud, " infrastructure to operate and support our information technology systems. These third parties include large established vendors as well as small, privately owned companies. Failure by these providers to ~~adequately~~ **45adequately** service our operations or a change in control or insolvency of these providers could have an adverse effect on our business, which in turn may materially adversely affect our business, financial condition or results of operations. We may be required to write down goodwill or identifiable intangible assets. Under generally accepted accounting principles in the United States (" GAAP "), if we determine goodwill or identifiable intangible assets are impaired, we will be required to write down these assets and record a non- cash impairment charge. As of June 30, ~~2023~~ **2024**, we had goodwill of $ ~~53~~ **54**. ~~3~~ **6** million and identifiable intangible assets, less accumulated amortization, of $ ~~55~~ **45**. 0 million. Identifiable intangible assets consist primarily of developed technology rights and patents and customer relationships. Determining whether an impairment exists and the amount of the potential impairment involves quantitative data and qualitative criteria that are based on estimates and assumptions requiring significant management judgment. Future events or new information may change management' s valuation of goodwill or an intangible asset in a short amount of time. The timing and amount of impairment charges recorded in our consolidated statements of operations and write- downs recorded in our consolidated balance sheets could vary if management' s conclusions change. Any impairment of goodwill or identifiable intangible assets could have a material adverse effect on our financial condition and results of operations. We may be unable to adequately protect our customers' privacy or we may fail to comply with privacy laws. The protection of customer, employee and company data is critical and the regulatory environment surrounding information security, storage, use, processing, disclosure and privacy is demanding, with the frequent imposition of new and changing requirements. In addition, our customers expect that we will adequately protect their personal information. Any actual or perceived significant breakdown, intrusion, interruption, cyber- attack or corruption of customer, employee or company data or our failure to comply with federal, state, local and foreign privacy laws could damage our reputation and result in lost sales, fines and lawsuits. Despite our considerable efforts and technology to secure our computer network, security could be compromised, confidential information could be misappropriated or system disruptions could occur. Any actual or perceived access, disclosure or other loss of information or any significant breakdown, intrusion, interruption, cyber- attack or corruption of customer, employee or company data or our failure to comply with federal, state, local and foreign privacy laws or contractual obligations with customers, vendors, payment processors and other ~~45third~~ -- **third** parties, could result in legal claims or proceedings, liability under laws or contracts that protect the privacy of personal information, regulatory penalties, disruption of our operations and damage to our reputation, all of which could materially adversely affect our business, revenue and competitive position. We may be subject to information technology system failures, network disruptions and breaches in data security. We are increasingly dependent upon information technology systems and infrastructure to conduct critical operations and generally operate our business, which includes using information technology systems to process, transmit and store electronic information in our day- to- day operations, including customer, employee and company data. The **changes to " in- office " expectations resulting from the** COVID- 19 pandemic ~~and related quarantines, shelter- in- place and " social distancing " requirements, travel restrictions and other similar government orders,~~ have resulted in a substantial portion of our employees working remotely and have increased our dependence on tools that facilitate employees working from home and gaining remote access to our information technology systems. As a result, any disruption to our information technology systems, our industrial machinery, software used in our manufacturing facilities, firmware or software embedded in our equipment or machinery, including from cyber incidents, could have a material adverse effect on our business. The increased use of these tools could also make our information technology systems more vulnerable to breaches of data security and cybersecurity attacks. The size and complexity of our computer systems make them potentially vulnerable to breakdown, malicious intrusion and random attack. We also store certain information with third parties. Our information systems and those of our third- party vendors are subjected to computer viruses or other malicious codes, unauthorized access attempts, and cyber, phishing or ransomware attacks and also are vulnerable to an increasing threat of continually evolving cybersecurity risks and external hazards. Disruption, degradation, or manipulation of these systems and infrastructure through intentional or accidental means could impact key business processes. Cyber- attacks against the Company' s systems and infrastructure could result in exposure of confidential information, the modification of critical data and / or the failure of critical operations. Likewise, improper or

