

Arrow Group ApS

c/o Teva Denmark A/S Vandtårnsvej 83 A, DK-2860 Soborg

CVR-no. 25 19 46 24

Annual Report for 2018

The Annual Report was presented and adopted at
the Annual General Meeting of the company on

11 / 07 / 2019

A blue ink signature, appearing to be "Noel Camilleri", is written over the date and extends slightly to the left.

Noel Camilleri

Chairman

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Management's Statement

The Executive Board have today considered and adopted the Annual Report of Arrow Group ApS for the financial year 1 January - 31 December 2018.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2018 of the Company and of the results of the Company operations for 2018.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Søborg, 11/07/2019

Executive Board



Noel Camilleri
Executive Officer



Kim Vallentin Peetz
Executive Officer

Independent Auditor's Report

To the Shareholder of Arrow Group ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Actavis Nordic A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, 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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines 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, Management is 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 in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's 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 auditor's 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 and the additional requirements applicable in Denmark 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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent Auditor's Report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

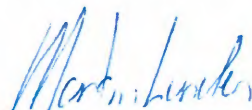
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 11 July 2019

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31



Martin Lunden

State Authorised Public Accountant

mne32209



Thomas Lauritsen

State Authorised Public Accountant

mne34342

Company Information

The Company

Arrow Group ApS

c/o Teva Denmark A/S Vantårdsvej 83 A DK-2860 Søborg

CVR-no.: 25 19 46 24

Financial period: 1 January - 31 December

Municipality of reg. Office: Gladsaxe

Executive Board

Noel Camilleri

Kim Vallentin Peetz

Auditors

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

Strandvejen 44

DK-2900 Hellerup

Management's Review

Key activities

The company is a holding company.

The Group is engaged in the development, manufacturing, marketing and distribution of generic pharmaceuticals and specialised branded pharmaceutical products.

Development in the year

The income statement of the Company for 2018 shows a loss of USD 1,947,793 and at 31 December 2018 the balance sheet of the Company shows negative equity of USD 26,573,669 .

The Company's shareholder will in 2019 consider the capital structure of the Company, including how to solve the capital loss situation.

Reference is made to note1 – Capital Situation.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2018 USD</u>	<u>2017 USD</u>
Gross profit/(loss)		(26,103)	(58,010)
Income from investments in subsidiaries	3	224,486	2,302,126
Financial income	4	814,739	254,618
Financial expenses	5	<u>(1,568,200)</u>	<u>(1,715,127)</u>
Profit/(loss) before tax		(555,078)	725,597
Tax on profit/loss for the year	6	<u>(1,392,715)</u>	<u>17,762</u>
Net profit/(loss) for the year		<u><u>(1,947,793)</u></u>	<u><u>801,369</u></u>
 Distribution of Profit			
Proposed distribution of profit			
Retained earnings		(1,947,793)	801,369
		<u><u>(1,947,793)</u></u>	<u><u>801,369</u></u>

Balance Sheet 31 December

Assets

	<u>Note</u>	<u>2018 USD</u>	<u>2017 USD</u>
Investment in subsidiaries	7	2,658,019	2,658,019
Fixed asset investments		<u>2,658,019</u>	<u>2,658,019</u>
Fixed assets		<u>2,658,019</u>	<u>2,658,019</u>
Receivables from group enterprises		137,553	5,438,393
Other receivables		14,511	5,213
Receivables		<u>152,064</u>	<u>5,443,606</u>
Cash at bank and in hand		<u>20,106</u>	<u>12,929</u>
Current assets		<u>172,170</u>	<u>5,456,535</u>
Assets		<u>2,830,189</u>	<u>8,114,554</u>

Balance Sheet 31 December

Liabilities and equity

	<u>Note</u>	<u>2018 USD</u>	<u>2017 USD</u>
Share capital		26,061,929	26,061,929
Retained earnings		<u>(52,635,598)</u>	<u>(50,687,805)</u>
Equity	8	<u>(26,573,669)</u>	<u>(24,625,876)</u>
Payables to group enterprises		27,846,445	32,107,576
Trade payables		0	574,013
Tax payable		<u>1,520,958</u>	<u>0</u>
Long-term debt		<u>29,367,403</u>	<u>32,681,589</u>
Other payables		<u>36,455</u>	<u>58,841</u>
Short-term debt		<u>36,455</u>	<u>58,841</u>
Debt		<u>29,403,858</u>	<u>32,740,430</u>
Liabilities and equity		<u>2,830,189</u>	<u>8,114,554</u>

Notes to the Financial Statements

1. Capital Situation

Teva Finance Services B.V. has issues a "Confirmation of Financial Support" which states financial support for the entity, to the extent that it is necessary to finance operating activities and settle financial obligations. The confirmation of support is effective until the 11th July 2020.

