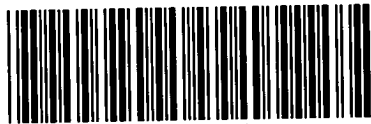


**COVETRUS ANIMAL HEALTH HOLDINGS LIMITED (FORMERLY KNOWN
AS HENRY SCHEIN ANIMAL HEALTH HOLDINGS LTD)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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**COVETRUS ANIMAL HEALTH HOLDINGS LIMITED (FORMERLY KNOWN AS HENRY SCHEIN ANIMAL
HEALTH HOLDINGS LTD)**

COMPANY INFORMATION

Directors	M Ellis G Rhodes R Cooke (resigned 13 December 2019)
Registered number	07402799
Registered office	The Point 9th Floor 37 North Wharf Road London England W2 1AF
Independent auditors	BDO LLP Citypoint 65 Haymarket Terrace Edinburgh EH12 5HD

COVETRUS ANIMAL HEALTH HOLDINGS LIMITED (FORMERLY KNOWN AS HENRY SCHEIN ANIMAL HEALTH HOLDINGS LTD)
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CONTENTS

	Page
Strategic Report	1
Directors' Report	2 - 4
Independent Auditors' Report	5 - 7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10 - 11
Notes to the Financial Statements	12 - 21

COVETRUS ANIMAL HEALTH HOLDINGS LIMITED (FORMERLY KNOWN AS HENRY SCHEIN ANIMAL HEALTH HOLDINGS LTD)

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

Introduction

The directors present their strategic report together with the audited financial statements for the year ended 31 December 2019.

Principal activities, business review and future developments

The principal activity of the company is that of a holding company for the Covetrus Animal Health business and it is intended to remain as such going forward.

The business continues to look for new investments.

Principal risks and uncertainties

The principal risks and uncertainties of the company is that associated with managing the net worth of the subsidiaries and associates. These do not cause concern to the directors.

This report was approved by the board and signed on its behalf.



G Rhodes
Director

Date: 27th May 2021

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

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

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' 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 elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

COVETRUS ANIMAL HEALTH HOLDINGS LIMITED (FORMERLY KNOWN AS HENRY SCHEIN ANIMAL HEALTH HOLDINGS LTD)

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Change of ownership

At the commencement of the 2019 financial year, Covetrus Animal Health Holdings Limited (previously known as Henry Schein Animal Health Holdings Limited) became the parent of all remaining animal health subsidiaries in the Henry Schein Inc Group. On the 10 February 2019, Henry Schein Inc, sold Covetrus Animal Health Holdings Limited (previously known as Henry Schein Animal Health Holdings Limited) which simultaneously merged with Vets First Choice Inc to become Covetrus Inc. (US).

On the 15th October 2019, the company changed its name to Covetrus Animal Health Holdings Limited.

Going Concern

The directors of the company are confident that the entity can continue to meet its liabilities as they fall due for the foreseeable future and therefore no material uncertainty exists around its ability to continue as a going concern.

The current pandemic of Covid-19 and Brexit has brought uncertainties to the markets the company operates in. Like many businesses the company is exposed to the effects but has continued to trade with no material impact.

The directors have prepared cashflows for the next 12 months which indicate the company has sufficient resources to continue to trade for the foreseeable future under all reasonably foreseeable scenarios. Based on the measures the company has taken to date and the provisions in place to manage this situation the directors are confident the company is well positioned once the period of uncertainty passes.

Post balance sheet events

The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity. The company and its subsidiaries have taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our people (such as social distancing and working from home).

At this stage, the impact on the company and its subsidiaries and their results has not been significant and based on our experience to date we expect this to remain the case. We will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardising the health of our people.

On 19 March 2020 the company contributed its investment in the Scil animal-care business ("Scil") to its subsidiary, Covetrus Finance Holding Ltd in exchange for an issuance of 125 new shares, each with a nominal value of \$1 per share and a share premium of \$999,999 per share. On April 1, 2020, Covetrus Finance Holding Ltd completed the divestiture of Scil to Heska Corporation for \$110 million.