inadvertent employee behavior, including data privacy breaches by employees and others with permitted access to our systems may pose a risk that sensitive data may be exposed to unauthorized persons or to the public. Any such breach could ~~compromise~~ **46compromise** our networks, and the information stored therein could be accessed, publicly disclosed, lost or stolen. Such attacks could result in our intellectual property and other confidential information being lost or stolen, disruption of our operations and other negative consequences, such as increased costs for security measures or remediation costs, and diversion of management attention. Although the aggregate impact on the Company' s operations and financial condition has not been material to date, the Company has been the target of events of this nature and expects them to continue as cyber- attacks are becoming more sophisticated and frequent, and the techniques used in such attacks change rapidly. The Company monitors its data, information technology and personnel usage of Company systems to reduce these risks and continues to do so on an ongoing basis for any current or potential threats. If any of our operational technologies, software or hardware or other control systems are compromised, fail or have other significant shortcomings, it could disrupt our business, require us to incur substantial additional expenses or result in potential liability or reputational damage. While we have invested in protection of data and information technology, there can be no assurance that our efforts will prevent such breakdowns, cybersecurity attacks or breaches in our systems that could cause reputational damage, business disruption and legal and regulatory costs; could result in third- party claims; could result in compromise or misappropriation of our intellectual property, trade secrets and sensitive information; and could otherwise adversely affect our business and financial results. Implementing new business lines or offering new products and services may subject us to additional risks. From time to time, we may implement new business lines or offer new products and services within existing lines of business. There may be substantial risks and uncertainties associated with these efforts. We may invest significant time and resources in developing, marketing, or acquiring new lines of business and / or offering new products and services. Initial timetables for the introduction and development or acquisition of new lines of business and / or the offering of new products or services may not be achieved, and price and profitability targets may prove to be unachievable. Our lack of experience or knowledge, as well as external factors, such as compliance with regulations, competitive alternatives and shifting market preferences, may also impact the success of an acquisition or the implementation of a new line of business or a new product or service. New business lines or new products and services within existing lines of business could affect the sales and profitability of existing lines of business or products and services. Failure to successfully manage these risks in the implementation or acquisition of new lines of business or the offering of new products or services could have a material adverse effect on our reputation, business, results of operations, and financial condition. ~~46Risks~~ -- **Risks** Related to Ownership of Our Class A Common StockOur multiple class structure and the concentration of our voting power with certain of our stockholders will limit your ability to influence corporate matters, and conflicts of interest between certain of our stockholders and us or other investors could arise in the future. As of August ~~25~~ **23** , ~~2023~~ **2024** , BFI Co., LLC (" BFI ") beneficially owns 59, 480 shares of our Class A common stock and 20, 166, 034 shares of our Class B common stock, which together represent approximately 90. 9 % of the combined voting power of all classes of our outstanding common stock. As of August ~~25~~ **23** , ~~2023~~ **2024** , our other stockholders collectively own interests representing approximately 9. 1 % of the combined voting power of all classes of our outstanding common stock. Because of our multiple class structure and the concentration of voting power with BFI, BFI will continue to be able to control all matters submitted to our stockholders for approval for so long as BFI holds common stock representing greater than 50 % of the combined voting power of all classes of our outstanding common stock. BFI will therefore have significant influence over management and affairs and control the approval of all matters requiring stockholder approval, including the election of directors and significant corporate transactions, such as a merger or other sale of the Company or its assets, for the foreseeable future. We are classified as a " controlled company " and, as a result, we qualify for, and intend to rely on, exemptions from certain corporate governance requirements. You will not have the same protections afforded to stockholders of companies that are subject to such requirements. BFI controls a majority of the combined voting power of all classes of our outstanding common stock. As a result, we are a " controlled company " within the meaning of the Nasdaq corporate governance standards. Under Nasdaq rules, a company of which more than 50 % of the voting power is held by an individual, group or another company is a " controlled company " and may elect not to comply with certain corporate governance requirements, including: **47** ● the requirement that a majority of the Board consists of independent directors; ● the requirement that we have a nominating and corporate governance committee and that it is composed entirely of independent directors; and ● the requirement for an annual performance evaluation of the nominating and corporate governance and compensation committees. We utilize and intend to continue to utilize these exemptions. As a result, while we currently have a majority of independent directors: ● we may not have a majority of independent directors in the future; ● we will not have a nominating and corporate governance committee; and ● we will not be required to have an annual performance evaluation of the compensation committee. Accordingly, you will not have the same protections afforded to stockholders of companies that are subject to all of the Nasdaq corporate governance requirements. Our stock price may be volatile or may decline regardless of our operating performance. The market price of our Class A common stock may fluctuate significantly in response to a number of factors, many of which we cannot control, including those described under " — Risk Factors Relating to Our Business " and the following: ● changes in financial