Therefore, it is the opinion of the Board of Directors and the Executive Board that the Company's capital resources are sufficient for a going concern conclusion.

In 2019, the Company's shareholders will decide on the future capital structure of the Company, including how to solve the capital loss issue.

	<u>2018</u> <u>USD</u>	<u>2017</u> <u>USD</u>
2. Staff expenses costs		
There has been no employees in the company in the two preceeding years.		
3. Income from investments in subsidiaries		
Gain from disposals of subsidiaries	0	2,302,126
Gain from Liquidation	<u>224,486</u>	<u>0</u>
	<u>224,486</u>	<u>2,302,126</u>
4. Financial Income		
Interest received from group enterprises	0	24,456
Exchange gains	220,647	230,162
Other Financial Income	<u>594,090</u>	<u>0</u>
	<u>814,739</u>	<u>254,618</u>
5. Financial expenses		
Interest paid to group enterprises	1,309,554	1,430,001
Exchange loss	<u>258,646</u>	<u>285,126</u>
	<u>1,568,200</u>	<u>1,715,127</u>

Notes to the Financial Statements

6. Tax on profit/loss for the year

Current tax for the year	1,520,958	(17,762)
Deferred tax for the year	0	0
Adjustment of tax concerning previous years	(128,243)	0
	<u>1,392,715</u>	<u>(17,762)</u>

Tax payable due to HM Revenue and Customs, expected to be realized in 2020.

	<u>2018</u> <u>USD</u>	<u>2017</u> <u>USD</u>
7. Investment in subsidiaries		
Cost at 1 January	20,425,491	20,425,491
Disposals for the year	0	0
Cost at 31 December	<u>20,425,491</u>	<u>20,425,491</u>
Value adjustments at 1 January	(17,767,472)	(17,767,472)
Reversals for the year of revaluations in previous years	0	0
Value adjustments at 31 December	<u>(17,767,472)</u>	<u>(17,767,472)</u>
Carrying amount at 31 December	<u>2,658,019</u>	<u>2,658,019</u>

8. Equity

	<u>Share</u> <u>capital</u>	<u>Retained</u> <u>earnings</u>	<u>Total</u>
Equity at 1 January	26,061,929	(50,687,805)	(24,625,876)
Other Adjusted Equity	0	0	0
Net profit/loss for the year	0	(1,947,793)	(1,947,793)
Equity at 31 December	<u>26,061,929</u>	<u>(52,635,598)</u>	<u>(26,573,669)</u>

9. Contingent assets, liabilities and other financial obligations

Contingent liabilities

The Company is involved in disputes on an ongoing basis. In Management's view the outcome of these will not influence these Financial Statements significantly.

The group's Danish subsidiaries are jointly and severally liable for tax expenses in the jointly taxed incomes of the Group.

10. Related parties

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company:
Teva Pharmaceutical Industries Limited, Israel

The Group Annual Report of Teva Pharmaceutical Industries Limited, Israel may be obtained at the following address:

5 Basel Street
P.O. Box 3190
Petach Tikva 49131, Israel

Notes, Accounting Policies

Basis of preparation

The Annual Report of Arrow Group ApS for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B and selected rules from class C.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2018 are presented in USD. The USD:DKK exchange rate as of year-end 2018 was 6.53 (2017: 6.21)

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Teva Pharmaceutical Industries Limited, Israel, the Company has not prepared consolidated financial statements.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Notes to the Financial Statements

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Other external expenses

Other external expenses compromise expenses for administration, office expenses etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

Balance Sheet

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, writedown is made to this lower value.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Equity:

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Payables

Trade payables compromise obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are classified as non-current liabilities. Trade and other payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realized, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognized in the income statement or in equity if the deferred tax relates to items recognized in equity.