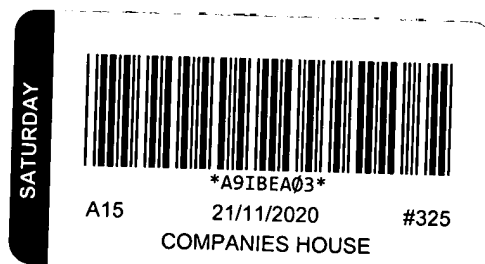


Registered Number 03188178

Orvet UK

**Annual report and financial statements
for the year ended 31 December 2019**



Orvet UK

**Annual report and financial statements
for the year ended 31 December 2019**

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Orvet UK

Directors and advisers

Directors

D Cooper

S Charlesworth

D Griffin

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 2019

The directors present their strategic report on the company for the year ended 31 December 2019.

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 10.

The company had net assets of £3,251,391,000 at 31 December 2019 (prior year: net liabilities £2,535,000) which the directors believe to represent a solvent position.

During the year Orvet UK purchased a deposit agreement from a fellow group company and the entire issued share capital of Teva Finance Services B.V., with the final purchase price for the latter determined by an independent valuation report. The purchase price for both was paid by Orvet UK issuing loan notes to Teva UK Holdco 3 Limited. Orvet UK immediately sold the deposit agreement and 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 shares in exchange.

The loan notes referred to above are non-interest bearing and on redemption requires 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.

Further details are provided in the Directors' report.

Post balance sheet event

On 6 May 2020, the share capital of the company was reduced from £486.65 divided into 48,665 ordinary shares of £0.01 to £0.01, by cancelling and extinguishing 48,664 ordinary shares each in the capital of the company with the reserve thereby arising of £486.64 to be treated as realised profit.

Subsequently, following the completion of the independent valuation report discussed in the review of the business above, Orvet UK allotted and issued to Teva UK Holdco 3 Limited credited as fully paid, 7,958,610,520 ordinary shares of USD 1.00. The allotment of the new shares was made in return for the redemption of the two loan notes which the company had issued to Teva UK Holdco 3 Limited with an aggregate nominal amount of USD 7,958,610,520.

The independent valuation report determined the fair Market Value of the Equity of Teva Pharmaceuticals USA Inc., including its direct and indirect subsidiaries, to be USD 3,254,100,000 and hence accordingly, Orvet UK recognised an impairment of its investment in Teva Pharmaceuticals USA Inc. of USD 4,704,510,520 (see note 7).

Following the transactions above, the immediate parent undertaking of Orvet UK changed from Teva Pharmaceuticals Europe B.V to Teva UK Holdco 3 Limited.

On 2 November 2020, the company entered into an intra-group transaction under the terms of which it purchased from its ultimate parent company, Teva Pharmaceutical Industries Ltd, the entire issued share capital of three US companies, Anda Holdco Corp, Cupric Holding Co, Inc, and Teva API Inc. (the US Entities) for an aggregate price of USD 1,476,300,001, as determined by an independent valuation report. The company settled the purchase price (less USD 1) by the repayment of a loan note in the same amount which had been issued by Teva Pharmaceutical Industries Ltd and which the company had purchased from another group company. The company had purchased that loan note by issuing its own loan note with a nominal value of USD 1,476,300,000 as consideration for the purchase. The company then transferred the US Entities and its subsidiary, Teva Pharmaceuticals USA Inc., to a new US holding company established for that purpose (Teva Holdco US, Inc.) in return for new shares in Teva Holdco US, Inc., credited as fully paid. The company then repaid its loan note of USD 1,476,300,000 from the proceeds of the company's allotment of 1,476,300,000 new USD ordinary shares to its parent company Teva UK Holdco 3 Limited. On the same date the one ordinary share of £0.01 in the capital of the company was cancelled and extinguished. After this transaction the remaining share capital of the company was USD 9,434,910,520 divided into 9,434,910,520 ordinary shares of USD 1.00.

Orvet UK

Strategic report for the year ended 31 December 2019 (continued)

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 fellow group undertakings.

The principal risk factor for the company is the recoverability of the investment in subsidiary undertakings which is dependent on the financial performance of the subsidiary undertakings.

Financial risk management and principal risks and uncertainties (continued)

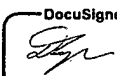
Financial risks include the effects of changes in foreign exchange. The company is exposed to movements in foreign currency exchange rates as a result of transactions in foreign currencies.

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.

Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006

The board of directors of the company consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Act) in the decisions taken during the year ended 31 December 2019. See further details in the Directors report on pages 5 and 6.

On behalf of the Board

DocuSigned by:

D2DD0DDC643E481...

D Cooper

Director

Date: November 20, 2020

Orvet UK

Directors' report for the year ended 31 December 2019

The directors present their annual report and the audited financial statements for the year ended 31 December 2019.

Results and dividends

The loss for the financial year was \$4,704,685,000 (prior year: profit \$88,000). The company directors paid a dividend of £nil in the year (2018: £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	(resigned 29 April 2020)
S Charlesworth	(appointed 29 April 2020)
D Griffin	(appointed 5 May 2020)
D Vrhovec	(resigned 5 May 2020)
D Cooper	

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.

Review of the business

On 7 October 2019 Orvet UK purchased from a fellow group company, a deposit agreement under the terms of which the amount of USD 2,054,011,520 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 2,054,010,520. 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, an amount of USD 5,904,600,000, was determined by an independent valuation report completed in March 2020. Orvet UK issued 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 requires 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 was agreed to take place upon relevant permissions/licences being granted by the individual states of the United States of America, to allow the change of ownership of Orvet UK to take place upon the allotment of the new ordinary shares of USD 1.00 to Teva UK Holdco 3 Limited.

The directors have determined that the loan notes will be treated as part of equity and hence will form part of capital and reserves in the balance sheet.

Orvet UK

Directors' report for the year ended 31 December 2019 (continued)

Post balance sheet events

In March 2020, the World Health Organization declared the outbreak of a new Coronavirus, now known as COVID-19. The outbreak of the virus has caused material disruptions to the global economy. The company considers the emergence and spread of COVID-19 to be a non-adjusting post balance sheet event as of 31 December 2019. Given the nature of the company's activities, it is unlikely to have a material impact on the company's operations. At the point of approving these financial statements no material impact has been seen, however management continues to closely monitor the situation.

On 6 May 2020, the share capital of the company was reduced from £486.65 divided into 48,665 ordinary shares of £0.01 to £0.01, by cancelling and extinguishing 48,664 ordinary shares each in the capital of the company with the reserve thereby arising of £486.64 to be treated as realised profit.

Subsequently, following the completion of the independent valuation report discussed in the review of the business above, Orvet UK allotted and issued to Teva UK Holdco 3 Limited credited as fully paid 7,958,610,520 ordinary shares of USD 1.00. The allotment of the new shares was made in return for the redemption of the two loan notes which the company had issued to Teva UK Holdco 3 Limited with an aggregate nominal amount of USD 7,958,610,520. The redemption of the loan notes was conditional upon regulatory permissions and licences being granted by the individual US States to permit any deemed change of ownership of the company arising on the issue of the new ordinary shares to Teva UK Holdco 3 Limited in redemption of the notes. Those permissions and licences have now been given.

The independent valuation report determined the fair Market Value of the Equity of Teva Pharmaceuticals USA Inc., including its direct and indirect subsidiaries, to be USD 3,254,100,000 and hence accordingly, Orvet UK recognised an impairment of its investment in Teva Pharmaceuticals USA Inc. of USD 4,704,510,520 (see note 7).

Following the transactions above, the immediate parent undertaking of Orvet UK changed from Teva Pharmaceuticals Europe B.V to Teva UK Holdco 3 Limited.

On 2 November 2020, the company entered into an intra-group transaction under the terms of which it purchased from its ultimate parent company, Teva Pharmaceutical Industries Ltd, the entire issued share capital of three US companies, Anda Holdco Corp, Cupric Holding Co, Inc, and Teva API Inc. (the US Entities) for an aggregate price of USD 1,476,300,001, as determined by an independent valuation report. The company settled the purchase price (less USD 1) by the repayment of a loan note in the same amount which had been issued by Teva Pharmaceutical Industries Ltd and which the company had purchased from another group company. The company had purchased that loan note by issuing its own loan note with a nominal value of USD 1,476,300,000 as consideration for the purchase. The company then transferred the US Entities and its subsidiary, Teva Pharmaceuticals USA Inc., to a new US holding company established for that purpose (Teva Holdco US, Inc.) in return for new shares in Teva Holdco US, Inc., credited as fully paid. The company then repaid its loan note of USD 1,476,300,000 from the proceeds of the company's allotment of 1,476,300,000 new USD ordinary shares to its parent company Teva UK Holdco 3 Limited. On the same date the one ordinary share of £0.01 in the capital of the company was cancelled and extinguished. After this transaction the remaining share capital of the company was USD 9,434,910,520 divided into 9,434,910,520 ordinary shares of USD 1.00.

