

**Registered Number 03188178**

**Orvet UK**

**Annual report and financial statements  
for the year ended 31 December 2018**

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# **Orvet UK**

## **Annual report and financial statements for the year ended 31 December 2018**

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# **Orvet UK**

## **Directors and advisers**

### **Directors**

D Cooper  
K Innes  
D Vrhovec

### **Independent Auditors**

PricewaterhouseCoopers LLP  
Central Square  
29 Wellington Street  
Leeds  
LS1 4DL

### **Bankers**

Barclays Bank Plc  
1 Churchill Place  
Canary Wharf  
London

### **Registered Office**

Ridings Point  
Whistler Drive  
Castleford  
West Yorkshire  
WF10 5HX

### **Registered Number**

03188178

# Orvet UK

## Strategic report for the year ended 31 December 2018

The directors present their strategic report on the company for the year ended 31 December 2018.

### Business review and future developments

Orvet UK is an intermediate holding company with operating subsidiaries engaged in the manufacture, packaging and distribution of pharmaceutical products. The directors expect that this activity will continue for the foreseeable future.

The profit and loss account for the year is set out on page 7.

### Key performance indicators (“KPIs”)

Given the nature of the business, the company’s directors are of the opinion that an analysis using Key Performance Indicators (“KPI’s”) is not necessary for an understanding of the development, performance or position of the business.

### Financial risk management and principal risks and uncertainties

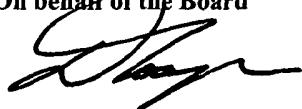
The company is an intermediate holding company and as such its transactions are limited to those with group undertakings.

The principal risk factor for the company is whether it is appropriate to prepare the financial statements on a going concern basis given that there are net liabilities of \$2,535,000 as at 31 December 2018 (31 December 2017: net liabilities \$2,623,000). The directors believe that preparing the financial statements on a going concern basis is appropriate due to the continued financial support of Teva Pharmaceuticals Europe B.V., a fellow group company.

Financial risks include the effects of changes in foreign exchange. The company is exposed to movements in foreign currency exchange rates as a result of transactions in foreign currencies.

The company seeks to limit the effects of such risks through the continuing support of its ultimate parent company. Foreign exchange rate risk is managed on a group wide basis.

On behalf of the Board



D Cooper  
Director

17 December 2019

# Orvet UK

## Directors' report for the year ended 31 December 2018

The directors present their annual report and the audited financial statements for the year ended 31 December 2018.

### Results and dividends

The profit for the financial year was \$88,000 (prior year: loss \$249,000). The directors do not recommend the payment of a dividend (prior year: \$nil). The directors do not recommend the payment of a final dividend (prior year: \$nil).

### Financial risk management

This is included in the Strategic report on page 2.

### Political and charitable donations

The company made no political or charitable donations, or incurred any political expenditure during the year (prior year: \$nil).

### Directors and their interests

The directors who held office during the year and up to the date of signing the financial statements were as follows:

|            |                          |
|------------|--------------------------|
| K Innes    |                          |
| D Vrhovec  |                          |
| R Williams | (resigned 27 June 2018)  |
| D Cooper   | (appointed 12 July 2018) |

### Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of its Directors.

### Post balance sheet event

On 7 October 2019 Orvet UK purchased from a fellow group company, a deposit agreement under the terms of which the amount of USD 2,054,010,520 was owing. The purchase price was paid by Orvet UK issuing a loan note to Teva UK Holdco 3 Limited with a nominal amount of USD 2,054,010,250. Orvet UK immediately sold the deposit agreement by way of assignment to its wholly-owned subsidiary Teva Pharmaceuticals USA Inc., which allotted and issued to Orvet UK one share, par value of USD 1.00, of its Class A Common Stock credited as fully paid as payment for that deposit agreement.

Also on 7 October 2019, Orvet UK purchased from Teva UK Holdco 3 Limited the entire issued share capital of Teva Finance Services B.V. The final purchase price is to be determined by an independent valuation report. Orvet UK has agreed to issue to Teva UK Holdco 3 Limited a loan note with a nominal amount equal to the purchase price as determined by that independent valuation report. Orvet UK immediately sold the entire issued share capital of Teva Finance Services B.V. to its wholly-owned subsidiary Teva Pharmaceuticals USA Inc., which allotted and issued to Orvet UK one share, par value of USD 1.00, of its Class A Common Stock credited as fully paid in exchange for those shares.

The loan notes referred to above are non-interest bearing and on redemption require Orvet UK to allot and issue to Teva UK Holdco 3 Limited credited as fully paid such number of ordinary shares of USD 1.00 whose aggregate nominal amount is equal to the nominal amount of the loan notes redeemed. The ordinary shares of USD 1.00 will have the same rights attached to them as the current issued ordinary shares of GBP 0.01 each in the capital of the company. Redemption of the loan notes shall take place upon relevant permissions/licences being granted by the individual states of the United States of America to allow the change of control of Orvet UK to take place upon the allotment of the new ordinary shares of USD 1.00 to Teva UK Holdco 3 Limited.

# Orvet UK

## Directors' report for the year ended 31 December 2018 (continued)

### Future developments

This is included in the Strategic report on page 2.

### Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

### Disclosure of information to auditors

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the Board



D Cooper  
Director

17 December 2019

## Independent auditors' report to the members of Orvet UK

### Report on the audit of the financial statements

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#### Opinion

In our opinion, Orvet UK's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2018; the profit and loss account, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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#### Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

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#### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

## Independent auditors' report to the members of Orvet UK (continued)

### *Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

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### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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## **Other required reporting**

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Tom Yeates (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Leeds

17 December 2019



# Orvet UK

## Profit and loss account for the year ended 31 December 2018

|                                             | Note | Year ended<br>31 December<br>2018<br>\$'000 | Year ended<br>31 December<br>2017<br>\$'000 |
|---------------------------------------------|------|---------------------------------------------|---------------------------------------------|
| Operating income/(expenses)                 |      | 86                                          | (262)                                       |
| <b>Operating profit/(loss)</b>              | 3    | 86                                          | (262)                                       |
| <b>Profit/(Loss) before taxation</b>        |      | 86                                          | (262)                                       |
| Tax on profit/(loss)                        | 6    | 2                                           | 13                                          |
| <b>Profit/(Loss) for the financial year</b> |      | 88                                          | (249)                                       |

All of the activities shown above relate to continuing operations.

There is no difference between the profit/(loss) before taxation and the profit/(loss) for the financial years stated above and their historical cost equivalents.

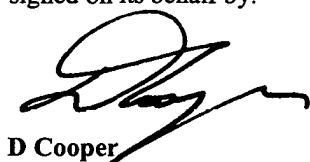
There were no items of Other Comprehensive Income in the current financial year or preceding financial year and hence a statement of Comprehensive Income has not been presented.

