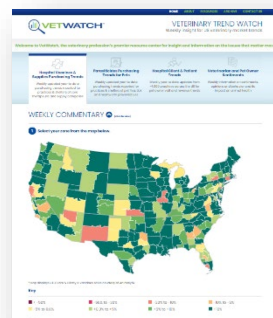
VetWatch™ Commentary
For Week 21 - thru May 28, 2022

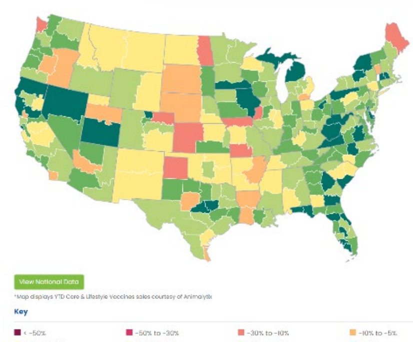
Overview:

Helping veterinary hospitals and the animal health industry stay on top of the ever-changing landscape being impacted by current events using real time data.



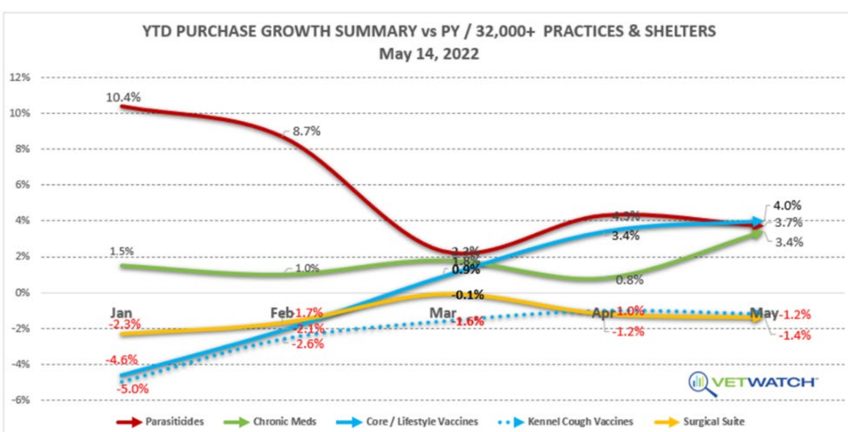
Animalytix has teamed up with NAVC, Animal Care Technologies, Circa Healthcare, M/A/R/C Research, and Packaged Facts along with our sponsors to provide VetWatch™ and Vet Watch™ Insights. The goal of VetWatch™ is to deliver the critical information needed by practices and those supporting the veterinary profession to better assess the scope, velocity, and significance of developments in the veterinary care sector across the United States: www.vetwatch.com