Future developments

This is included in the Strategic report on page 2.

Directors' duties in accordance with s172

1. COMPLIANCE WITH DIRECTORS' DUTIES

1.1. Directors' duties

Each Board Director is given training on their duties as statutory directors. Such training includes information about their responsibilities under the Companies Act 2006 and specifically their duties under section 172 of the Companies Act 2006 ('s172').

Orvet UK

Directors' report for the year ended 31 December 2019 (continued)

Directors' duties in accordance with s172 (continued)

1. COMPLIANCE WITH DIRECTORS' DUTIES (continued)

1.1. Directors' duties (continued)

The Board Directors are also aware of and understand their duty to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a. the likely consequences of any decision in the long term,
- b. the interests of the company's employees,
- c. the need to foster the company's business relationships with suppliers, customers and others,
- d. the impact of the company's operations on the community and the environment, and
- e. the desirability of the company maintaining a reputation for high standards of business conduct.

The Board has due regard to such matters in the decisions it makes and the impact such decisions may have in accordance with s172.

1.2. Board meetings

Certain Board members participate in Board meetings of the Company's trading subsidiaries.

The Company may also, from time to time, hold Board meetings in respect of non-trading matters such as group re-organisations which may also impact the Company. The Board also considers each decision in accordance with the Directors' Duties requirements under the Companies Act 2006.

2. RELATIONS WITH STAKEHOLDERS

As the Company is a non-trading holding company, certain Board members support relations between its Group Companies and their multiple stakeholders.

3. CONSIDERATION OF THE IMPACT OF THE COMPANY ON THE COMMUNITY AND ENVIRONMENT

Certain Board members support Group Companies, which are included in the Teva Group Environmental Report and the Teva Group Social Impact Report. The Boards of Group Companies consider these guidelines and ensure that these companies operate within global environmental guidelines and have taken steps to actively engage on environmental sustainability matters and initiatives.

A copy of the Environmental, Social and Governance Progress Report can be found at:

<https://www.tevapharm.com/globalassets/tevapharm-vision-files/tevaesgprogressreport2019.pdf>.

Statement of directors' responsibilities in respect of the financial statements

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).

Orvet UK

Directors' report for the year ended 31 December 2019 (continued)

Statement of directors' responsibilities in respect of the financial statements (continued)

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.

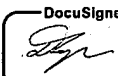
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies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

DocuSigned by:

D2DD0DDC643E461...
D Cooper

Director

Date: November 20, 2020

Orvet UK

Independent auditors' report to the members of Orvet UK

Report on the audit of the financial statements

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 2019 and of its loss 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 2019; the profit and loss account and 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.

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- 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.

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.

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 for the year ended 31 December 2019, 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.

Orvet UK

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 2019 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 for the year ended 31 December 2019.

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 in respect of the financial statements, 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. 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.

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

20 November 2020

Orvet UK

Profit and loss account for the year ended 31 December 2019

	Note	Year ended 31 December 2019 \$'000	Year ended 31 December 2018 \$'000
Administrative (expenses) / income		(159)	86
Operating (loss) / profit	3	(159)	86
Amounts written off investments	7	(4,704,511)	-
(Loss) / profit before taxation		(4,704,670)	86
Tax on (loss) / profit	6	(15)	2
(Loss) / profit for the financial year		(4,704,685)	88

All of the activities shown above relate to continuing operations.

There is no difference between the (loss)/profit before taxation and the (loss)/profit 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 2019

	Note	31 December 2019 \$'000	31 December 2018 \$'000
Fixed assets			
Investments	7	3,254,100	-
Current assets			
Debtors	8	881	860
		881	860
Creditors - amounts falling due within one year	9	(3,590)	(3,395)
Net current liabilities		(2,709)	(2,535)
Total assets less current liabilities		3,251,391	(2,535)
Net assets / (liabilities)		3,251,391	(2,535)
Capital and reserves			
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
Share issue reserve		7,958,611	-
Profit and loss account		(11,496,293)	(6,791,608)
Total shareholders' funds / (deficit)		3,251,391	(2,535)

The financial statements on pages 10 to 31 were approved by the board of directors and were signed on its behalf by:

DocuSigned by:

 D2DD0DDC643E481...