# Orvet UK

## Balance sheet as at 31 December 2018

|                                                        | Note | 31 December<br>2018<br>\$'000 | 31 December<br>2017<br>\$'000 |
|--------------------------------------------------------|------|-------------------------------|-------------------------------|
| <b>Fixed assets</b>                                    |      |                               |                               |
| Investments                                            | 7    | -                             | -                             |
| <b>Current assets</b>                                  |      |                               |                               |
| Debtors                                                | 8    | 860                           | 911                           |
|                                                        |      | 860                           | 911                           |
| <b>Creditors - amounts falling due within one year</b> | 9    | (3,395)                       | (3,534)                       |
| <b>Net current liabilities and net liabilities</b>     |      | (2,535)                       | (2,623)                       |
| <b>Capital and reserves</b>                            |      |                               |                               |
| Called up share capital                                | 11   | 1                             | 1                             |
| Share premium account                                  |      | 754,758                       | 754,758                       |
| Merger reserve                                         |      | 3,089,988                     | 3,089,988                     |
| Exchange reserve                                       |      | (1,145,674)                   | (1,145,674)                   |
| Equity reserve                                         |      | 4,090,000                     | 4,090,000                     |
| Profit and loss account                                |      | (6,791,608)                   | (6,791,696)                   |
| <b>Total shareholders' deficit</b>                     |      | (2,535)                       | (2,623)                       |

The financial statements on pages 7 to 28 were approved by the board of directors on **17** December 2019 and were signed on its behalf by:



**D Cooper**  
Director

Registered number: 03188178

## Orvet UK

### Statement of changes in equity for the year ended 31 December 2018

|                                                    | Called up<br>Share<br>capital<br>\$'000 | Merger<br>reserve<br>\$'000 | Share<br>premium<br>account<br>\$'000 | Exchange<br>reserve<br>\$'000 | Equity<br>reserve<br>\$'000 | Profit and<br>loss account<br>\$'000 | Total<br>Shareholders'<br>deficit<br>\$'000 |
|----------------------------------------------------|-----------------------------------------|-----------------------------|---------------------------------------|-------------------------------|-----------------------------|--------------------------------------|---------------------------------------------|
| At 1 January 2017                                  | 1                                       | 3,089,988                   | 754,758                               | (1,145,674)                   | 4,090,000                   | (6,791,447)                          | (2,374)                                     |
| Loss for the financial year                        | -                                       | -                           | -                                     | -                             | -                           | (249)                                | (249)                                       |
| Total comprehensive expense for the financial year | -                                       | -                           | -                                     | -                             | -                           | (249)                                | (249)                                       |
| At 31 December 2017                                | 1                                       | 3,089,988                   | 754,758                               | (1,145,674)                   | 4,090,000                   | (6,791,696)                          | (2,623)                                     |
| At 1 January 2017                                  | 1                                       | 3,089,988                   | 754,758                               | (1,145,674)                   | 4,090,000                   | (6,791,696)                          | (2,623)                                     |
| Profit for the financial year                      | -                                       | -                           | -                                     | -                             | -                           | 88                                   | 88                                          |
| Total comprehensive income for the financial year  | -                                       | -                           | -                                     | -                             | -                           | 88                                   | 88                                          |
| At 31 December 2018                                | 1                                       | 3,089,988                   | 754,758                               | (1,145,674)                   | 4,090,000                   | (6,791,608)                          | (2,535)                                     |

# Orvet UK

## Notes to the financial statements for the year ended 31 December 2018

### 1. Significant accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the current and preceding years.

#### General information and basis of accounting

These financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom, including Financial Reporting Standard 102 (FRS 102), the Financial Reporting Standard applicable in the United Kingdom.

The financial statements contain information about Orvet UK as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent company, Teva Pharmaceutical Industries Limited, a company incorporated in Israel and whose financial statements are publicly available from the address in note 13.

The company has taken advantage of the exemption, under FRS 102 paragraph 1.12 (b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Teva Pharmaceutical Industries Limited, includes the company's cash flows in its own consolidated financial statements.

The company has taken advantage of the exemption available under the terms of FRS 102 not to disclose related party transactions with group companies.

Orvet UK is a company incorporated in the United Kingdom under the Companies Act 2006.

#### Taxation

Current tax is the amount of income tax payable in respect of the taxable profit for the period or prior years using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax arises from timing differences between the company's taxable profits and its results as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved losses and other deferred tax assets are recognised only if it can be regarded as more likely than not that there will be taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are measured using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date and that are expected to apply to the reversal of the timing difference. Deferred tax assets and liabilities are not discounted.

#### Foreign currencies

Transactions denominated in foreign currencies are translated at the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities are translated into US dollars at rates of exchange ruling at the balance sheet date. Exchange differences arising on the transition to US dollars presentation currency are reported in other comprehensive income and accumulated in equity. All other currency profits and losses are dealt with in the profit and loss account.

The company's functional and presentational currency is US dollars.

#### Fixed asset investments

Fixed asset investments are shown at cost less provision for impairment. The carrying value of investments is periodically reviewed for events or changes in circumstances which indicate that the carrying value may not be recoverable and provisions are made accordingly.

# Orvet UK

## Notes to the financial statements for the year ended 31 December 2018 (continued)

### 1. Significant accounting policies (continued)

#### Financial assets and liabilities

Basic financial assets and liabilities, including amounts due to or from fellow group companies are recognised at transaction price. Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit and loss.

The company does not currently apply hedge accounting for foreign exchange derivatives.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

### 2. Critical accounting judgements and estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, estimates and judgements are continually evaluated and are based upon historical experience and other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

#### Impairment of fixed asset investments

The company makes an estimate of the recoverable value of fixed asset investments. When assessing impairment of fixed asset investments, management considers factors including the net assets of the subsidiary in which the investment is held. If the net assets held are lower than the investment balance then a value in use calculation is performed. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. If the value in use calculation is lower than the value of the investment held an impairment is recognised. See note 7 for the net carrying amount and the associated impairment provision.

### 3. Operating profit/(loss)

Operating profit/(loss) is stated after (crediting) / charging:

|                                   | Year ended<br>31 December<br>2018<br>\$'000 | Year ended<br>31 December<br>2017<br>\$'000 |
|-----------------------------------|---------------------------------------------|---------------------------------------------|
| Foreign exchange (gains) / losses | (132)                                       | 188                                         |

The auditors' remuneration for both the current and prior years was borne by a subsidiary undertaking, Teva UK Limited. A recharge of \$nil (prior year: \$17,000) was made to Orvet UK.

During the year the company obtained the following services from its auditors at costs detailed below:

|                | Year ended<br>31 December<br>2018<br>\$'000 | Year ended<br>31 December<br>2017<br>\$'000 |
|----------------|---------------------------------------------|---------------------------------------------|
| Audit services | -                                           | 17                                          |
| Other services | -                                           | 8                                           |

## Orvet UK

### Notes to the financial statements for the year ended 31 December 2018 (continued)

#### 4. Directors' emoluments

|                                                         | Year ended<br>31 December<br>2018<br>\$'000 | Year ended<br>31 December<br>2017<br>\$'000 |
|---------------------------------------------------------|---------------------------------------------|---------------------------------------------|
| Aggregate emoluments                                    | 46                                          | 49                                          |
| Company pension contributions to money purchase schemes | -                                           | -                                           |

The emoluments of R Williams, D Cooper and K Innes (prior year: R Williams and K Innes) were paid by a fellow subsidiary undertaking, Teva UK Limited. Their total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of Teva UK Limited. During the year \$nil (prior year: \$nil) was recharged from Teva UK Limited for the services of directors and a further \$46,000 (prior year: \$49,000) was recharged from Teva Pharma Holdings Limited for the services of directors.

