

TARO PHARMACEUTICALS EUROPE B.V.
Amsterdam
Financial Report
March 31, 2021

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1 BALANCE SHEET AS AT MARCH 31, 2021
(before appropriation of the profit)

		<u>March 31, 2021</u>	<u>March 31, 2020</u>
		EUR	EUR
ASSETS			
Current assets			
Receivables, prepayments and accrued income	(1)	30,747	34,980
Cash and Cash equivalents	(2)	28,386	22,382
		<u>59,133</u>	<u>57,362</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Equity			
	(3)		
Called-up share capital		18,000	18,000
Share premium reserve		1,050,000	1,050,000
Other reserves		(1,048,173)	(1,050,680)
Unappropriated result		2,189	2,507
		<u>22,016</u>	<u>19,827</u>
Current liabilities	(4)	37,117	37,535
		<u>59,133</u>	<u>57,362</u>
TOTAL EQUITY AND LIABILITIES			

2 PROFIT AND LOSS ACCOUNT 2020/2021

		<u>2020/2021</u>	<u>2019/2020</u>
		EUR	EUR
Management fees	(5)	28,711	33,772
Expenses			
General and administrative expenses	(6)	26,101	30,697
Operating result		<u>2,610</u>	<u>3,075</u>
Exchange differences		<u>-</u>	<u>(6)</u>
Result from ordinary business activities before tax		2,610	3,069
Taxation on result from ordinary business activities	(7)	<u>(421)</u>	<u>(562)</u>
Result after tax		<u><u>2,189</u></u>	<u><u>2,507</u></u>

3 NOTES TO THE STATEMENTS

GENERAL

Activities

Taro Pharmaceuticals Europe B.V. is a Dutch private company with limited liability, incorporated in Amsterdam on March 19, 2008 ("the Company"). The Company mainly acts as a holding company

Registered address

The registered and actual address of Taro Pharmaceuticals Europe B.V. (CoC number 33292680) is Naritaweg 165 in Amsterdam.

Group structure

The Company is a member of the Taro Pharmaceutical Industries group. The ultimate parent company of this group is Taro Pharmaceutical Industries Ltd., Haifa Bay, Israel. The financial statements of the Company are included in the consolidated financial statements of its ultimate parent company.

Related party transactions

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also entities which can control the company are considered a related party. In addition, statutory directors and close relatives are regarded as related parties.

Significant transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is required to provide the true and fair view.

Estimates

In applying the accounting policies and guidelines for preparing the financial statements, management makes a range of estimates and judgments that might be essential for the amounts disclosed in the financial statements. If necessary for the purposes of providing the view required under Section 362(1), Book 2, of the Dutch Civil Code, the nature of these estimates and judgments, including the related assumptions, is disclosed in the notes to the Financial Statement items in question. Actual amounts may differ from these estimates.

ACCOUNTING POLICIES FOR THE BALANCE SHEET

The accompanying Financial Statements have been prepared in accordance with the provisions of Part 9, Book 2, of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving'), taking into account the exemptions offered by the Dutch Accounting Standards Board.

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost. In the balance sheet, income statement and the cash flow statement, references are made to the notes.

Comparison with previous year

The accounting policies have been consistently applied to all the years presented.

Accounts receivable

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognized using the effective interest method. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

Cash and Cash equivalents

Cash and cash equivalents include cash in hand, bank balances and deposits held at call with maturities of less than 12 months. Bank overdrafts, if any, are shown as part of debts to lending institutions in current liabilities on the balance sheet. Cash and cash equivalents are carried at nominal value.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognized at the amortized cost price.

When there are no premiums, discounts or transaction costs, the amortized cost is equal to the nominal value.

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

General

Profit or loss is determined as the difference between the realizable value of the goods delivered and services rendered, and the costs and other charges for the year. Revenues on transactions are recognized in the year in which they are realized.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown after deducting value-added tax, rebates and discounts.

Selling expenses, and general and administrative expenses

Selling expenses, and general and administrative expenses comprise costs chargeable to the year.

Financial income and expenses

Interest paid and received is recognized on a time-weighted basis, taking account of the effective interest rate of the assets and liabilities concerned. When recognizing interest paid, allowance is made for transaction costs on loans received as part of the calculation of effective interest.

Dividends receivable from associates not carried at net asset value and securities are recognized as soon as the Company acquires the right to them.

Taxation

Income tax is calculated on the profit/loss before tax in the income statement, taking into account any losses carried forward from previous financial years (where not included in deferred income tax assets) and tax-exempt items, and plus non-deductible expenses. Account is also taken of changes in deferred income tax assets and liabilities owing to changes in the applicable tax rates.