Results and dividends

The loss for the year, after taxation, amounted to \$34,713,333 (2018 - loss \$17,910,798).

The directors do not recommend the payment of a dividend (2018 - \$Nil)

Directors

The directors who served during the year were:

M Ellis
G Rhodes
R Cooke (resigned 13 December 2019)

COVETRUS ANIMAL HEALTH HOLDINGS LIMITED (FORMERLY KNOWN AS HENRY SCHEIN ANIMAL HEALTH HOLDINGS LTD)

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Future developments

The principal activity of the company is that of a holding company for the Covetrus Animal Health business and will continue as a holding company going forward.

Disclosure of information to auditors

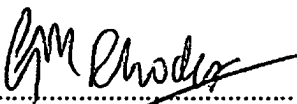
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.


.....
G Rhodes
Director

Date: 27th May 2021

COVETRUS ANIMAL HEALTH HOLDINGS LIMITED (FORMERLY KNOWN AS HENRY SCHEIN ANIMAL HEALTH HOLDINGS LTD)
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COVETRUS ANIMAL HEALTH HOLDINGS LIMITED (FORMERLY KNOWN AS HENRY SCHEIN ANIMAL HEALTH HOLDINGS LTD)

Opinion

We have audited the financial statements of Covetrus Animal Health Holdings Limited (formerly known as Henry Schein Animal Health Holdings Ltd) (the 'company') for the year ended 31 December 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COVETRUS ANIMAL HEALTH HOLDINGS LIMITED (FORMERLY KNOWN AS HENRY SCHEIN ANIMAL HEALTH HOLDINGS LTD) (CONTINUED)

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 in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

COVETRUS ANIMAL HEALTH HOLDINGS LIMITED (FORMERLY KNOWN AS HENRY SCHEIN ANIMAL HEALTH HOLDINGS LTD)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COVETRUS ANIMAL HEALTH HOLDINGS LIMITED (FORMERLY KNOWN AS HENRY SCHEIN ANIMAL HEALTH HOLDINGS LTD) (CONTINUED)

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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the company's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Alastair Rae (Senior Statutory Auditor)
for and on behalf of
BDO LLP
Statutory auditor
Edinburgh
United Kingdom

Date: 27 May 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

COVETRUS ANIMAL HEALTH HOLDINGS LIMITED (FORMERLY KNOWN AS HENRY SCHEIN ANIMAL HEALTH HOLDINGS LTD)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 \$	2018 \$
Administrative expenses		99,635	165,474
Operating profit		99,635	165,474
Inter-company receivables write off		(16,996,785)	-
Interest payable and similar charges	7	(19,297,249)	(20,195,513)
Loss before tax		(36,194,399)	(20,030,039)
Tax on loss	8	1,481,066	2,119,241
Loss for the financial year		(34,713,333)	(17,910,798)
Other comprehensive income for the year			
Total comprehensive income for the year		(34,713,333)	(17,910,798)

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

The notes on pages 12 to 21 form part of these financial statements.

**COVETRUS ANIMAL HEALTH HOLDINGS LIMITED (FORMERLY KNOWN AS HENRY SCHEIN ANIMAL
HEALTH HOLDINGS LTD)**
REGISTERED NUMBER: 07402799

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	Note	31 December 2019 \$	29 December 2018 \$
Fixed assets			
Investments	9	647,243,155	641,786,807
		<u>647,243,155</u>	<u>641,786,807</u>
Current assets			
Debtors: amounts falling due within one year	10	27,440,163	18,194,286
Cash at bank and in hand	11	321,905	411,109
		<u>27,762,068</u>	<u>18,605,395</u>
Creditors: amounts falling due within one year	12	(4,290,518)	(69,015)
Net current assets		<u>23,471,550</u>	<u>18,536,380</u>
Total assets less current liabilities		<u>670,714,705</u>	<u>660,323,187</u>
Creditors: amounts falling due after more than one year	13	(401,030,868)	(355,926,017)
Net assets		<u><u>269,683,837</u></u>	<u><u>304,397,170</u></u>
Capital and reserves			
Called up share capital	14	4	4
Share premium account	15	9,159,966	9,159,966
Capital contribution reserve	15	409,274,425	409,274,425
Profit and loss account	15	(148,750,558)	(114,037,225)
		<u>269,683,837</u>	<u>304,397,170</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


.....
G Rhodes
Director

Date: 27th May 2021

The notes on pages 12 to 21 form part of these financial statements.