The emoluments of D Vrhovec were paid by Teva Pharmaceuticals Europe B.V. The total emoluments are included in the aggregate of the directors' emoluments disclosed in the financial statements of Teva Pharmaceuticals Europe B.V.

#### 5. Staff costs

The company has no employees other than the directors (prior year: none).

# Orvet UK

## Notes to the financial statements for the year ended 31 December 2018 (continued)

### 6. Tax on profit / (loss)

|                                                | Year ended<br>31 December<br>2018<br>\$'000 | Year ended<br>31 December<br>2017<br>\$'000 |
|------------------------------------------------|---------------------------------------------|---------------------------------------------|
| Current tax on profit / (loss) for the year    |                                             |                                             |
| UK corporation tax at 19% (2017: 19.25%)       | (15)                                        | (13)                                        |
| Adjustment in respect of previous periods      | 13                                          | -                                           |
| <b>Total current tax credit</b>                | <b>(2)</b>                                  | <b>(13)</b>                                 |
| Deferred tax:                                  |                                             |                                             |
| Origination and reversal of timing differences | 32                                          | (92)                                        |
| Effects of changes in tax rates                | (60)                                        | 174                                         |
| Movements in deferred tax not recognised       | 28                                          | (82)                                        |
| <b>Total deferred tax</b>                      | <b>-</b>                                    | <b>-</b>                                    |
| <b>Tax on profit / (loss)</b>                  | <b>(2)</b>                                  | <b>(13)</b>                                 |

The tax credit assessed for the year differs (prior year: differs) from that calculated at the effective standard rate of corporation tax in the UK of 19% (prior year: 19.25%). The differences are explained below:

|                                                                              | Year ended<br>31 December<br>2018<br>\$'000 | Year ended<br>31 December<br>2017<br>\$'000 |
|------------------------------------------------------------------------------|---------------------------------------------|---------------------------------------------|
| Profit / (loss) before taxation                                              | 86                                          | (262)                                       |
| Profit / (loss) before taxation multiplied by the effective standard rate of |                                             |                                             |
| Corporation tax in the UK of 19% (prior year: 19.25%)                        | 16                                          | (51)                                        |
| Effects of:                                                                  |                                             |                                             |
| Adjustment in respect of previous periods                                    | 13                                          | -                                           |
| Utilisation of tax losses not previously recognised                          | (31)                                        | (32)                                        |
| Group relief surrendered for no consideration                                | -                                           | 70                                          |
| <b>Total tax credit</b>                                                      | <b>(2)</b>                                  | <b>(13)</b>                                 |

Deferred tax assets and liabilities are calculated using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date and that are expected to apply to the reversal of the timing difference.

# Orvet UK

## Notes to the financial statements for the year ended 31 December 2018 (continued)

### 6. Tax on profit / (loss) (continued)

The Finance (No. 2) Act 2015 received Royal Assent on 18 November 2015 and announced reductions in the main rate of corporation tax to 19% from 1 April 2017 and to 18% with effect from 1 April 2020. The Finance Act 2016 received Royal Assent on 15 September 2016 and announced that the main rate of corporation tax effective from April 2020 would in fact be 17%.

### 7. Investments

|                                           | Interests in subsidiary undertakings<br>\$'000 |
|-------------------------------------------|------------------------------------------------|
| <b>Cost</b>                               |                                                |
| At 1 January 2018 and at 31 December 2018 | 14,551,703                                     |
| <b>Provision for impairment</b>           |                                                |
| At 1 January 2018 and at 31 December 2018 | (14,551,703)                                   |
| <b>Net book value</b>                     |                                                |
| At 31 December 2018                       | -                                              |
| At 31 December 2017                       | -                                              |



# Orvet UK

## Notes to the financial statements for the year ended 31 December 2018 (continued)

### 7. Investments (continued)

Details of the company's investments in group undertakings are set out below:

| Name of undertaking                    | Registered office address                                                                                 | Description of shares held                                 | Held by company % | Principal business activity            |
|----------------------------------------|-----------------------------------------------------------------------------------------------------------|------------------------------------------------------------|-------------------|----------------------------------------|
| Teva Pharmaceuticals USA, Inc.         | 1090 Horsham Road, P.O.B: 1090, North Wales, PENNSYLVANIA, 19454-1090, United States                      | 14,239.67 Ordinary "A" Shares<br>4,357 Ordinary "B" shares | 69.4%             | Manufacturing, distribution, marketing |
| ANTARES PHARMA INC.*                   | Princeton Crossroads Corporate Center, 250 Phillips Boulevard, Ewing, NJ, NEW JERSEY, 8618, United States | 400 Ordinary shares                                        | 0.1%              | Strategic Investment                   |
| Asaph II B.V.*                         | Piet Heinkade 107, P.O.B: 43028, Amsterdam, 1019 GM, Netherlands                                          | 18 Ordinary Shares                                         | 100%              | Holding company                        |
| Auspex Pharmaceuticals, Inc.*          | 3366 North Torrey Pines Court, Suite 400, San Diego CA 92037, United States                               | 1,000 Common Stock shares                                  | 100%              | Marketing, Manufacturing, API          |
| Immuneering Corporation*               | The Corporation Trust Company, Corporation Trust Center, Wilmington DE 19801, United States               | 4,180,820 shares                                           | 51%               | Investment                             |
| Baker Norton U.S., Inc.*               | 425 Privet Road Horsham PA, United States                                                                 | 1,000 Common Stock shares                                  | 100%              | Holding company                        |
| Barr International Services, Inc.*     | 425 Privet Road, Horsham PA 19044, United States                                                          | 1,000 Common Stock shares                                  | 100%              | Holding company                        |
| TEVA INVERSIONES Y EXPORTACIONES SpA.* | Avenida Maratón 1315, Ñuñoa, Santiago de Chile., santiago, Chile                                          | 1,000,000 Ordinary shares                                  | 100%              | Commercial, Marketing, Distribution    |
| Barr Laboratories, Inc.*               | 400 Interpace Parkway, Bldg. A, Parsippany, NJ, 07054, USA                                                | 1 Common Stock shares                                      | 100%              | Manufacturing                          |
| Barr Pharmaceuticals, LLC*             | 1090 Horsham Road, North Wales PA 19454, United States                                                    | 2 Common Stock shares                                      | 100%              | Holding company                        |

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## Notes to the financial statements for the year ended 31 December 2018 (continued)