estimates by any securities analysts who follow our Class A common stock, our failure to meet these estimates or failure of those analysts to initiate or maintain coverage of our Class A common stock; ● downgrades by any securities analysts who follow our Class A common stock; ● future sales of our Class A common stock by our officers, directors and significant stockholders; ~~47~~ ● market conditions or trends in our industry or the economy as a whole and, in particular, in the animal health industry; ● investors' perceptions of our prospects; ● announcements by us or our competitors of significant contracts, acquisitions, joint ventures or capital commitments; and ● changes in key personnel. In addition, the stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. The COVID- 19 pandemic and the ongoing armed ~~conflict~~ **conflicts between Israel and Hamas and** between Russia and Ukraine ~~has~~ **have** contributed to significant volatility in stock and financial markets in the

United States and globally. In the past, stockholders have instituted securities class action litigation following periods of market volatility. If we were involved in securities litigation, we could incur substantial costs, and our resources and the attention of management could be diverted from our business. Our majority stockholder has the ability to control significant corporate activities and our majority stockholder' s interests may not coincide with yours. As of August ~~25~~ **23** , ~~2023~~ **2024** , approximately 90. 9 % of the combined voting power of all classes of our outstanding common stock is held by BFI. As a result of its ownership, so long as it holds a majority of the combined voting power of all classes of our outstanding common stock, BFI will have the ability to control the outcome of matters submitted to a vote of stockholders and, through our Board of Directors, the ability to control decision- making with respect to our business direction and policies. Matters over which BFI, directly or indirectly, exercises control include: ● the election of our Board of Directors and the appointment and removal of our officers; **48** ● mergers and other business combination transactions, including proposed transactions that would result in our stockholders receiving a premium price for their shares; ● other acquisitions or dispositions of businesses or assets; ● incurrence of indebtedness and the issuance of equity securities; ● repurchase of stock and payment of dividends; and ● the issuance of shares to management under our equity incentive plans. Even if BFI' s ownership of our shares falls below a majority of the combined voting power of all classes of our outstanding common stock, it may continue to be able to influence or effectively control our decisions. Future sales of our Class A common stock, or the perception in the public markets that these sales may occur, may depress our stock price. Sales of substantial amounts of our Class A common stock in the public market, or the perception that these sales could occur, could adversely affect the price of our Class A common stock and could impair our ability to raise capital through the sale of additional shares. In addition, subject to certain restrictions on converting Class B common stock into Class A common stock, all of our outstanding shares of Class B common stock may be converted into Class A common stock and sold in the public market by existing stockholders. As of August ~~25~~ **23** , ~~2023~~ **2024** , we had 20, 337, 574 shares of Class A common stock and 20, 166, 034 shares of Class B common stock outstanding. BFI, which holds all of our outstanding Class B common stock, has the right to require us to register the sales of ~~their~~ **its** shares under the Securities Act under the terms of an agreement between us and the holders of these securities. In the future, we may also issue our securities in connection with investments or acquisitions. The amount of shares of our Class A common stock issued in connection with an investment or acquisition could constitute a material portion of our then- outstanding shares of our Class A common stock. ~~48Anti -~~ **Anti** - takeover provisions in our charter documents and Delaware law might discourage or delay acquisition attempts for us that you might consider favorable. Our certificate of incorporation and bylaws contain provisions that may make the acquisition of the Company more difficult without the approval of our Board of Directors. These provisions: ● authorize the issuance of undesignated preferred stock, the terms of which may be established and the shares of which may be issued without stockholder approval, and which may include super voting, special approval, dividend, or other rights or preferences superior to the rights of the holders of Class A common stock; ● prohibit, at any time after BFI and its affiliates cease to hold at least 50 % of the combined voting power of all classes of our outstanding common stock, stockholder action by written consent, without the express prior consent of the Board of Directors; ● provide that the Board of Directors is expressly authorized to make, alter or repeal our amended and restated bylaws; ● establish advance notice requirements for nominations for elections to our Board of Directors or for proposing matters that can be acted upon by stockholders at stockholder meetings; and ● establish a classified Board of Directors, as a result of which our Board of Directors will be divided into three classes, with each class serving for staggered three- year terms, which prevents stockholders from electing an entirely new Board of Directors at an annual meeting; and require, at any time after BFI and its affiliates cease to hold at least 50 % of the combined voting power of all classes of our outstanding common stock, the approval of holders of at least three quarters of the combined voting power of all classes of our outstanding common stock for stockholders to amend the amended and restated bylaws or amended and restated certificate of incorporation. These anti- takeover provisions and other provisions under Delaware law could discourage, delay or prevent a transaction involving a change in control