4 NOTES TO THE BALANCE SHEET AS AT MARCH 31, 2021

ASSETS

CURRENT ASSETS

	<u>3/31/2021</u>	<u>3/31/2020</u>
	EUR	EUR
1. Receivables, prepayments and accrued income		
Amounts due from group companies	28,711	33,772
Taxes and social securities	1,549	1,208
Prepayments and accrued income	487	-
	<u>30,747</u>	<u>34,980</u>

All receivables fall due in less than one year. The fair value of the receivables approximates the book value.

Amounts due from group companies

Taro Pharmaceuticals Inc.	<u>28,711</u>	<u>33,772</u>
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Taxes and social securities

Corporate income tax	493	-
Value added tax	1,056	1,208
	<u>1,549</u>	<u>1,208</u>

2. Cash and Cash equivalents

Current account Citco Bank N.V.	<u>28,386</u>	<u>22,382</u>
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The balances are at the Company's free disposal.

EQUITY AND LIABILITIES

3. Equity

	Called-up share capital	Share premium reserve	Other reserves	Un- appropriated result	Total
	EUR	EUR	EUR	EUR	EUR
Book value as of April 1, 2020	18,000	1,050,000	(1,050,680)	2,507	19,827
Profit appropriation	-	-	2,507	(2,507)	-
Unappropriated profit	-	-	-	2,189	2,189
Book value as of March 31, 2021	<u>18,000</u>	<u>1,050,000</u>	<u>(1,048,173)</u>	<u>2,189</u>	<u>22,016</u>

The Company's capital consists of one or more shares with a nominal value of EUR 45.00.

As at March 31, 2021, 400 shares were issued and fully paid-up.

	3/31/2021	3/31/2020
	EUR	EUR
4. Current liabilities		
Trade creditors	7,197	9,553
Payables to shareholder	25,000	25,000
Taxes and social securities	420	562
Accruals and deferred income	4,500	2,420
	<u>37,117</u>	<u>37,535</u>

The remaining term of the current liabilities is less than one year.

	CCY	Amount in CCY	3/31/2021	3/31/2020
			EUR	EUR
Payables to shareholder				
Taro Pharmaceuticals Industries Ltd.	EUR	-	<u>25,000</u>	<u>25,000</u>

COMMITMENTS AND CONTINGENCIES NOT INCLUDED IN THE BALANCE SHEET

There are no commitments and contingencies not included in the balance sheet to be disclosed.

5 NOTES TO THE PROFIT AND LOSS ACCOUNT 2020/2021

	2020/2021	2019/2020
	EUR	EUR
5. Management fees		
Management fees	28,711	33,772
6. General and administrative expenses		
Management expenses	12,500	14,469
Accounting expenses	3,010	-
Legal expenses	2,408	9,775
Tax advisory expenses	5,767	3,080
General and administrative expenses	1,156	2,348
Bank expenses	1,260	1,025
	<u>26,101</u>	<u>30,697</u>
Financial income and expenses		
7. Taxation on result from ordinary business activities		
Corporate income tax	421	562

OTHER INFORMATION

Post balance sheet events

No major post balance sheet events affecting the financial statements have occurred to date.

Appropriation of the result for the 2019/2020 financial year

The 2019/2020 annual accounts were adopted by the General Meeting held on July 1, 2020. The General Meeting has determined the appropriation of the result as it was proposed.

Appropriation of the profit for 2020/2021

The board of directors proposes to add the profit for 2020/2021 of EUR 2,189 for the 2021/2022 financial year to the other reserves.

Awaiting the approval by the General Meeting, this proposition has not been processed in the annual account and is, therefore, included in the undistributed profit entry.

Directors

During the period under review, the Company had two Managing Directors, who received no remuneration during the current or the previous financial year. The Company has no Board of Supervisory Directors.

OTHER INFORMATION

1 Profit appropriation according to the articles of association

According to Article 19 of the Articles of Association The general meeting is authorized to determine the appropriation of profits established by the adoption of the annual accounts and to determine the distributions to the extent the shareholders equity exceeds the reserves to be maintained pursuant to the law or these articles of association.

A resolution of the general meeting entailing a distribution, among which the distribution at the charge of a reserve, has no effect as long as the board has not granted its approval. The board shall deny its approval only in case it knows or could reasonably foresee that the company is not capable to continue to pay its due payables after the distribution.

Only the amount of the mandatory payments of the nominal value of shares shall be taken into account in the calculation of the amount to be distributed on each share. The shareholders may agree unanimously to deviate from the previous sentence.

2 Independent Audit

Since the Company qualifies as a "small sized company", it is not legally required to have its accounts audited as provided for in Article 396, paragraph 7, of Book 2 of the Dutch Civil Code.