### 7. Investments (continued)

| Name of undertaking                                | Registered office address                                                                             | Description of shares held                                  | Held by company % | Principal business activity               |
|----------------------------------------------------|-------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-------------------|-------------------------------------------|
| Barr Ventures, LLC*                                | 425 Privet Road, Horsham PA 19044, United States                                                      | 1 LLC Membership Interest/Units shares                      | 100%              | Holding company                           |
| China National Pharmaceutical Logistics Corp. LTD* | 8,Kangdingjie,Beijing Economic-Technological Development Area, Beijing, 100176, China                 | 9,000,000 Ordinary shares                                   | 10%               | Strategic Investment                      |
| Copper Acquisition Corp.*                          | 1090 Horsham Road, North Wales PA 19454, United States                                                | 1,000 Common Stock shares                                   | 100%              | Holding company                           |
| Doral Manufacturing, Inc.*                         | 425 Privet Road, Horsham PA 19044, United States                                                      | 100 Common Stock shares                                     | 100%              | Manufacturing                             |
| Elmor, S.A.*                                       | Edif. Elmor, Calle Girasol, Prados del Este, Caracas, Venezu, Caracas, 1070, Venezuela                | 33,788 Ordinary shares                                      | 100%              | Commercial, Distribution                  |
| Gatio Investments B.V.*                            | Piet Heinkade 107, 1019 GM Amsterdam (the Netherlands), P.O.B: 43028, Amsterdam, 1019 GM, Netherlands | 30,000,000 Ordinary shares                                  | 100%              | Holding company                           |
| Gecko Health Innovations, Inc.*                    | 1090 Horsham Road, North Wales PA 19454, United States                                                | 1,000 Common Shares                                         | 100%              | Commercial, Investment, Manufacturing     |
| Genchem Pharma LLC*                                | 400 Interpace Parkway, Bldg A, Parsippany, NJ 07054, United States                                    | 1,000 Ordinary shares                                       | 100%              | API, Commercial, Manufacturing, Marketing |
| Goldline Laboratories, Inc.*                       | 3040 Universal Blvd, Weston FL 33331, United States                                                   | 50 Common Stock shares                                      | 100%              | Marketing                                 |
| Inmobiliaria Lemery, S.A. de C.V.*                 | Mártires de Río Blanco No. 54, Col. Huichapan, Delegación Xo, Mexico City, Mexico                     | 98,855,411 Ordinary "B" shares<br>1,499 Ordinary "A" shares | 100%              | Commercial                                |
| Teva Pharmaceuticals Panama, S.A.*                 | Financial Park Tower Costa del Este, Of. 3412 Panama City Panama                                      | 1 Bearer share                                              | 100%              | Commercial, Marketing                     |

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## Notes to the financial statements for the year ended 31 December 2018 (continued)

### 7. Investments (continued)

| Name of undertaking                          | Registered office address                                                                                               | Description of shares held  | Held by company % | Principal business activity            |
|----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|-----------------------------|-------------------|----------------------------------------|
| IVAX (Bermuda) Ltd.*                         | c/o Coson Corporate Services Limited, Milner House, 18 Parli, P.O.B: P.O. Box HM 1561, Hamilton HM FX, Bermuda, Bermuda | 12,000 Ordinary shares      | 100%              | Holding company                        |
| IVAX Argentina S.A.*                         | Suipacha 1111, Piso 18, Buenos Aires, C1008AAW, Argentina                                                               | 63,597,848 Common Stock     | 100%              | Manufacturing, Marketing               |
| IVAX Far East, Inc.*                         | 3040 Universal Boulevard, Weston, FL 33331, United States                                                               | 1,000 Common Stock shares   | 100%              | Holding company                        |
| IVAX Golden Glades, Inc.*                    | 3040 Universal Blvd, Weston FL 33331, United States                                                                     | 100 Common Stock shares     | 100%              | Manufacturing                          |
| IVAX Holdings C.I.*                          | c/o Maples and Calder, P.O. Box 309, Grand Cayman, Cayman Is, Grand Cayman, Cayman Islands                              | 2 Ordinary shares           | 100%              | Holding company                        |
| IVAX Laboratories Puerto Rico, Inc.*         | 3040 Universal Blvd., Weston, FL 33331, Weston, Florida, FLORIDA, 33331, United States                                  | 100 Common Stock shares     | 100%              | Dormant company                        |
| IVAX LLC*                                    | 3040 Universal Blvd., Weston, FL 33331, Weston, Florida, FLORIDA, 33331, United States                                  | 100 Common Stock shares     | 100%              | Holding company                        |
| IVAX Pharmaceuticals B.V.*                   | PIet Heinkade 107, 1019 GM (the Netherlands), P.O.B: 43011, Amsterdam, 1019 GM, Netherlands                             | 18,002 Ordinary shares      | 100%              | Financial, Holding company             |
| IVAX Pharmaceuticals Canada, Inc.*           | c/o Frasier Milner & Casgrain, 1, Place Ville-Marie, Montrea, Montreal, H3B 4M7, Canada                                 | 1 Common Stock share        | 100%              | Holding company                        |
| IVAX Pharmaceuticals Caribe, Inc.*           | 3040 Universal Blvd, Weston FL 33331, United States                                                                     | 1 Common Stock share        | 100%              | Manufacturing                          |
| IVAX Pharmaceuticals Mexico, S.A. de C.V.*   | Se Encuentra a 20 metros de la acuatica nelson vargas interl, Mexico                                                    | 286,732,660 Ordinary Shares | 100%              | Distribution, Manufacturing, Marketing |
| IVAX Pharmaceuticals NV, LLC*                | 3040 Universal Blvd, Weston FL 33331, United States                                                                     | 1,000 Common Stock shares   | 100%              | Holding company                        |
| IVAX Pharmaceuticals, LLC*                   | 3040 Universal Blvd, Weston FL 33331, United States                                                                     | 100 Common Stock shares     | 100%              | Holding company, Marketing             |
| IVAX Specialty Chemicals Sub, LLC*           | 3040 Universal Blvd, Weston FL 33331, United States                                                                     | 1 Management shares         | 100%              | Holding company                        |
| Kilburn B.V.*                                | Computerweg 10, 3542 DR Utrecht, Amsterdam, 1019 GM, Netherlands                                                        | 1,820,000 Ordinary shares   | 100%              | Financial, Holding company             |
| Kunming Baker Norton Pharmaceutical Co.,Ltd* | Qi Gong Li, West Suburb, Kunming , Yunnan, P. R. China, Kunming , Yunnan, 650100, China                                 | 50 Ordinary shares          | 50%               | Commercial, Manufacturing              |

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### Notes to the financial statements for the year ended 31 December 2018 (continued)