of the Company, even if doing so would benefit our stockholders. These ~~provisions~~ **49provisions** could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing and to cause us to take other corporate actions you desire. Our certificate of incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees. Our certificate of incorporation provides that, subject to limited exceptions, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, (iii) any action asserting a claim against us arising pursuant to any provision of the Delaware General Corporation Law, our certificate of incorporation or our by- laws or (iv) any other action asserting a claim against us that is governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and to have consented to the provisions of our certificate of incorporation described above. This choice of forum provision may limit a stockholder' s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and employees. Alternatively, if a court were to find these provisions of our restated certificate of incorporation inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business, financial condition and results of operations. Provisions of our certificate of incorporation could have the effect of preventing us from having the benefit of certain business opportunities that we would otherwise be entitled to pursue. Our certificate of incorporation provides that BFI and its affiliates are not required to offer corporate opportunities of which they become aware to us and could, therefore, offer such opportunities instead to other companies including affiliates of BFI. In the event that BFI obtains business opportunities from which we might otherwise benefit but chooses not to present such

opportunities to us, these provisions of our certificate of incorporation could have the effect of ~~49preventing --~~ **preventing** us from pursuing transactions or relationships that would otherwise be in the best interests of our stockholders. We may not pay cash dividends in the future and, as a result, you may not receive any return on investment unless you are able to sell your Class A common stock for a price greater than your initial investment. We have a paid a quarterly dividend since September 2014 on our Class A and Class B common stock and our Board of Directors has declared a cash dividend of $ 0. 12 per share on our Class A common stock and Class B common stock that is payable September ~~27~~ **25** , ~~2023~~ **2024** . Any determination to pay dividends in the future will be at the discretion of our Board of Directors and will depend upon results of operations, financial condition, contractual restrictions and our ability to obtain funds from our subsidiaries to meet our obligations. Our ~~2021~~ **2024** Credit Facilities permit us to pay distributions to stockholders out of available cash subject to certain annual limitations and so long as no default or event of default under the ~~2021~~ **2024** Credit Facilities shall have occurred and be continuing at the time such distribution is declared. Realization of a gain on your investment will depend on the appreciation of the price of our Class A common stock. General Risk FactorsWe face competition in each of our markets from a number of large and small companies, some of which have greater financial, R & D, production and other resources than we have. Many of our products face competition from alternative or substitute products. We are engaged in highly competitive industries and, with respect to all of our major products, face competition from a substantial number of global and regional competitors. Several new start- up companies also compete in the animal health industry. We believe many of our competitors are conducting R & D activities in areas served by our products and in areas in which we are developing products. Some competitors have greater financial, R & D, production and other resources than we have. Some of our principal competitors include Boehringer Ingelheim International GmbH, Ceva Santé Animale, Elanco Animal Health Incorporated, Huvepharma Inc., Merck & Co., Inc. (Merck Animal Health and MSD Animal Health), Southeastern Minerals, Inc. and Zoetis ~~Inc~~ . To the extent these companies or new entrants offer comparable animal health, ~~mineral~~ **50mineral** nutrition or performance products at lower prices, our business could be adversely affected. New entrants could substantially reduce our market share or render our products obsolete. Furthermore, many of our competitors have relationships with key distributors and, because of their size, have the ability to offer attractive pricing incentives, which may negatively impact or hinder our relationships with these distributors. In certain countries, because of our size and product mix, we may not be able to capitalize on changes in competition and pricing as fully as our competitors. In recent years, there have been new generic medicated products introduced to the livestock industry, particularly in the United States. There has been and likely will continue to be consolidation in the animal health market, which could strengthen our competitors. Our competitors can be expected to continue to improve the formulation and performance of their products and to introduce new products with competitive price and performance characteristics. There can be no assurance that we will have sufficient resources to maintain our current competitive position or market share. We also face competitive pressures arising from, among other things, more favorable safety and efficacy product profiles, limited demand growth or a significant number of additional competitive products being introduced into a particular market, price reductions by competitors, the ability of competitors to capitalize on their economies of scale and the ability of competitors to produce or otherwise procure animal health products at lower costs than us. To the extent that any of our competitors are more successful with respect to any key competitive factor, or we are forced to reduce, or are unable to raise, the price of any of our products in order to remain competitive, our business, financial condition and results of operations could be materially adversely