Hospital Vaccines, Supplies and Parasiticides Purchasing Trends

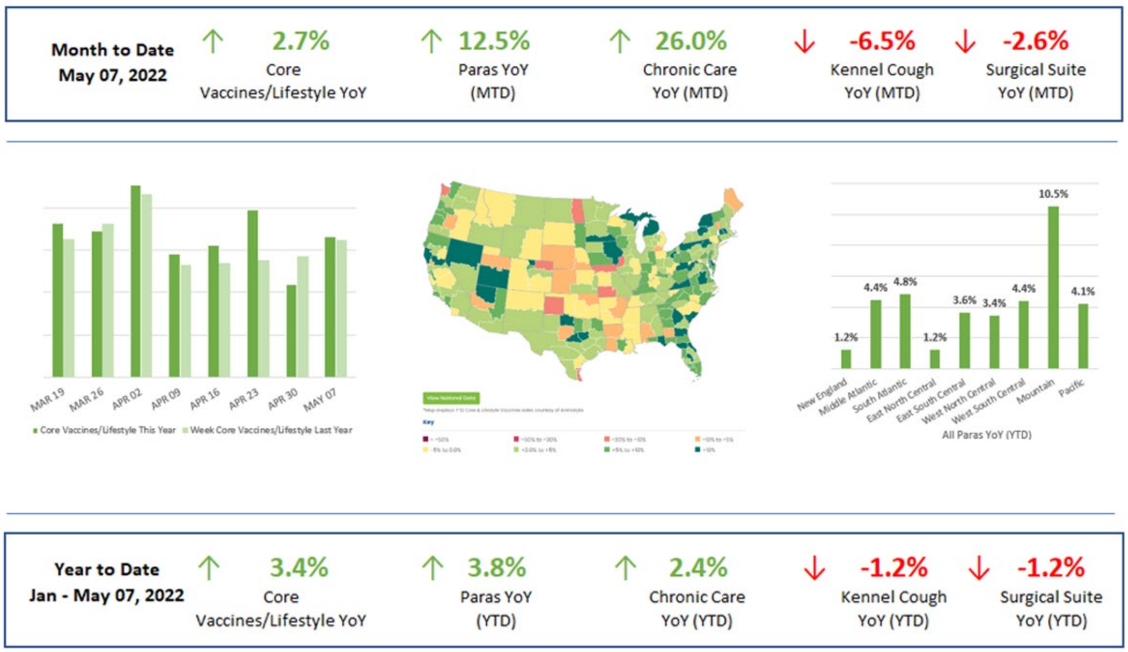


Weekly purchasing trends reported for practices & shelters of core therapeutic and supply categories. This section was not updated this week and still reflects week ending May 21 results.

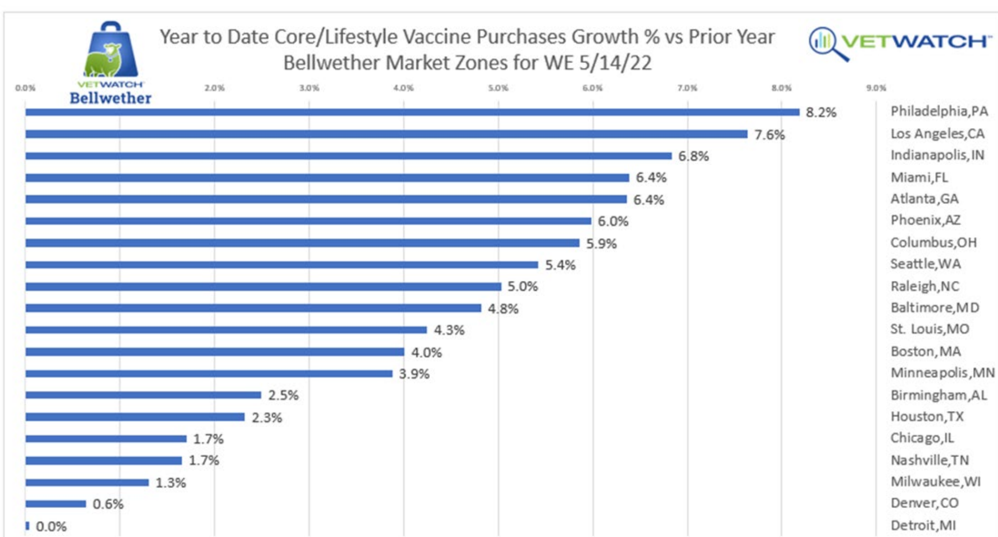
For the week ending May 21, 2022, year over year reporting showed changes from the previous week's results among the respective categories ranging from (-0.5%) to 0.8%. Core and Lifestyle vaccine indices for canine and feline patients were at +4.0% growth across the 32,000+ practices and shelter locations in the Animalytix Marketplace. YTD Kennel Cough vaccine



purchases, which provide a measure of the pet mobility, were at (-1.0%) growth. Purchases of chronic care medications and surgical consumables were +4.2% and (-1.9%) respectively while parasiticide growth remained positive at +4.4% YTD compared to PYTD.



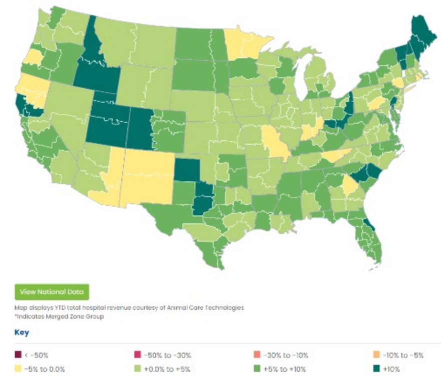
Among the VetWatch™ Bellwether reporting zones for Core/Lifestyle Vaccine Purchase growth vs PYTD, the Philadelphia, PA zone leads all markets with +7.7% growth. Growth for the Indianapolis, IN zone performance was notable at +7.2% while Detroit, MI was the laggard in the group at (-0.7%) growth vs PYTD.

