

## **NOTICE TO SHAREHOLDERS RE PRE-IPO PFIC STATUS**

**This statement is provided for shareholders who are United States persons for the purposes of the U.S. Internal Revenue Code. It is not relevant for other shareholders.**

Nexvet Biopharma plc (Nexvet) and certain subsidiaries expect to be classified as a passive foreign investment company, or a PFIC, for U.S. federal income tax purposes in the current taxable year (ending 30 June 2017). Nexvet is hereby making available to its shareholders PFIC Annual Information Statements for the period July 1, 2015 to June 30, 2016, Nexvet's last financial year, (which is enclosed with this letter).

**If you were a shareholder of Nexvet at any time during the period, you are also deemed to have indirectly owned shares in each of the abovenamed Nexvet PFICs during that period.**

**What is a PFIC:** A foreign corporation like Nexvet will generally be a PFIC if it meets the income test (where at least 75% of its gross income is "passive income) or it meets the assets test (where 50% or more of the gross value of its assets is attributable to assets that produce, or are held for the production of, passive income). Passive income broadly includes income from dividends, royalties, rent and gains from the sale of property that produced passive income.

**Purpose of a PFIC Annual Information Statement:** the purpose of the PFIC Annual Information Statement is to provide you with information to enable you to elect to treat your investment in Nexvet as a Qualified Electing Fund (QEF) and, if such an election is made, to advise you of the necessary disclosures to be made in the requisite filings. The decision to make such an election should be based on your personal tax circumstances, and in conjunction with the advice of your tax advisors.

**Consequence of making a QEF:** Generally, a US shareholder who makes a QEF with respect to Nexvet is required to report on their federal income tax return their pro rata share of Nexvet's ordinary earnings and net capital gains, whether or not any amounts have been distributed to them.

**Consequences of not making a QEF:** If you do not elect to treat Nexvet as a QEF, and it is confirmed that Nexvet is a PFIC for any year during your holding period, adverse tax consequences could arise for you (for example, you may be subject to tax at the highest US marginal tax rate plus an interest charge on certain deemed or actual distributions and/or gains derived from the sale of Nexvet stock).

**Filing of a QEF election:** a QEF election must be filed with the IRS by the due date (including extensions) of the shareholder's federal income tax return for the tax year in which the election is to apply. The election is made by completing and lodging Form 8621 with your federal income tax return for the year.

**This statement does not provide advice on whether or not you should make any elections with respect to the PFIC rules. We strongly urge you to consult with your tax advisors prior to making any elections that may be available to you. The decision to make a QEF election will depend on your particular tax situation and the making (or refraining from the making) of an election may have significant and/or adverse tax consequences.**

Further detailed information on the PFIC rules is available on the Internal Revenue Service website ([www.irs.gov/instructions/i8621](http://www.irs.gov/instructions/i8621)).

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Registered in Dublin, Reg No. 547923

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**NEXVET BIOPHARMA PLC (AND PFIC SUBSIDIARIES)  
PFIC ANNUAL INFORMATION STATEMENT**

1. This statement applies to the taxable period from July 1, 2015 to June 30, 2016.
2. The total ordinary earnings and net capital gain of Nexvet and its PFIC subsidiaries for the taxable period are as follows:

<b>Company</b>	<b>Ordinary earnings</b>	<b>Net capital gains</b>	<b>Daily pro rata share of ordinary earnings</b>	<b>Daily pro rata share of net capital gains</b>
<b>Nexvet Biopharma</b>	0.00	0.00	Nil	Nil
<b>Nexvet Australia Pty Ltd</b>	0.00	0.00	Nil	Nil
<b>NVIP Pty Ltd</b>	0.00	0.00	Nil	Nil
<b>Nexvet Ireland Limited</b>	0.00	0.00	Nil	Nil
<b>Nexvet UK Limited</b>	0.00	0.00	Nil	Nil
<b>Tevxen Limited</b>	0.00	0.00	Nil	Nil
<b>BioNua Limited</b>	0.00	0.00	Nil	Nil

*To determine the amount allocable to you for the taxable period, you must multiply the daily pro rata share of ordinary earnings and net capital gains by the number of Nexvet shares you held during the taxable period and then by the number of days during the period that you held those shares.*

3. The total amount of cash and the fair market value of other property distributed or deemed distributed to you is as follows:

<b>Company</b>	<b>Cash</b>	<b>Fair market value of property</b>
<b>Nexvet Biopharma</b>	Nil	Nil
<b>Nexvet Australia Pty Ltd</b>	Nil	Nil
<b>NVIP Pty Ltd</b>	Nil	Nil
<b>Nexvet Ireland Limited</b>	Nil	Nil
<b>Nexvet UK Limited</b>	Nil	Nil
<b>Tevxen Limited</b>	Nil	Nil
<b>BioNua Limited</b>	Nil	Nil

4. Nexvet will permit its shareholders to inspect and copy its permanent books of account, records and such other documents as may be maintained by Nexvet to establish that its ordinary earnings and net capital gain (and those of its PFIC subsidiaries), as provided in section 1293(e) of the Internal Revenue Code, are computed in accordance with US income tax principals, and to verify these amounts and their pro rata share thereof.

**NEXVET BIOPHARMA PLC**

**Date: February 3, 2017**

Signed by:   
**Damian Lismore**  
**Authorised Representative**