COVETRUS ANIMAL HEALTH HOLDINGS LIMITED (FORMERLY KNOWN AS HENRY SCHEIN ANIMAL HEALTH HOLDINGS LTD)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Share premium account	Capital contribution reserve	Profit and loss account	Total equity
	\$	\$	\$	\$	\$
At 30 December 2018	4	9,159,966	409,274,425	(114,037,225)	304,397,170
Comprehensive income for the year					
Loss for the year	-	-	-	(34,713,333)	(34,713,333)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(34,713,333)	(34,713,333)
Total transactions with owners	-	-	-	-	-
At 31 December 2019	4	9,159,966	409,274,425	(148,750,558)	269,683,837

The notes on pages 12 to 21 form part of these financial statements.

COVETRUS ANIMAL HEALTH HOLDINGS LIMITED (FORMERLY KNOWN AS HENRY SCHEIN ANIMAL HEALTH HOLDINGS LTD)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 29 DECEMBER 2018**

	Called up share capital	Share premium account	Capital contribution reserve	Profit and loss account	Total equity
	\$	\$	\$	\$	\$
At 31 December 2017	4	3,593,178	382,098,442	(96,126,427)	289,565,197
Comprehensive income for the year					
Loss for the year	-	-	-	(17,910,798)	(17,910,798)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(17,910,798)	(17,910,798)
Movement in capital contribution	-	-	27,175,983	-	27,175,983
Shares issued during the year	-	5,566,788	-	-	5,566,788
Total transactions with owners	-	5,566,788	27,175,983	-	32,742,771
At 29 December 2018	4	9,159,966	409,274,425	(114,037,225)	304,397,170

The notes on pages 12 to 21 form part of these financial statements.

COVETRUS ANIMAL HEALTH HOLDINGS LIMITED (FORMERLY KNOWN AS HENRY SCHEIN ANIMAL HEALTH HOLDINGS LTD)
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. General information

Covetrus Animal Health Holdings Limited is a private limited company incorporated in England and Wales under the Companies Act 2006.

The registered address is given on the company information page and the nature of the company's operations and its principal activities are set out in the Directors' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Covetrus Inc as at 31 December 2019 and these financial statements may be obtained from 7 Custom House St, Portland, Maine, USA.

2.3 Exemption from preparing consolidated financial statements

The company is a parent company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of a non-EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.4 Going concern

After making enquiries, the directors have confirmed that the company will continue to be supported by the Group and have reasonable expectation that the Group has adequate resources to provide that support and to continue in operational existence for the foreseeable future. The current and future financial position of the company, its cash flows and liquidity have been reviewed by the directors. The directors have confirmed that the company will continue to be supported by the Group and are confident that the existing funding facilities will provide sufficient headroom to meet forecast cash requirements having considered any additional requirements that would be contingent on a downturn in activity over the same period specifically in relation to the Covid 19 pandemic.

2.5 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is USD.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key estimates and judgements relate to determining whether there are indicators of impairment of the company's investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the underlying companies.

COVETRUS ANIMAL HEALTH HOLDINGS LIMITED (FORMERLY KNOWN AS HENRY SCHEIN ANIMAL HEALTH HOLDINGS LTD)
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. Operating profit

The operating profit is stated after charging:

	2019 \$	2018 \$
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	15,000	11,799
Exchange differences	<u>(117,878)</u>	<u>(156,118)</u>

5. Auditors' remuneration

	2019 \$	2018 \$
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	<u>15,000</u>	<u>11,799</u>

6. Employees

The company has no employees other than the directors, who did not receive any remuneration (2018 - \$NIL).