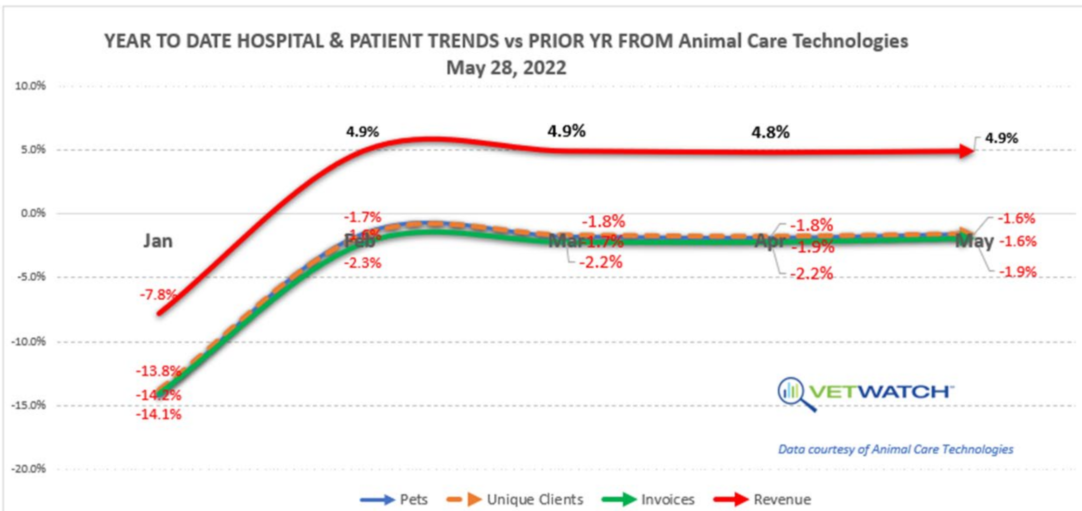


Hospital Client and Patient Trends

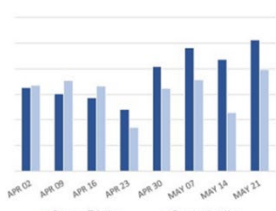
Weekly updates from ~3,000 practices across the US for pet owner visit and revenue trends.

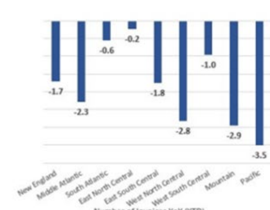
For the week ending May 28, 2022, aggregate YTD practice revenues are at +4.9% net growth versus YTD 2021 for the ~3,000 reporting practices. Period performance growth in unique patients(pets) was at (-1.6%). Unique client and invoice growth posted (-1.6%) and (-1.9%) growth respectively vs PYTD results.





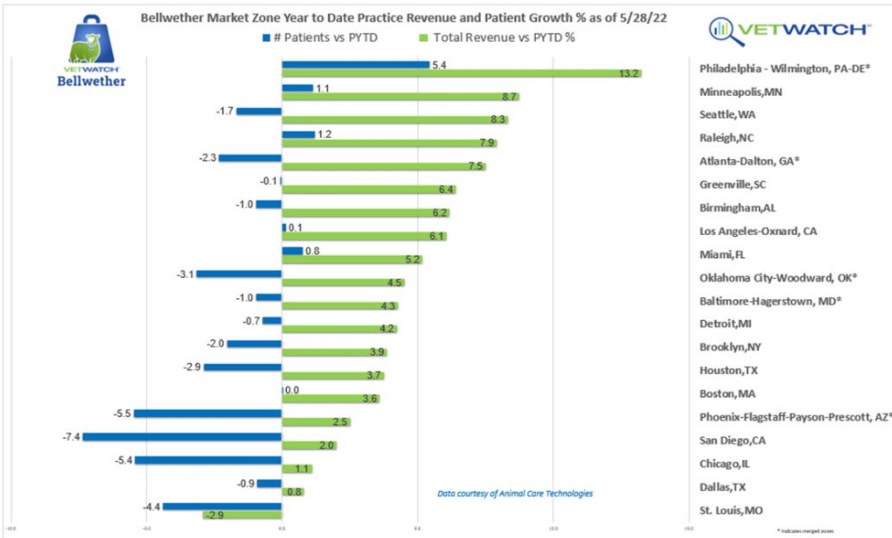
Month to Date May 21, 2022	↑ 2.2% Revenue YoY (MTD)	↓ -4.9% Invoices YoY (MTD)	↓ -5.3% Clients YoY (MTD)	↓ -5.2% Patients YoY (MTD)