D Cooper

Director

Date: November 20, 2020

Registered number: 03188178

Orvet UK**Statement of changes in equity for the year ended 31 December 2019**

	Called up Share capital \$'000	Merger reserve \$'000	Share premium account \$'000	Exchange reserve \$'000	Equity reserve \$'000	Share issue reserve \$'000	Profit and loss account \$'000	Total Shareholders' (deficit)/funds \$'000
At 1 January 2018	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)
At 1 January 2019	1	3,089,988	754,758	(1,145,674)	4,090,000	-	(6,791,608)	(2,535)
Loss for the financial year	-	-	-	-	-	-	(4,704,685)	(4,704,685)
Total comprehensive expense for the financial year	-	-	-	-	-	-	(4,704,685)	(4,704,685)
Capital notes	-	-	-	-	-	7,958,611	-	7,958,611
At 31 December 2019	1	3,089,988	754,758	(1,145,674)	4,090,000	7,958,611	(11,496,293)	3,251,391

Orvet UK

Notes to the financial statements for the year ended 31 December 2019

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 private unlimited company incorporated in the United Kingdom under the Companies Act 2006 and registered in England.

Taxation

Current tax is the amount of income tax payable in respect of the taxable profit for the period or prior periods 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 2019 (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 (loss) / profit

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

	Year ended 31 December 2019 \$'000	Year ended 31 December 2018 \$'000
Foreign exchange losses / (gains)	67	(132)

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: \$nil) was made to Orvet UK.

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Notes to the financial statements for the year ended 31 December 2019 (continued)

4. Directors' emoluments

	Year ended 31 December 2019 \$'000	Year ended 31 December 2018 \$'000
Aggregate emoluments	45	46

The emoluments of D Cooper and K Innes (prior year: D Cooper, 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 \$45,000 (prior year: \$46,000) 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.

S Charlesworth and D Griffin received no emoluments in the current or prior year in respect of their services as directors of the company.

5. Staff costs

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

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Notes to the financial statements for the year ended 31 December 2019 (continued)

6. Tax on (loss) / profit

	Year ended 31 December 2019 \$'000	Year ended 31 December 2018 \$'000
Current tax on (loss) / profit for the year:		
UK corporation tax at 19% (2018: 19%)	-	(15)
Adjustment in respect of previous periods	15	13
Total current tax charge / (credit)	15	(2)
Deferred tax:		
Origination and reversal of timing differences	32	32
Effects of changes in tax rates	(60)	(60)
Movements in deferred tax not recognised	28	28
Total deferred tax	-	-
Tax on (loss) / profit	15	(2)

The tax charge / 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%). The differences are explained below:

	Year ended 31 December 2019 \$'000	Year ended 31 December 2018 \$'000
(Loss) / profit before taxation	(4,704,670)	86
(Loss) / profit before taxation multiplied by the effective standard rate of Corporation tax in the UK of 19% (prior year: 19%)	(893,887)	16
Effects of:		
Expenses not deductible for tax purposes	893,857	-
Adjustment in respect of previous periods	15	13
Utilisation of tax losses not previously recognised	(32)	(31)
Group relief surrendered for no consideration	62	-
Total tax charge / (credit)	15	(2)

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.

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Notes to the financial statements for the year ended 31 December 2019 (continued)

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

The standard rate of UK corporation tax is 19% and this took effect from 1 April 2017. The 2016 Finance Act introduced a UK corporation tax rate of 17% from 1 April 2020. Accordingly, these rates are applicable in the measurement of deferred tax assets and liabilities at 31 December 2019. Deferred tax has been provided at 17% being the rate at which temporary differences are expected to reverse.

However, the Budget which took place on 11 March 2020 confirmed the rate of corporation tax will remain at 19% from 1 April 2020, cancelling the enacted rate reduction to 17%. The rate reduction reversal was substantively enacted on 17 March 2020 by way of a special resolution.

7. Investments

	Interests in subsidiary undertakings \$'000
Cost	
At 1 January 2019	14,551,703
Additions	7,958,611
At 31 December 2019	22,510,314
Provision for impairment	
At 1 January 2019	(14,551,703)
Impairment	(4,704,511)
At 31 December 2019	(19,256,214)
Net book value	
At 31 December 2019	3,254,100
At 31 December 2018	-

During the year the company increased its investment in Teva Pharmaceuticals USA, Inc., the cost of which is included within additions above.

The results for the year include a \$4,704,511,000 impairment of the company's fixed asset investment in Teva Pharmaceuticals USA, Inc. The investment in Teva Pharmaceuticals USA, Inc., has been impaired following an independent valuation report used to determine the fair Market Value of the Equity of Teva Pharmaceuticals USA Inc.