7. Interest payable and similar charges

	2019 \$	2018 \$
Group loan interest payable	19,297,249	20,195,513
	<u>19,297,249</u>	<u>20,195,513</u>

COVETRUS ANIMAL HEALTH HOLDINGS LIMITED (FORMERLY KNOWN AS HENRY SCHEIN ANIMAL HEALTH HOLDINGS LTD)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

8. Taxation

	2019 \$	2018 \$
Corporation tax		
Current tax on profits for the year	(1,481,066)	(2,000,586)
Adjustments in respect of previous periods	-	(118,655)
	<u>(1,481,066)</u>	<u>(2,119,241)</u>
Total current tax	<u>(1,481,066)</u>	<u>(2,119,241)</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on loss on ordinary activities	<u>(1,481,066)</u>	<u>(2,119,241)</u>

Factors affecting tax charge for the year/period

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 \$	2018 \$
Loss on ordinary activities before tax	<u>(36,194,399)</u>	<u>(20,030,039)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	<u>(6,876,936)</u>	<u>(3,805,707)</u>
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	5,395,870	1,805,120
Adjustment to tax credit in respect of prior periods	-	(118,655)
Other timing differences leading to an increase (decrease) in taxation	-	133
Exchange difference arising on opening and closing spot rates (current period)	-	(132)
Total tax charge for the year/period	<u>(1,481,066)</u>	<u>(2,119,241)</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

COVETRUS ANIMAL HEALTH HOLDINGS LIMITED (FORMERLY KNOWN AS HENRY SCHEIN ANIMAL HEALTH HOLDINGS LTD)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. Fixed asset investments

	Unlisted investments \$
Cost or valuation	
At 30 December 2018	641,786,807
Additions	5,456,348
At 31 December 2019	<u>647,243,155</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country of Incorporation	Principal activity	Holding
Sugar Creek Software Systems (Proprietary) Ltd.	South Africa	Software Development	75.61%
Vet Novations Canada Inc.	Canada	Vet Product Distribution	100%
Scil Animal Care Company Ltd.	United Kingdom	Vet Product Distribution	100%
Scil Animal Care Company GmbH	Germany	Vet Product Distribution	100%
Scil Animal Care Company BV	Netherlands	Vet Product Distribution	100%
Scil Animal Health Company Sarl	France	Vet Product Distribution	100%
Scil Animal Care Company SL	Spain	Vet Product Distribution	100%
Scil Animal Care Srl	Italy	Vet Product Distribution	100%
Animal Healthcare Services Ltd.	United Kingdom	Vet Product Distribution	100%
Kruuse Svenska AB	Sweden	Vet Product Distribution	100%
Jorgen Kruuse A/S	Denmark	Vet Product Distribution	100%
Kruuse Norge AS	Norway	Vet Product Distribution	100%
Kruuse UK Ltd.	United Kingdom	Vet Product Distribution	100%
Kruuse Polska Sp. Z.o.o.	Poland	Vet Product Distribution	100%
E-Vet A/S	Denmark	Vet Product Distribution	100%
Covetrus IE Ltd. (f/k/a C&M Vetlink Ltd.)	Ireland	Vet Product Distribution	100%
Covetrus Belgium Holding NV (f/k/a AUV Belgium Holding NV)	Belgium	Vet Product Distribution	100%
Covetrus NV	Belgium	Vet Product Distribution	100%
Nerum NV	Belgium	Vet Product Distribution	100%
VS&L NV	Belgium	Vet Product Distribution	100%
Yourvet B.V	Netherlands	Vet Product Distribution	100%
Nationale Dierenapotheek BV	Netherlands	Vet Product Distribution	100%
Medivet SA	Poland	Vet Product Distribution	100%
Maravet SA	Romania	Vet Product Distribution	100%
Covetrus Holding B.V. (fka Henry Schein Animal Health Holding BV)	Netherlands	Vet Product Distribution	100%
Victory Alpha Ltd.	United Kingdom	Holding Company	100%
Henry Schein SE Europe Holding Srl	Romania	Holding Company	100%
Project Gold Aps	Denmark	Holding Company	100%
Project Silver Aps	Denmark	Holding Company	100%
Clemton Investments Sp. Z.o.o.	Poland	Holding Company	100%
Rosedale Investments Sp. Z.o.o.	Poland	Holding Company	100%
Kruuse Hong Kong Limited	Hong Kong	Vet Product Distribution	100%
Kruuse Trading (Shanghai) Ltd.	China	Vet Product Distribution	100%
Scil Diagnostics Sdn Bhd	Malaysia	Vet Product Distribution	100%
Vet Quip (Pty.) Ltd.	Australia	Vet Product Distribution	100%
Provet IT (Pty) Ltd.	Australia	Vet Product Distribution	100%
Provet Pty. Ltd.	Australia	Vet Product Distribution	100%
Provet VMS (Pty) Ltd.	Australia	Vet Product Distribution	100%
Provet Queensland (Pty) Ltd.	Australia	Vet Product Distribution	100%
Provet (NSW) (Pty) Ltd.	Australia	Vet Product Distribution	100%
Provet Riverina (Pty) Ltd.	Australia	Vet Product Distribution	100%
Provet Victoria (Pty) Ltd.	Australia	Vet Product Distribution	100%
Provet SA (Pty) Ltd.	Australia	Vet Product Distribution	100%
Provet WA (Pty) Ltd.	Australia	Vet Product Distribution	100%
Provet (Pty) Ltd.	Australia	Vet Product Distribution	100%
Petsite (Pty) Ltd.	Australia	Vet Product Distribution	100%