#### 7. Investments (continued)

| Name of undertaking                   | Registered office address                                                                             | Description of shares held                                 | Held by company % | Principal business activity                            |
|---------------------------------------|-------------------------------------------------------------------------------------------------------|------------------------------------------------------------|-------------------|--------------------------------------------------------|
| Laboratorio Chile, S.A.*              | Av. Maratón 1315, Nuñoa, Santiago, Camino a Melipil, Chile                                            | 316,000,000 Ordinary shares                                | 100%              | Manufactures, sells, markets and distributes medicines |
| Laboratorios Elmor S.A. (Guacara)*    | Zona Industrial El Nepe, 2a Transversal, Guacara, Estado Car, 2015-A, Venezuela                       | 57,868 Ordinary Shares                                     | 100%              | Commercial, Manufacturing, Distribution                |
| Laboratorios Elmor, S.A.*             | Av. Eugenio Mendoza, Centro Letonia, Pisa 16, La Castellana,, Caracas, 1062, Venezuela                | 634,884 Ordinary shares                                    | 100%              | Manufacturing, Distribution                            |
| Labrys Biologics, Inc.*               | 425 Privit Road, Horsham PA 19044, United States                                                      | 2,000 Common Stock shares                                  | 100%              | R&D                                                    |
| LBC International Corp.*              | c/o Trulaw Corporate Services Ltd., P.O. Box 866, George Tow, Cayman Islands                          | 1,000 Ordinary Shares                                      | 100%              | Investment                                             |
| Lemery S.A. de C.V.*                  | Pasaje de Interlomas No. 16, 5° pis, Mexico City, Mexico                                              | 196,618,977 Ordinary "B" shares, 6,499 Ordinary "A" shares | 100%              | Manufacturing                                          |
| Maancirkel Holding B.V.*              | Piet Heinkade 107, 1019 GM Amsterdam (the Netherlands), P.O.B: 43028, Amsterdam, 1019 GM, Netherlands | 18,151 Ordinary shares                                     | 100%              | Holding company                                        |
| MicroDose Therapeutx, Inc.*           | c/o Legal Affairs, 425 Privet Road, Horsham PA 19044, United States                                   | 1,000 Common Stock shares                                  | 100%              | Commercial, Marketing, Manufacturing                   |
| Nupathe Inc.*                         | 41 Moores Road, Frazer, PENNSYLVANIA, 19355, United States                                            | 1 Common Stock shares                                      | 100%              | R&D                                                    |
| Odyssey Pharmaceuticals, Inc.*        | 400 Interpace Parkway, Bldg. A, Parsippany NJ 07054, United States                                    | 1 Common Stock share                                       | 100%              | Shelf finance company                                  |
| OFA, CA*                              | Calle Girasol con Av. Rio de Oro, Edificio Elmor, Ubanizacio, Caracas, Venezuela                      | 1,580 Ordinary shares                                      | 100%              | Commercial, Distribution                               |
| Patient Services and Solutions, Inc.* | 11100 Nall Avenue, Overland Park KS 66221, United States                                              | 1,000 Common Stock shares                                  | 100%              | Holding company                                        |
| Pharmatrade S.A.*                     | Avenida Maraton 1315, Comuna de Nunoa, Santiago, Chile                                                | 9,033,999 Ordinary shares                                  | 100%              | Commercial, Manufacturing                              |
| PLIVA Inc.*                           | 400 Interpace Parkway, Bldg. A, Parsippany NJ 07054, United States                                    | 1,478 Common Stock shares                                  | 100%              | Holding company                                        |

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### Notes to the financial statements for the year ended 31 December 2018 (continued)

#### 7. Investments (continued)

| Name of undertaking                             | Registered office address                                                                   | Description of shares held             | Held by company % | Principal business activity                  |
|-------------------------------------------------|---------------------------------------------------------------------------------------------|----------------------------------------|-------------------|----------------------------------------------|
| Rakepoll Holding B.V.*                          | Piet Heinkade 107, 1019 GM (the Netherlands), P.O.B: 43011, Amsterdam, 1019 GM, Netherlands | 40 Ordinary Shares                     | 100%              | Holding company                              |
| Sicor Biotech UAB*                              | Moletu road 5, Vilnius, 08409, Lithuania                                                    | 28,782 Ordinary shares                 | 100%              | Commercial, Manufacturing                    |
| Sicor de México S.A. de C.V.*                   | Av. San Rafael No. 35, Col. Parque Industrial Lerma, Lerma d, Lerma, Mexico                 | 7,389,049 Ordinary shares              | 100%              | API, Manufacturing                           |
| Sicor Europe S.A.*                              | Via San Salvatore 7, 6902 Paradiso, Paradiso, 6902, Switzerland                             | 1,659 Ordinary Shares                  | 100%              | Dormant company                              |
| Sicor Inc.*                                     | 19 Hughes, Irvine, CA 92618, Irvine, CALIFORNIA, 92618, United States                       | 1,000 Ordinary shares                  | 100%              | Commercial, Manufacturing, Marketing         |
| Sicor Società Italiana Corticosteroidi S.r.l.*  | Via Messina 38, 20154 Milan, Milano, Italy                                                  | 16,526,720 Ordinary shares             | 100%              | Marketing, Manufacturing, API                |
| TAGCO Incorporated*                             | 103 Foulk Road, Wilmington DE 19803, Wilmington, Delaware, DELAWARE, 19803, United States   | 1,000 Ordinary shares                  | 100%              | Holding company                              |
| TAPI Puerto Rico, Inc.*                         | Highway #1 km 34.18 "A" Street, Caguas, PR 00626, Caguas, Puerto Rico, 784, Puerto Rico     | 2,035,680 Ordinary shares              | 100%              | API, Manufacturing                           |
| Teva API Services Mexico, S.de R.L. de C.V.*    | Avenida San Rafael, #34, Lerma, 52000, Mexico                                               | 2,999 Management Shares                | 100%              | API, Commercial, Distribution, Manufacturing |
| Teva Biopharmaceuticals USA, Inc.*              | 425 Privet Road, Horsham, PA 19044, United States                                           | 100 Common Stock shares                | 100%              | R&D                                          |
| Teva Branded Pharmaceutical Products R&D, Inc.* | 41 Moores Road, Frazer, PENNSYLVANIA, 19355, United States                                  | 100 Common Stock shares                | 100%              | Holding company                              |
| Teva Neuroscience, Inc.*                        | 11100 Nall Avenue, Overland Park, Kansas 66211, Overland Park, KANSAS, 66211, United States | 1,000 Ordinary Shares                  | 100%              | Marketing                                    |
| Teva Parenteral Medicines, Inc.*                | 19 Hughes, Irvine CA 92618, P.O.B: NA, Irvine, CALIFORNIA, 92618, United States             | 1,000 Ordinary shares                  | 100%              | Manufacturing                                |
| TEVA PERU S.A.*                                 | Avenue Venezuela 5415, San Miguel, Lima, Peru, Lima, Peru, Peru                             | 59,598,498 Common Stock shares         | 19%               | Manufacturing                                |
| Teva Pharmaceutical Finance Company LLC*        | 1090 Horsham Road North, United States                                                      | 100 Units shares                       | 100%              | Investment, Financial                        |
| Teva Pharmaceutical Finance IV, LLC*            | 1090 Horsham Road North, United States                                                      | 1 LLC Membership Interest/Units shares | 100%              | Financial, Holding company                   |