affected. Failure to comply with requirements to design, implement and maintain effective internal controls could have a material adverse effect on our business and stock price. As a public company, we have significant requirements for enhanced financial reporting and internal controls. The process of designing and implementing effective internal controls is a continuous effort that requires us to anticipate and react to changes in our business and the economic and regulatory environments and to expend significant resources to maintain a system of internal controls that is adequate to satisfy our reporting obligations as a public company. If we are unable to establish or maintain appropriate internal financial reporting controls and procedures, it could cause us to fail ~~50to~~ **to** meet our reporting obligations on a timely basis, result in material misstatements in our consolidated financial statements and harm our operating results. In addition, we are required, pursuant to Section 404, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting. This assessment includes disclosure of any material weaknesses identified by our management in our internal control over financial reporting and a statement that our auditors have issued an attestation report on the effectiveness of our internal controls. Testing and maintaining internal controls may divert our management' s attention from other matters that are important to our business. We may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404 or our independent registered public accounting firm may not issue an unqualified opinion. We cannot provide any assurance we will not identify material weaknesses in the future. If we suffer deficiencies or material weaknesses in our internal controls, we may be unable to report financial information in a timely and accurate manner and it could result in a material misstatement of our annual or interim financial statements that would not be prevented or detected on a timely basis, which could cause investors to lose confidence in our financial reporting, negatively affect the trading price of our common stock and could cause a default under the agreements governing our indebtedness. If either we are unable to conclude that we have effective internal control over financial reporting or our independent registered public accounting firm is unable to provide us with an unqualified opinion, investors could lose confidence in our reported financial information, which could have a material adverse effect on the trading price of our stock. As a public company, we are subject to financial and other reporting and corporate governance requirements that may be difficult for us to satisfy and may divert management' s attention from our business. As a public company, we are required to file annual and quarterly reports and other information pursuant to the Exchange Act with the SEC. We are required to ensure that we have the ability to prepare consolidated financial statements that comply with SEC reporting requirements on a timely basis. We are also subject to other reporting and corporate governance requirements, including the applicable stock exchange listing standards and certain provisions of the Sarbanes- Oxley Act, the Dodd- Frank Wall Street

Reform and Consumer Protection Act and the regulations promulgated thereunder, which impose significant compliance obligations upon us. As a public company, we are required to commit significant resources and management time and attention to these requirements, which cause us to incur significant costs and which may place a strain on our systems and resources. As a result, our management's attention might be diverted from other business concerns. Compliance with these requirements place significant demands on our legal, accounting and finance staff and on our accounting, financial and information systems and increase our legal and accounting compliance costs as well as our compensation expense as we have been or may be required to hire additional accounting, tax, finance and legal staff with the requisite technical knowledge. We may not be able to expand through acquisitions or successfully integrate the products, services and personnel of acquired businesses. From time to time, we may make selective acquisitions to expand our range of products and services and to expand the geographic scope of our business. However, we may be unable to identify suitable targets, and competition for acquisitions may make it difficult for us to consummate acquisitions on acceptable terms or at all. We may not be able to locate any complementary products that meet our requirements or that are available to us on acceptable terms or we may not have sufficient capital resources to consummate a proposed acquisition. In addition, assuming we identify suitable products or partners, the process of effectively entering into these arrangements involves risks that our management's attention may be diverted from other business concerns. Further, if we succeed in identifying and consummating appropriate acquisitions on acceptable terms, we may not be able to successfully integrate the products, services and personnel of any acquired businesses on a basis consistent with our current business practice. In particular, we may face greater than expected costs, time and effort involved in completing and integrating acquisitions and potential disruption of our ongoing business. Furthermore, we may realize fewer, if any, synergies than envisaged. Our ability to manage acquired businesses may also be limited if we enter into joint ventures or do not acquire full ownership or a controlling stake in the acquired business. In addition, continued growth through acquisitions may significantly strain our existing management and operational resources. As a result, we may need to recruit additional personnel, particularly at the level below senior management, and we may not be able to recruit qualified management and other key personnel to manage our growth. Moreover, certain transactions could adversely impact earnings as we incur development and other expenses related to the transactions and we could incur debt to complete these transactions. Debt instruments could contain