COVETRUS ANIMAL HEALTH HOLDINGS LIMITED (FORMERLY KNOWN AS HENRY SCHEIN ANIMAL HEALTH HOLDINGS LTD)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. Fixed asset investments (continued)

Subsidiary undertakings (continued)

Name	Registered office	Principal activity	Holding
Provet New Zealand (Pty) Ltd.	Australia	Vet Product Distribution	100%
Provet Holdings Pty. Ltd.	Australia	Holding Company	100%
Vettec Produtos Agropecuários EIRELI	Brazil	Vet Product Distribution	100%
Granda Produtos Veterinários EIRELI	Brazil	Vet Product Distribution	100%
Abase Comércio e Representações Ltda	Brazil	Vet Product Distribution	100%
Covetrus Brazil Holding S.A.	Brazil	Holding Company	60.11%
Pelican Holdco (Pty) Ltd.	Australia	Holding Company	100%
Pelican Acquisition Company (Pty) Ltd.	Australia	Holding Company	100%
Anitek Pty Ltd.	Australia	Vet Product Distribution	100%
Provet Australasia (Pty) Ltd.	Australia	Vet Product Distribution	100%
Covetrus B.V (fka Henry Schein Animal Health B.V.	Netherlands	Vet Product Distribution	100%
Provet NZ Pty Ltd (NZ Dist Branch)	New Zealand	Vet Product Distribution	100%
ABIC Polska Sp. Z.o.o.	Poland	Vet Product Distribution	100%
WA Butler Company	U.S.	Holding Company	100%
Butler Animal Health Holding Company LLC	U.S.	Holding Company	75.56%
Butler Animal Health Supply, LLC	U.S.	Vet Product Distribution	75.56%
Purchasing Services Holdings, LLC	U.S.	Holding Company	75.56%
Veterinarian Debit Cards, LLC	U.S.	Wholesale Services	75.56%
VPG Holdings LLC	U.S.	Holding Company	75.56%
Vetboost LLC	U.S.	Vet Product Distribution	75.56%
Animal Health Logistics, LLC	U.S.	Logistics	75.56%
Covetrus Software Services, LLC	U.S.	Wholesale Services	75.61%
Vetstreet, LLC	U.S.	Vet Product Distribution	75.61%
SERG Solutions, LLC	U.S.	Vet Product Distribution	75.61%
OHCP III Equine, Inc.	U.S.	Holding Company	75.56%
OHCP III Equine Blocker I Corp	U.S.	Holding Company	75.56%
OHCP III Equine Blocker IV Corp	U.S.	Holding Company	75.56%
Smartpak Equine LLC	U.S.	Vet Product Distribution	100%
Animalytix LLC	U.S.	Vet Product Distribution	12.76%
Vedco, Inc.	U.S.	Vet Product Distribution	19.14%
NBGE Blocker Corp II	U.S.	Holding Company	100%
NBGE Blocker Corp III	U.S.	Holding Company	100%