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Notes to the financial statements for the year ended 31 December 2019 (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	9882.67 Ordinary "A" Shares	100%	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.*	1090 Horsham Road, P.O.B: 1090, North Wales, PENNSYLVANIA, 19454-1090, 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 2019 (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 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 2019 (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. 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*	1090 Horsham Road, North Wales PA 19454, United States	100 Common Stock shares	100%	Holding company
IVAX Pharmaceuticals B.V.*	Plet 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 Frasner 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 share	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, 650100, China	50 Ordinary shares	50%	Commercial, Manufacturing

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Notes to the financial statements for the year ended 31 December 2019 (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, Ñuñoa, 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 Privet 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%	Dormant
Lemery S.A. de C.V.*	Pasaje de Interlomas No. 16, 5º 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.*	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, 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 2019 (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, Mexico	7,389,049 Ordinary shares	100%	API, Manufacturing
Sicor Europe S.A.*	Via San Salvatore 7, 6902 Paradiso, Switzerland	1,659 Ordinary Shares	100%	Dormant company
Sicor Inc.*	19 Hughes, Irvine, CA 92618, CALIFORNIA, 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, 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, United States	1,000 Ordinary Shares	100%	Marketing
Teva Parenteral Medicines, Inc.*	19 Hughes, Irvine CA 92618, P.O.B: NA, Irvine, CALIFORNIA, United States	1,000 Ordinary shares	100%	Manufacturing
TEVA PERU S.A.*	Avenue Venezuela 5415, San Miguel, Lima, 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 2019 (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, PENNSYLVANIA, 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, LLC*	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, 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 2019 (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*	400 Interpace Parkway, Bldg A, Parsippany NJ 07054, 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 2019 (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
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 2019 (continued)

7. Investments (continued)

Name of undertaking	Registered office address	Description of shares held	Held by company %	Principal business activity
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
Teva Finance Services B.V.*	Schlüsselstrasse 12, Jona 8645 , Switzerland	506,408,991 Ordinary Shares	100%	Investment, financial
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	1,000 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 2019 (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, 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 2019 (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, Road Town, Tortola, British Virgin Islands	1,000 Ordinary shares	100%	Holding company
Marsam Pharmaceuticals LLC*	24 Onley Avenue Cherry Hill NJ 08003 United States	1 LLC Membership Interest/Units shares	100%	Marketing
MSI Inc.*	400 Interpace Parkway, Bldg A, Parsippany NJ 07054, United States	500 Common shares	100%	Holding company
Schein Pharmaceutical (Bermuda) Ltd*	O'Hara House, 3 Bermudiana Road Hamilton HM 8 Bermuda	12,000 Ordinary Shares	100%	Dormant company
Royce Research and Development Limited Partnership*	400 Interpace Parkway, Bldg A, Parsippany NJ 07054, United States	1 Partnership Unit	100%	Dormant company
Actavis Pharmaceuticals NJ, Inc.*	400 Interpace Parkway, Bldg A, 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. Prados del Este, Edif., 1080, Venezuela (VE)	100 Ordinary Shares	100%	Dormant company

* held indirectly

8. Debtors

	31 December 2019 \$'000	31 December 2018 \$'000
Amounts falling due within one year:		
Amounts owed by group undertakings	872	845
Corporation tax	-	15
Tax and social security	9	-
	881	860

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.

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Notes to the financial statements for the year ended 31 December 2019 (continued)

9. Creditors: amounts falling due within one year

	31 December 2019 \$'000	31 December 2018 \$'000
Amounts owed to group undertakings	3,590	3,395

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:

	Amount unrecognised	
	31 December 2019 \$'000	31 December 2018 \$'000
Tax effect of timing differences because of:		
Losses	2,334	2,334
Other timing differences	142	154
Deferred tax asset	2,476	2,488

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.

11. Called up share capital

	31 December 2019 \$	31 December 2018 \$
Allotted, called up and fully paid		
48,665 ordinary shares of £0.01 each (prior year: 48,665 ordinary shares of £0.01 each)	\$826	\$826

In May 2020, the share capital of the company was reduced from £486.65 divided into 48,665 ordinary shares of £0.01 to £0.01, by cancelling and extinguishing 48,664 ordinary shares each in the capital of the company. Subsequently, Orvet UK allotted and issued to Teva UK Holdco 3 Limited credited as fully paid 7,958,610,520 ordinary shares of USD 1.00.

