

TARO PHARMACEUTICAL INDUSTRIES LTD.

BALANCE SHEETS

	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	<u>U.S. Dollars</u>	
	<u>Unaudited</u>	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	6,649,672	22,418,563
Short-term bank deposits	38,000,000	42,000,000
Marketable Securities	72,712,275	63,854,651
Trade accounts receivable	4,564,976	7,616,103
Other receivables and prepaid expenses:		
Prepaid expenses	3,453,116	4,171,014
Government authorities	2,942,844	1,871,586
Advances to suppliers	366,698	606,343
Derivative instruments	6,653	648,320
Intercompany balances	15,027,459	50,972,767
Other	1,313,930	1,116,769
TOTAL Other receivables and prepaid expenses	<u>23,110,700</u>	<u>59,386,799</u>
Inventories	<u>70,648,047</u>	<u>64,152,678</u>
TOTAL CURRENT ASSETS	215,685,670	259,428,794
Long Term Receivables and Other Assets	1,423,047,890	1,341,468,754
Long Term Marketable Securities	63,230,361	65,006,506
	<u>1,486,278,251</u>	<u>1,406,475,260</u>
ROU Assets, net	665,487	1,228,072
FIXED ASSETS:		
Cost	310,248,858	302,296,907
Less - accumulated depreciation	<u>(212,337,262)</u>	<u>(199,298,957)</u>
	97,911,596	102,997,950
DEFERRED INCOME TAXES	-	1,247,270
TOTAL ASSETS	<u><u>\$ 1,800,541,004</u></u>	<u><u>\$ 1,771,377,346</u></u>

TARO PHARMACEUTICAL INDUSTRIES LTD.**BALANCE SHEETS**

	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	<u>U.S. Dollars</u>	
	<u>Unaudited</u>	
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable:		
Trade payables	15,755,161	16,287,523
Other current liabilities:		
Returns reserve	231,788	640,553
Due to customers	358,699	424,251
Lease Liability	700,991	981,274
Employees and payroll accruals	10,552,721	13,049,065
Deferred revenue	85,000	85,000
Accrued income taxes	28,255,129	18,588,176
Legal and audit fees	732,472	62,075
Settlements and loss contingencies	2,120,000	2,036,107
Accrued expenses	4,553,028	4,701,360
Derivative instruments	3,547,727	100,782
Suppliers of property, plant and equipment	763,426	914,660
Payable on Purchase of Marketable Securities	-	100,000
Other	(115,666)	(170,887)
TOTAL Other current liabilities	<u>51,785,315</u>	<u>41,512,416</u>
TOTAL CURRENT LIABILITIES	<u>67,540,476</u>	<u>57,799,939</u>
LONG-TERM LIABILITIES:		
Derivative instruments	461,156	114,384
Other long-term liabilities	1,681,615	2,019,337
	<u>2,142,771</u>	<u>2,133,721</u>
SHAREHOLDERS' EQUITY	<u>1,730,857,757</u>	<u>1,711,443,686</u>
	<u>\$ 1,800,541,004</u>	<u>\$ 1,771,377,346</u>

Date of approval of the
financial statements

William Coote
VP, Chief Financial Officer

TARO PHARMACEUTICAL INDUSTRIES LTD.

STATEMENTS OF INCOME

	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
	U.S. Dollars Unaudited	
Sales	\$ 144,143,803	\$ 149,541,278
Cost of sales	129,302,491	115,039,495
Gross profit	14,841,312	34,501,783
Research and development	31,350,247	33,163,672
Selling and marketing expenses	10,360,471	8,967,786
Settlements and loss contingencies	-	32,796,760
General and administrative expenses	15,514,821	13,502,441
Operating income	(42,384,227)	(53,928,876)
Financing income, net	6,811,079	2,216,042
Other income	382,193	2,864,164
Income before taxes on income	(35,190,955)	(48,848,670)
Taxes on income	1,300,732	3,245,214
Net income for the period before subsidiaries and dividend	(36,491,687)	(52,093,884)
Subsidiaries	61,936,663	110,359,989
Net income for the period	\$ 25,444,976	\$ 58,266,105

TARO PHARMACEUTICAL INDUSTRIES LTD.

Changes in Shareholders' Equity

	Share Capital	Additional paid in capital	Accumulated other comprehensive loss	Treasury stock	Dividend	Retained Earnings	Total Shareholders' Equity
U.S. Dollars							
Un-audited							
Balance at March 31, 2020	680,164	262,445,018	(163,037,084)	(721,493,937)	(500,000,000)	3,225,268,960	2,103,863,121
Foreign Currency translation adjustments			3,679,313				3,679,313
Previous years adjustment						-	-
Unrealized losses on available for sale marketble securities			7,737,645				7,737,645
Treasury stock				(24,978,939)			(24,978,939)
Net income	-					(386,654,679)	(386,654,679)
Balance at March 31, 2021	680,164	262,445,018	(151,620,126)	(746,472,876)	(500,000,000)	2,838,614,281	1,703,646,461
Foreign Currency translation adjustments			(316,131)				(316,131)
Unrealized losses on available for sale marketble securities			(17,027,869)				(17,027,869)
Treasury stock				(24,933,513)			(24,933,513)
Retained Earnings adjustment						(8,191,368)	(8,191,368)
Net income						58,266,105	58,266,105
Balance at March 31, 2022	680,164	262,445,018	(168,964,126)	(771,406,389)	(500,000,000)	2,888,689,018	1,711,443,685
Foreign Currency translation adjustments			(5,101,353)				(5,101,353)
Unrealized losses on available for sale marketble securities			(924,605)				(924,605)
Re-measurements of defined benefits plans (IAS-19)			(4,947)				(4,947)
Treasury stock				-			-
Retained Earnings adjustment						-	-
Net income						25,444,976	25,444,976
Balance at March 31, 2023	680,164	262,445,018	(174,995,031)	(771,406,389)	(500,000,000)	2,914,133,994	1,730,857,756