

Taro International Ltd.

Financial Statements as of March 31, 2024

For Income Tax Purposes

Report of the Independent Auditor to the Shareholders of Taro International Ltd.

We have audited the attached Balance Sheets of Taro International Ltd. (the "Company") as of March 31, 2024 and 2023 and the Profit and Loss Statements and changes in equity for each of the years ended on those dates. These financial statements are the responsibility of the Company's board of directors and management. Our responsibility is to express an opinion on these financial statements based on our audits.

We have conducted our audit in accordance with generally accepted auditing standards in Israel, including standards set in the Auditor's Regulations (Auditor's Mode of Performance), 1973. According to these standards, we are required to plan and perform the audit in order to obtain a reasonable degree of assurance that the financial statements do not contain a material misrepresentation. An audit includes a sample examination of evidence supporting the amounts and information in the financial statements. An audit also includes an examination of the accounting principles applied and the significant estimates made by the Company's Board of Directors and management as well as an assessment of the adequacy of the presentation in the financial statements as a whole. We believe that our audit provides a reasonable basis for our opinion.

Statements of Cash Flows have not been included in these financial statements.

As stated in Note 1C, in the Company's financial statements, an intangible asset received from the parent company - Taro Pharmaceutical Industries Ltd. was recognized, according to its historical cost and not at fair value as required in accordance with the Israeli GAAP. It should be noted that the recognition has no effect on the Company's tax expenses.

In our opinion, except for the exclusion of the aforementioned information and the recognition of an intangible asset not at fair value, the financial statements referred to above adequately reflect, in all material respects, the financial position of the Company as of March 31, 2024 and 2023, the results of its operations and changes in its equity for each of the years ended on those dates, in accordance with generally accepted accounting principles in Israel (Israeli GAAP).

As explained in Note 2A, the above financial statements are presented in USD.

Tel Aviv

Ziv Haft
Certified Public Accountants

TARO INTERNATIONAL LTD.

BALANCE SHEETS

	March 31, 2024	March 31, 2023
	U.S. Dollars	
	Un-audited	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	8,588,977	17,486,377
Trade accounts receivable	4,522,374	5,251,551
Other receivables and prepaid expenses:		
Prepaid expenses	169,363	169,363
Income receivable	-	-
Government authorities	1,857	-
Intercompany Receivable	10,518,002	4,595,318
Other	1,642,725	308,414
TOTAL Other receivables and prepaid expenses	12,331,947	5,073,095
Inventories	8,295,460	7,366,532
TOTAL CURRENT ASSETS	33,738,757	35,177,556
INTANGIBLE ASSETS AND DEFERRED COSTS, NET	3,311,000	3,386,502
TOTAL ASSETS	\$ 37,049,757	\$ 38,564,058

TARO INTERNATIONAL LTD.

BALANCE SHEETS

	March 31, 2024	March 31, 2023
	U.S. Dollars	
	Un-audited	
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable:		
Trade payables	3,551,458	4,438,343
Other current liabilities:		
Due to customers	308,762	174,931
Returns Reserve	152,789	130,727
Royalties Accrual	-	-
Government authorities	-	4,320
Accrued expenses	-	-
Taxes payable	(1,098,514)	(16,080)
Intercompany Payables	-	-
Other	263,967	456,649
TOTAL Other current liabilities	(372,997)	750,548
TOTAL CURRENT LIABILITIES	3,178,461	5,188,891
Capital note	-	-
SHAREHOLDERS' EQUITY	33,871,296	33,375,167
	\$ 37,049,757	\$ 38,564,058

Date of approval of the
financial statements

William Coote
VP, Chief Financial Officer

TARO INTERNATIONAL LTD.

STATEMENTS OF INCOME

	<u>For the Year Ended March 31, 2024</u>	<u>For the Year Ended March 31, 2023</u>
	<u>U.S. Dollars</u>	
	<u>Un-audited</u>	
Sales	\$ 20,839,399	\$ 28,821,078
Cost of sales	<u>18,078,493</u>	<u>17,733,582</u>
Gross profit	2,760,906	11,087,496
Research and Development	84,888	49,246
Selling and marketing expenses	2,441,373	2,754,373
General and administrative expenses	<u>672,438</u>	<u>562,188</u>
Operating income	(437,793)	7,721,689
Financing income (expenses), net	1,230,130	(3,096,630)
Other income	<u>16,222</u>	<u>15,696</u>
Income before taxes on income	808,559	4,640,755
Taxes on income	<u>312,431</u>	<u>1,990,668</u>
Net income for the period	<u>\$ 496,128</u>	<u>\$ 2,650,087</u>

TARO INTERNATIONAL LTD.

Changes in Shareholders' Equity

	Share Capital	Additional paid in capital	Retained Earnings	Total Shareholders' Equity
	U.S. Dollars			
	Un-audited			
Balance at March 31, 2021	414	5,215,181	18,280,493	23,496,088
Net Gain			7,228,993	7,228,993
Balance at March 31, 2022	414	5,215,181	25,509,486	30,725,081
Net Gain			2,650,087	2,650,087
Balance at March 31, 2023	414	5,215,181	28,159,573	33,375,168
Net Gain	-		496,128	496,128
Balance at March 31, 2024	414	5,215,181	28,655,701	33,871,296