In November 2020, Orvet UK allotted and issued to Teva UK Holdco 3 Limited credited as fully paid 1,476,300,000 ordinary shares of USD 1.00. At the same time the 1 (one) ordinary share of £0.01 in the capital of the company was cancelled and extinguished.

After this transaction the remaining share capital of the company was USD 9,434,910,520 divided into 9,434,910,520 ordinary shares of USD 1.00.

Orvet UK

Notes to the financial statements for the year ended 31 December 2019 (continued)

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

As at 31 December 2019, the immediate parent undertaking is Teva Pharmaceuticals Europe B.V., a company incorporated in the Netherlands. In May 2020 the immediate parent undertaking of Orvet UK changed from Teva Pharmaceuticals Europe B.V. to Teva UK Holdco 3 Limited, a company incorporated in the UK.

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.

14. Financial instruments

The company has the following financial instruments:

	Note	31 December 2019 \$'000	31 December 2018 \$'000
Financial assets that are debt instruments measured at amortised cost			
Amounts owed by group undertakings	8	872	845
		872	845
Financial liabilities that are debt instruments measured at amortised cost			
Amounts owed to group undertakings	9	3,590	3,395
		3,590	3,395

Orvet UK

Notes to the financial statements for the year ended 31 December 2019 (continued)

15. Post balance sheet event

In March 2020, the World Health Organization declared the outbreak of a new Coronavirus, now known as COVID-19. The outbreak of the virus has caused material disruptions to the global economy. The company considers the emergence and spread of COVID-19 to be a non-adjusting post balance sheet event as of 31 December 2019. Given the nature of the company's activities, it is unlikely to have a material impact on the company's operations. At the point of approving these financial statements no material impact has been seen, however management continues to closely monitor the situation.

On 6 May 2020, the share capital of the company was reduced from £486.65 divided into 48,665 ordinary shares of £0.01 to £0.01, by cancelling and extinguishing 48,664 ordinary shares each in the capital of the company with the reserve thereby arising of £486.64 to be treated as realised profit.

Subsequently, following the completion of the independent valuation report discussed in the Directors' report, Orvet UK allotted and issued to Teva UK Holdco 3 Limited credited as fully paid 7,958,610,520 ordinary shares of USD 1.00. The allotment of the new shares was made in return for the redemption of the two loan notes which the company had issued to Teva UK Holdco 3 Limited with an aggregate nominal amount of USD 7,958,610,520. The redemption of the loan notes was conditional upon regulatory permissions/licences being granted by the individual US States to permit any deemed change of ownership of the company arising on the issue of the new ordinary shares to Teva UK Holdco 3 Limited in redemption of the notes. Those permissions/licences have now been given.

The independent valuation report determined the fair Market Value of the Equity of Teva Pharmaceuticals USA Inc., including its direct and indirect subsidiaries, to be USD 3,254,100,000 and hence accordingly, Orvet UK recognised an impairment of its investment in Teva Pharmaceuticals USA Inc. of USD 4,704,510,520 (see note 7).

Following the transactions above, the immediate parent undertaking of Orvet UK changed from Teva Pharmaceuticals Europe B.V to Teva UK Holdco 3 Limited.

On 2 November 2020, the company entered into an intra-group transaction under the terms of which it purchased from its ultimate parent company, Teva Pharmaceutical Industries Ltd, the entire issued share capital of three US companies, Anda Holdco Corp, Cupric Holding Co, Inc, and Teva API Inc. (the US Entities) for an aggregate price of USD 1,476,300,001, as determined by an independent valuation report. The company settled the purchase price (less USD 1) by the repayment of a loan note in the same amount which had been issued by Teva Pharmaceutical Industries Ltd and which the company had purchased from another group company. The company had purchased that loan note by issuing its own loan note with a nominal value of USD 1,476,300,000 as consideration for the purchase. The company then transferred the US Entities and its subsidiary, Teva Pharmaceuticals USA Inc., to a new US holding company established for that purpose (Teva Holdco US, Inc.) in return for new shares in Teva Holdco US, Inc., credited as fully paid. The company then repaid its loan note of USD 1,476,300,000 from the proceeds of the company's allotment of 1,476,300,000 new USD ordinary shares to its parent company Teva UK Holdco 3 Limited. On the same date the one ordinary share of £0.01 in the capital of the company was cancelled and extinguished. After this transaction the remaining share capital of the company was USD 9,434,910,520 divided into 9,434,910,520 ordinary shares of USD 1.00.