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## Notes to the financial statements for the year ended 31 December 2018 (continued)

### 7. Investments (continued)

| Name of undertaking                       | Registered office address                                                               | Description of shares held             | Held by company % | Principal business activity             |
|-------------------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------|-------------------|-----------------------------------------|
| Teva Pharmaceutical Finance V, LLC*       | 1090 Horsham Road, North Wales PA 19454, United States                                  | 1 LLC Membership Interest/Units shares | 100%              | Financial, Holding company              |
| Teva Pharmaceutical Finance VI, LLC*      | 1090 Horsham Rd, North Wales 19454, United States                                       | 1 LLC Membership Interest/Units shares | 100%              | Financial, Holding company              |
| TEVA Pharmaceuticals Mexico S.A. de C.V.* | Pasaje de Interlomas No. 16, 5 piso, Mexico City, Mexico                                | 4,999 Ordinary shares                  | 100%              | Commercial                              |
| Teva Respiratory, LLC*                    | 41 Moores Road, Frazer, PA 19355, Frazer, PENNSYLVANIA, 19355, United States            | 1 Common Stock shares                  | 100%              | Manufacturing, Marketing                |
| Teva Pharmaceuticals Colombia S.A.S*      | Carrera 11, N. 73-44 ofc., 604, Bogota, Colombia                                        | 198,480 Shares                         | 100%              | Distribution, Manufacturing             |
| Teva Sales and Marketing, Inc.*           | 11100 Nall Ave, Overland Park KS 66211, United States                                   | 100 Common Stock shares                | 100%              | Holding company, Marketing              |
| TEVA Uruguay S.A.*                        | Av. Uruguay 1227, Montevideo, Uruguay, Uruguay                                          | 39,836 Ordinary Shares                 | 100%              | Commercial, Distribution, Manufacturing |
| Teva Women's Health, Inc.*                | 5040 Duramed Drive, Cincinnati OH 45213, United States                                  | 1,000 Common Stock shares              | 100%              | Manufacturing, Marketing                |
| TEVCO Incorporated*                       | 103 Foulk Road, Wilmington, Delaware, P.O.B: 19803, WILMINGTON, DELAWARE, United States | 3,000 Ordinary shares                  | 100%              | Holding company                         |
| Women's Capital LLC*                      | 400 Interpace Parkway, Bldg. A, Parsippany NJ 07054, United States                      | 100 Common Stock shares                | 100%              | Marketing                               |
| Actavis Elizabeth LLC*                    | 200 Elmora Avenue, Elizabeth NJ 07020, United States                                    | 1 LLC Membership Interest/Units shares | 100%              | Manufacturing                           |
| Actavis Holdco US, Inc*.                  | 400 Interpace Parkway, Bldg A, Parsippany NJ 07054, United States                       | 100 Common shares                      | 100%              | Holding company                         |
| Actavis Kadian LLC*                       | 400 Interpace Parkway, Bldg. A, Parsippany NJ 07054, United States                      | 1 LLC Membership Interest/Units shares | 100%              | Holding company                         |

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## Notes to the financial statements for the year ended 31 December 2018 (continued)

### 7. Investments (continued)

| Name of undertaking                | Registered office address                                          | Description of shares held             | Held by company % | Principal business activity    |
|------------------------------------|--------------------------------------------------------------------|----------------------------------------|-------------------|--------------------------------|
| Actavis Laboratories FL, Inc.*     | 4955 Orange Drive, Davie FL 33314, United States                   | 100 Common shares                      | 100%              | Manufacturing                  |
| Actavis Laboratories NY, Inc.*     | 33 Ralph Avenue, Copiague NY 11726, United States                  | 100 Common shares                      | 100%              | Manufacturing                  |
| Actavis Laboratories UT, Inc.*     | 575-577-579 Chipet Way, Salt Lake City UT 84108, United States     | 100 Common shares                      | 100%              | Manufacturing                  |
| Actavis LLC*                       | 400 Interpace Parkway, Bldg A, Parsippany NJ 07545, United States  | 1 LLC Membership Interest/Units shares | 100%              | Manufacturing, Holding company |
| Actavis Mid Atlantic LLC*          | 400 Interpace Parkway, Bldg A, Parsippany NJ 07054, United States  | 1 LLC Membership Interest/Units shares | 100%              | Marketing/Holding company      |
| Actavis Pharma, Inc.*              | 400 Interpace Parkway, Bldg. A, Parsippany PA 07054, United States | 100 Common shares                      | 100%              | Distribution/Holding company   |
| Actavis Puerto Rico Holdings Inc.* | 400 Interpace Parkway, Bldg A, Parsippany NJ 07054, United States  | 99 Common shares                       | 100%              | Marketing/Holding company      |
| Actavis South Atlantic LLC*        | 1300 Sawgrass Corp Parkway, Sunrise FL 33323, United States        | 1 LLC Membership Interest/Units shares | 100%              | Manufacturing, Marketing       |
| Actavis Totowa LLC*                | 400 Interpace Parkway, Bldg A, Parsippany NJ 07054, United States  | 1 LLC Membership Interest/Units shares | 100%              | Marketing                      |
| Actavis US Holding LLC*            | 400 Interpace Parkway, Bldg A, Parsippany NJ 07054, United States  | 1 LLC Membership Interest/Units shares | 100%              | Holding company                |
| Andrx LLC*                         | 2945 W Corporate Lake Blvd., Weston FL 33331, United States        | 1 LLC Membership Interest/Units shares | 100%              | Dormant company                |

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## Notes to the financial statements for the year ended 31 December 2018 (continued)

### 7. Investments (continued)

| Name of undertaking                                    | Registered office address                                                                                               | Description of shares held             | Held by company % | Principal business activity                                     |
|--------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|----------------------------------------|-------------------|-----------------------------------------------------------------|
| Changzhou Siyao Pharmaceuticals Co., Ltd.*             | Meilongba, Southern Suburbs, Changzhou, Jiangsu, China                                                                  | 1,770,000 Registered Capital shares    | 25%               | Marketing, Manufacturing, Development, Research Holding company |
| Circa Pharmaceuticals West, Inc.*                      | 400 Interpace Parkway, Bldg A, Parsippany NJ 07054, United States                                                       | 100 Common shares                      | 100%              | Holding company                                                 |
| CIRCASUB, INC.*                                        | 400 Interpace Parkway, Bldg A, Parsippany NJ 07054, United States                                                       | 100 Common shares                      | 100%              | Holding company                                                 |
| Cobalt Laboratories LLC*                               | 400 Interpace Parkway, Bldg A, Parsippany NJ 07054, United States                                                       | 1 LLC Membership Interest/Units shares | 100%              | Holding company                                                 |
| Coventry Acquisition, LLC*                             | 400 Interpace Parkway, Bldg A, Parsippany NJ 07054, United States                                                       | 1 LLC Membership Interest/Units shares | 100%              | Holding company                                                 |
| Makoff R&D Laboratories, Inc.*                         | 400 Interpace Parkway, Bldg A, Parsippany NJ 07054, United States                                                       | 100 Common shares                      | 100%              | Marketing/R&D                                                   |
| Med All Enterprise Consulting (Shanghai) *Co.,Limited* | Room 3104, 31F, B Stock, Yujing International Business Square, No. 555 Ave Pudong, Shanghai, Pudong New District, China | 2,000,000 Registered Capital shares    | 100%              | Investment                                                      |
| Natrapac, Inc*.                                        | 400 Interpace Parkway, Bldg A, Parsippany NJ 07054, United States                                                       | 100 Common shares                      | 100%              | Holding company                                                 |