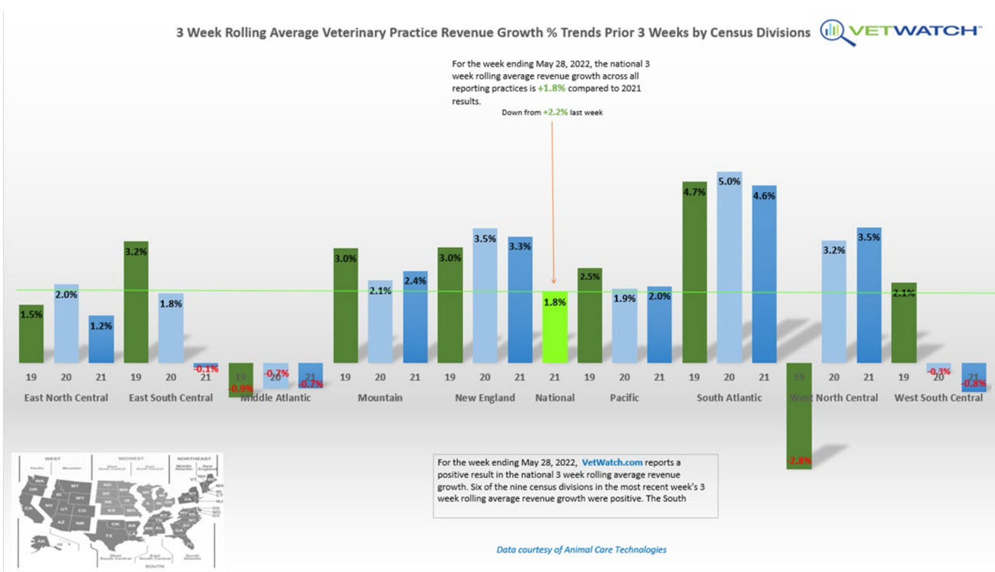


Year to Date Jan - May 21, 2022	↑ 5.0% Revenue YoY (YTD)	↓ -1.6% Invoices YoY (YTD)	↓ -1.5% Clients YoY (YTD)	↓ -1.5% Patients YoY (YTD)

Among the listed "Bellwether" market zones, Philadelphia, PA lead with +13.2% YTD revenue growth while unique patient growth was at +5.4%. St. Louis, MO was notable among the laggard zones, finishing at (-2.9%) revenue growth and (-4.4%) growth in unique patients vs PYTD.



Following more current trends, the national 3-week rolling average for practice revenue growth was at +1.8%. Six of the nine Census Divisions posted positive revenue growth for the current rolling 3-week average. The rolling 3-week average revenue growth index is designed to provide a more immediate view of growth trends (e.g., market velocity). A positive value indicates rolling revenue growth vs the prior year reported 3-week period.



Veterinarian and Pet Owner Sentiments

Weekly insights as reported by veterinarians and pet owners sourced from M/A/R/C Research, Cleveland research Company, and Packaged Facts.

Packaged Facts reports on a variety of topics that impact pets and the veterinary industry from their U.S. Pet Market Outlook (March 2022) report, based on Fall 2021 MRI-Simmons National Consumer Studies.

The Millennials and Gen Zers Turn to Wider Range of Pet Care Sources

A key distinction of these new generation pet owners is that they are relatively less attuned to veterinarians as a key source of pet care information. (This pattern is in keeping with the younger generations' far wider-ranging distrust of authority and institutions.) So while veterinarians are a most important source of pet care information for over half of Millennials and Gen Zers (58%), this figure ranges significantly higher among Boomers (76%) and older seniors age 75+ (82%). In turn, secondary sources such as pet specialty and other stores, the internet and social media, and pet trainers are far more important to younger generations than to older pet owners.

Packaged Facts

VETWATCH ANIMALYTIX

Most Important Sources of Pet Care Information: By Generational Cohort, 2022 (percent)

	Overall	Mil'ls/ Gen Z	Gen X	Boomers	Older Seniors
Veterinarian	66%	58%	62%	76%	82%
My own past experience as pet owner	51%	43%	47%	64%	65%
Family members/friends	32%	37%	33%	27%	26%
Pet specialty stores	29%	33%	28%	27%	16%
Internet/websites (other than social media)	28%	32%	28%	24%	15%

Note: Percentages do not add up to 100% due to multiple responses.

Source: Packaged Facts, *U.S. Pet Market Outlook* (March 2022)

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