In the year the company purchased a 1% interest in Pelican Acquisition Company from Henry Schein Australia (PTY) Ltd for \$1.7m and made a further investment in Henry Schein Europe holdings Srl Romania Investment holding company of \$3.7m.

COVETRUS ANIMAL HEALTH HOLDINGS LIMITED (FORMERLY KNOWN AS HENRY SCHEIN ANIMAL HEALTH HOLDINGS LTD)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

10. Debtors

	31 December 2019 \$	29 December 2018 \$
Amounts owed by group undertakings	27,428,378	18,194,286
Other debtors	11,785	-
	<u>27,440,163</u>	<u>18,194,286</u>

11. Cash and cash equivalents

	31 December 2019 \$	29 December 2018 \$
Cash at bank and in hand	321,905	411,109
Less: bank overdrafts	(4,205,879)	-
	<u>(3,883,974)</u>	<u>411,109</u>

12. Creditors: Amounts falling due within one year

	31 December 2019 \$	29 December 2018 \$
Bank overdrafts	4,205,879	-
Accruals and deferred income	84,639	69,015
	<u>4,290,518</u>	<u>69,015</u>

13. Creditors: Amounts falling due after more than one year

	31 December 2019 \$	29 December 2018 \$
Amounts owed to group undertakings	401,030,868	355,926,017
	<u>401,030,868</u>	<u>355,926,017</u>

COVETRUS ANIMAL HEALTH HOLDINGS LIMITED (FORMERLY KNOWN AS HENRY SCHEIN ANIMAL HEALTH HOLDINGS LTD)
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

14. Share capital

	31 December 2019 \$	29 December 2018 \$
Allotted, called up and fully paid		
4 (2018 - 4) Ordinary shares shares of \$1.00 each	<u>4</u>	<u>4</u>

15. Reserves

Share premium account

This reserve represents any premiums received on issue of share capital.

Other reserves

The capital contribution reserve represents a contribution of capital, in the form of funds, to the Group by the ultimate parent.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

16. Related party transactions

The company was a member of the Covetrus Inc. group during the year.

The company has taken advantage of the exemption conferred by FRS 102 5.33 not to disclose transactions with members of the group headed by Covetrus Inc. on the grounds that the company is included in the consolidated financial statements.

17. Controlling party

At the commencement of the 2019 financial year, Covetrus Animal Health Holdings Limited (previously known as Henry Schein Animal Health Holdings Limited) became the parent of all remaining animal health subsidiaries in the Henry Schein Inc Group.

On the 15th October 2019, the company changed its name to Covetrus Animal Health Holdings Limited.

At the statement of financial position date, the company was controlled by Covetrus Inc. (US), a company incorporated and registered in the USA. Covetrus, Inc, incorporated and registered in the USA, is the Company's ultimate parent undertaking and is the largest and smallest group of which Covetrus Animal Health Holdings Limited is a member and for which group financial statements are drawn up. Copies of Covetrus, Inc. group financial statements are available from Custom House Square, 7, Custom House St, Portland, Maine 04101.

The Company is controlled by Vet Intermediate Holdco II LLC its immediate parent company, registered in the USA, with registered address Custom House Square, 7, Custom House St, Portland, Maine 04101.