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## Notes to the financial statements for the year ended 31 December 2018 (continued)

### 7. Investments (continued)

| Name of undertaking                         | Registered office address                                              | Description of shares held | Held by company % | Principal business activity |
|---------------------------------------------|------------------------------------------------------------------------|----------------------------|-------------------|-----------------------------|
| Nicobrand Limited*                          | 189 Castleroe Road, Coleraine, Londonderry, BT51 3RP, Northern Ireland | 2,285,000 Ordinary shares  | 100%              | Manufacturing               |
| R&D Ferrlecit Capital Resources, Inc.*      | 400 Interpace Parkway, Bldg A, Parsippany NJ 07054, United States      | 100 Common shares          | 100%              | Marketing/R&D               |
| R&D New Media Services, Inc.*               | 400 Interpace Parkway, Bldg A, Parsippany NJ 07054, United States      | 100 Common shares          | 100%              | Marketing/R&D               |
| R&D Pharmaceuticals, Inc.*                  | 400 Interpace Parkway, Bldg A, Parsippany NJ 07054, United States      | 100 Common shares          | 100%              | Marketing/R&D               |
| R&D Research & Development Corporation*     | 400 Interpace Parkway, Bldg A, Parsippany NJ 07054, United States      | 100 Common shares          | 100%              | Marketing/R&D               |
| Royce Laboratories, Inc.*                   | 400 Interpace Parkway, Bldg A, Parsippany NJ 07054, United States      | 100 Common shares          | 100%              | Holding company             |
| Royce Research Group, Inc.*                 | 400 Interpace Parkway, Bldg A, Parsippany NJ 07054, United States      | 100 Common shares          | 100%              | Marketing/R&D               |
| Rugby Laboratories, Inc.*                   | 400 Interpace Parkway, Bldg A, Parsippany NJ 07054, United States      | 100 Common shares          | 100%              | Holding company             |
| Schein Bayer Pharmaceutical Services, Inc.* | 400 Interpace Parkway, Bldg A, Parsippany NJ 07054, United States      | 100 Common shares          | 100%              | Holding company             |
| Schein Pharmaceutical International, Inc.*  | 400 Interpace Parkway, Bldg A, Parsippany NJ 07054, United States      | 1000 Common shares         | 100%              | Marketing                   |
| The Rugby Group, Inc.*                      | 400 Interpace Parkway, Bldg A, Parsippany NJ 07054, United States      | 100 Common shares          | 100%              | Holding company             |

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## Notes to the financial statements for the year ended 31 December 2018 (continued)

### 7. Investments (continued)

| Name of undertaking                            | Registered office address                                                                                   | Description of shares held                                       | Held by company % | Principal business activity                          |
|------------------------------------------------|-------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|-------------------|------------------------------------------------------|
| Watson Cobalt Holdings, LLC*                   | 400 Interpace Parkway, Bldg A, Parsippany NJ 07054, United States                                           | 1 LLC Membership Interest/Units shares                           | 100%              | Holding company, Marketing                           |
| Watson Diagnostics, Inc.*                      | 400 Interpace Parkway, Bldg A, Parsippany NJ 07054, United States                                           | 100 Common shares                                                | 100%              | Holding company, Marketing                           |
| Watson Laboratories, Inc [Connecticut]*        | 322 East Main Street, Branford CT 06405, United States                                                      | 100 Common shares                                                | 100%              | Manufacturing                                        |
| Watson Laboratories, Inc. [Nevada]*            | 400 Interpace Parkway, Bldg A, Parsippany NJ 07054, United States                                           | 1000 Common shares                                               | 100%              | Holding company, Marketing, Manufacturing            |
| Watson Laboratories, Inc. – Arizona*           | 400 Interpace Parkway, Bldg A, Parsippany NJ 07054, United States                                           | 1,000 Preferred Stock shares, 180,000 Voting Common Stock shares | 100%              | Holding company                                      |
| Watson Laboratories, Inc. – Ohio*              | 400 Interpace Parkway, Bldg A, Parsippany NJ 07054, United States                                           | 100 Common shares                                                | 100%              | Holding company                                      |
| Watson Laboratories, LLC*                      | 400 Interpace Parkway, Bldg A, Parsippany NJ 07054, United States                                           | 1 LLC Membership Interest/Units shares                           | 100%              | Holding company                                      |
| Watson Management Corporation*                 | 3040 Universal Boulevard #150, Weston FL 33331, United States                                               | 500 Common shares                                                | 100%              | Marketing                                            |
| Watson Manufacturing Services, Inc.*           | 400 Interpace Parkway, Bldg A, Parsippany NJ 07054, United States                                           | 100 Common shares                                                | 100%              | Marketing                                            |
| Watson Pharma Private Limited*                 | 21-22, Kalpataru Square, Kondivita Lane, Off Andheri Kurla Road, Andheri (East), Maharashtra, 400059, India | 55,002,461 Equity Shares                                         | 100%              | Development, Manufacturing, Commercial, Distribution |
| Watson Pharmaceuticals (Asia) Limited*         | Nerine Chambers, P.O. Box 905, Road Town, Tortola, British Virgin Islands                                   | 50,000 Ordinary shares                                           | 100%              | Holding company                                      |
| Watson Pharmaceuticals (China) Limited*        | Nerine Chambers, P.O. Box 905, Road Town, Tortola, British Virgin Islands                                   | 50,000 Ordinary shares                                           | 100%              | Holding company                                      |
| Watson Pharmaceuticals International, Limited* | Nerine Chambers, P.O. Box 905, Road Town, Tortola, British Virgin Islands                                   | 10,000 Ordinary shares                                           | 100%              | Holding company                                      |
| Watson Therapeutics, Inc.*                     | 3400 Enterprise Way, Miramar FL 33025, United States                                                        | 100 Common shares                                                | 100%              | Marketing                                            |

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## Notes to the financial statements for the year ended 31 December 2018 (continued)

### 7. Investments (continued)

| Name of undertaking                                 | Registered office address                                                               | Description of shares held             | Held by company % | Principal business activity |
|-----------------------------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------|-------------------|-----------------------------|
| WP Holdings Ltd.*                                   | Nerine Chambers, P.O. Box 905,<br>Road Town, Tortola, British Virgin Islands            | 1,000 Ordinary shares                  | 100%              | Holding company             |
| Marsam Pharmaceuticals LLC*                         | 24 Onley Avenue<br>Cherry Hill NJ 08003<br>United States                                | 1 LLC Membership Interest/Units shares | 100%              | Marketing                   |
| MSI Inc.*                                           | 400 Interpace Parkway, Bldg A,<br>Parsippany NJ 07054, United States                    | 500 Common shares                      | 100%              | Holding company             |
| Schein Pharmaceutical (Bermuda) Ltd*                | O'Hara House, 3<br>Bermudiana Road<br>Hamilton<br>HM 8<br>Bermuda                       | 12,000 Ordinary Shares                 | 100%              | Dormant company             |
| Royce Research and Development Limited Partnership* | 400 Interpace Parkway, Bldg A,<br>Parsippany NJ 07054, United States                    | 1 Partnership Unit                     | 100%              | Dormant company             |
| Actavis Pharmaceuticals NJ, Inc.*                   | 400 Interpace Parkway, Bldg A,<br>Parsippany NJ 07054, United States                    | 100 Common shares                      | 100%              | Manufacturing/R&D           |
| Natural Health Products Corporation, C.A. *         | Av. Girasol, Calle Río de Oro, Urb.<br>Prados del Este, Edif. , 1080,<br>Venezuela (VE) | 100 Ordinary Shares                    | 100%              | Dormant company             |

\* held indirectly

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## Notes to the financial statements for the year ended 31 December 2018 (continued)

### 8. Debtors

|                                             | 31 December<br>2018<br>\$'000 | 31 December<br>2017<br>\$'000 |
|---------------------------------------------|-------------------------------|-------------------------------|
| <b>Amounts falling due within one year:</b> |                               |                               |
| Amounts owed by group undertakings          | 845                           | 898                           |
| Corporation tax                             | 15                            | 13                            |
|                                             | <b>860</b>                    | <b>911</b>                    |

No interest is receivable on amounts owed by group undertakings. No security is held for non-trading amounts owed by group undertakings, which have no fixed date of repayment and are repayable on demand.

### 9. Creditors: amounts falling due within one year

|                                    | 31 December<br>2018<br>\$'000 | 31 December<br>2017<br>\$'000 |
|------------------------------------|-------------------------------|-------------------------------|
| Amounts owed to group undertakings | 3,395                         | 3,534                         |

Amounts owed to group undertakings are interest free. No security is held for balances owed to group undertakings, which are repayable on demand.

### 10. Deferred taxation

No deferred taxation has been recognised in the financial statements. The unrecognised deferred tax asset is as follows:

|                                              | 31 December<br>2018<br>\$'000 | 31 December<br>2017<br>\$'000 |
|----------------------------------------------|-------------------------------|-------------------------------|
| <b>Amount unrecognised</b>                   |                               |                               |
| Tax effect of timing differences because of: |                               |                               |
| Other timing differences                     | 154                           | 183                           |
| Losses                                       | 2,334                         | 2,334                         |
| <b>Deferred tax asset</b>                    | <b>2,488</b>                  | <b>2,517</b>                  |

The directors consider it unlikely that there will be sufficient taxable profits in the future to realise the deferred tax asset, and therefore the potential asset has not been recognised in these financial statements.

## Orvet UK

### Notes to the financial statements for the year ended 31 December 2018 (continued)

#### 11. Called up share capital

|                                                                                         | 31 December<br>2018 | 31 December<br>2017 |
|-----------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>Allotted, called up and fully paid</b>                                               |                     |                     |
| 48,665 ordinary shares of £0.01 each (prior year: 48,665 ordinary shares of £0.01 each) | <b>\$826</b>        | \$826               |

#### 12. Related party transactions

The company is a wholly owned subsidiary of Teva Pharmaceutical Industries Limited, whose consolidated financial statements are publicly available for inspection from the address in note 13. Consequently, the company has taken advantage of the exemption available under the terms of FRS 102 not to disclose related party transactions with group companies.

#### 13. Ultimate parent company

The immediate parent undertaking is Teva Pharmaceuticals Europe B.V., a company incorporated in the Netherlands.

The directors regard Teva Pharmaceutical Industries Limited, a company incorporated in Israel, as the ultimate parent company and ultimate controlling party.

The smallest and largest group in which the results of the company are consolidated is that of the ultimate parent company. Copies of the ultimate parent's consolidated financial statements may be obtained from 5 Basel St., Petach Tikva 49131, Israel.

# Orvet UK

## Notes to the financial statements for the year ended 31 December 2018 (continued)

### 14. Financial instruments

The company has the following financial instruments:

|                                                                            | Note | 31 December<br>2018<br>\$'000 | 31 December<br>2017<br>\$'000 |
|----------------------------------------------------------------------------|------|-------------------------------|-------------------------------|
| Financial assets that are debt instruments measured at amortised cost      |      |                               |                               |
| Amounts owed by group undertakings                                         | 8    | 845                           | 898                           |
|                                                                            |      | 845                           | 898                           |
| Financial liabilities that are debt instruments measured at amortised cost |      |                               |                               |
| Amounts owed to group undertakings                                         | 9    | 3,395                         | 3,534                         |
|                                                                            |      | 3,395                         | 3,534                         |

### 15. Post balance sheet event

On 7 October 2019 Orvet UK purchased from a fellow group company, a deposit agreement under the terms of which the amount of USD 2,054,010,520 was owing. The purchase price was paid by Orvet UK issuing a loan note to Teva UK Holdco 3 Limited with a nominal amount of USD 2,054,010,250. Orvet UK immediately sold the deposit agreement by way of assignment to its wholly-owned subsidiary Teva Pharmaceuticals USA Inc., which allotted and issued to Orvet UK one share, par value of USD 1.00, of its Class A Common Stock credited as fully paid as payment for that deposit agreement.

Also on 7 October 2019, Orvet UK purchased from Teva UK Holdco 3 Limited the entire issued share capital of Teva Finance Services B.V. The final purchase price is to be determined by an independent valuation report. Orvet UK has agreed to issue to Teva UK Holdco 3 Limited a loan note with a nominal amount equal to the purchase price as determined by that independent valuation report. Orvet UK immediately sold the entire issued share capital of Teva Finance Services B.V. to its wholly-owned subsidiary Teva Pharmaceuticals USA Inc., which allotted and issued to Orvet UK one share, par value of USD 1.00, of its Class A Common Stock credited as fully paid in exchange for those shares.

The loan notes referred to above are non-interest bearing and on redemption require Orvet UK to allot and issue to Teva UK Holdco 3 Limited credited as fully paid such number of ordinary shares of USD 1.00 whose aggregate nominal amount is equal to the nominal amount of the loan notes redeemed. The ordinary shares of USD 1.00 will have the same rights attached to them as the current issued ordinary shares of GBP 0.01 each in the capital of the company. Redemption of the loan notes shall take place upon relevant permissions/licences being granted by the individual states of the United States of America to allow the change of control of Orvet UK to take place upon the allotment of the new ordinary shares of USD 1.00 to Teva UK Holdco 3 Limited.