

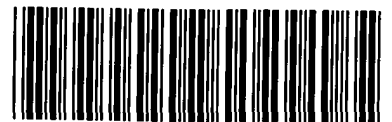
Registered number: 04124572

## **ARROW GENERICS LIMITED**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS**

For the year ended 31 December 2020

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COMPANIES HOUSE

**COMPANY INFORMATION**

**DIRECTORS**

S Charlesworth  
D Cooper

**COMPANY NUMBER**

04124572

**REGISTERED OFFICE**

Ridings Point  
Whistler Drive  
Castleford  
England  
WF10 5HX

**INDEPENDENT AUDITORS**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Central Square  
29 Wellington Street  
Leeds  
LS1 4DL

**ARROW GENERICS LIMITED**  
**Annual report and financial statements**  
**31 December 2020**

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## **DIRECTORS' REPORT**

The directors present their report and the audited financial statements for the year ended 31 December 2020.

### **Principal activities and future developments**

The activities of Arrow Generics Limited were limited to processing transactions with other group companies. Following the debt reduction discussed below, the company is dormant.

### **Results and dividends**

The loss for the financial year was £54,636 (2019: £118,568). The directors do not recommend the payment of a dividend (2019: £nil).

### *Debt reduction*

On 18 June 2020 a creditor of £5,075,361 owed to a fellow group undertaking was assigned and novated to the company's immediate parent, Arrow Group ApS. Following this the company issued 5,075,360 new ordinary shares of GBP 1.00 each to Arrow Group ApS, the subscription price for which was paid in full by set off against the company's indebtedness due to Arrow Group ApS arising from the aforementioned assignment.

The purpose of the above transactions was to reduce the debt of the company.

### *COVID-19*

In March 2020, the World Health Organization declared the outbreak of a new Coronavirus, now known as COVID-19. The outbreak of the virus has caused material disruptions to the global economy. Given the nature of the company's activities, it has not had a material impact on the company's operations, however management continues to closely monitor the situation.

### **Political and charitable donations**

The company made no political or charitable donations during the year (2019: £nil).

### **Financial risk management**

The company's activities expose it to a number of financial risks including interest rate risk and liquidity risk. The company does not use derivative financial instruments and tries to limit those risks through the support of its parent company.

### **Liquidity risk**

The company manages its liquidity risk by ensuring sufficient facilities are available for at least the next 12 months and enjoys the support of shareholders and group banking arrangements.

### **Interest rate risk**

The company is exposed to changes in interest rates arising from borrowings with other group undertakings.

### **Directors**

The directors who served during the year and up until the date of signing the financial statements were:

K Innes (resigned 29 April 2020)  
S Charlesworth (appointed 29 April 2020)  
D Cooper

### **Directors' indemnities**

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

### **Going concern**

The directors believe that preparing the financial statements on a going concern basis is appropriate due to the continued financial support of Teva Pharmaceuticals Europe B.V., a fellow group company. The directors have received confirmation from Teva Pharmaceuticals Europe B.V. that it has pledged its continuing support for a minimum of 12 months from the date of signing these financial statements.

## **DIRECTORS' REPORT (continued)**

### **Strategic report**

The company has taken advantage of the exemption available in s414B of the Companies Act 2006 from preparing a strategic report as the company is entitled to prepare financial statements for the year in accordance with the small companies' regime.

### **Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

### **Directors' confirmations**

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report was approved by the board and signed on its behalf by:

DocuSigned by:  
  
D2DD0DDC643E481...  
D Cooper  
Director

Date: 14-May-2021 | 13:26 BST

## **Independent auditors' report to the members of Arrow Generics Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion, Arrow Generics Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2020; the profit and loss account and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Conclusions relating to going concern**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

## **Independent auditors' report to the members of Arrow Generics Limited (continued)**

### **Reporting on other information (continued)**

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

### **Responsibilities for the financial statements and the audit**

#### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine 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, the directors are 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 unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditors' 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 auditors' 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 (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inappropriate accounting for the shares issued in the year. Audit procedures performed by the engagement team included:

- Obtaining supporting evidence for the consideration received for the shares issued;
- Assessing the accounting treatment of the shares issued against both the requirements of the Companies Act 2006 and the applicable section of FRS 102; and
- Reviewing financial statement disclosures and testing to supporting documentation, where appropriate, to assess compliance with applicable laws and regulations.

## **Independent auditors' report to the members of Arrow Generics Limited (continued)**

### **Auditors' responsibilities for the audit of the financial statements (continued)**

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### **Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Other required reporting**

#### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

#### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies' regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Tom Yeates (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Leeds

Date: 14 May 2021



**ARROW GENERICS LIMITED**  
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**31 December 2020**

**PROFIT AND LOSS ACCOUNT for the year ended 31 December 2020**

		2020	2019
	Note	£	£
Administrative income/(expenses)		2,265	(4,045)
<b>OPERATING PROFIT/(LOSS)</b>	4	<b>2,265</b>	<b>(4,045)</b>
Interest payable and similar expenses	6	<b>(56,901)</b>	(114,523)
<b>LOSS BEFORE TAXATION</b>		<b>(54,636)</b>	(118,568)
Tax on loss	7	-	-
<b>LOSS FOR THE FINANCIAL YEAR</b>		<b>(54,636)</b>	<b>(118,568)</b>

Following the debt reduction on 18 June 2020, as discussed in the Directors' report, the company's activities were discontinued. There were no items of Other Comprehensive Income in either the current or preceding financial year and hence a Statement of Comprehensive Income has not been presented.

The notes on pages 9 to 13 form part of these financial statements.

**ARROW GENERICS LIMITED**  
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**BALANCE SHEET as at 31 December 2020**

		2020	2019
	Note	£	£
<b>CURRENT ASSETS</b>			
Debtors	8	8,865	-
Cash at bank and in hand		-	11,115
		<u>8,865</u>	<u>11,115</u>
<b>CREDITORS: amounts falling due within one year</b>	9	-	(5,022,975)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>8,865</u>	<u>(5,011,860)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>8,865</u>	<u>(5,011,860)</u>
<b>NET ASSETS/(LIABILITIES)</b>		<u>8,865</u>	<u>(5,011,860)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	5,076,360	1,000
Share premium account		1	-
Profit and loss account		(5,067,496)	(5,012,860)
<b>TOTAL SHAREHOLDERS' FUNDS/(DEFICIT)</b>		<u>8,865</u>	<u>(5,011,860)</u>

The financial statements on pages 6 to 13 were approved by the Board of Directors and signed on its behalf by:

DocuSigned by:  
  
 02DD0DDC843E481...  
 D Cooper  
 Director

14-May-2021 | 13:26 BST

The notes on pages 9 to 13 form part of these financial statements.

Company number: 04124572

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**STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2020**

	Called up share capital	Share premium account	Profit and loss account	Total shareholders' funds/deficit
	£	£	£	£
<b>Balance as at 1 January 2019</b>	<b>1,000</b>	<b>-</b>	<b>(4,894,292)</b>	<b>(4,893,292)</b>
Loss and total comprehensive expense for the financial year	-	-	(118,568)	(118,568)
<b>Balance as at 31 December 2019</b>	<b>1,000</b>	<b>-</b>	<b>(5,012,860)</b>	<b>(5,011,860)</b>
Loss and total comprehensive expense for the financial year	-	-	(54,636)	(54,636)
Share issue	5,075,360	1	-	5,075,361
<b>Balance as at 31 December 2020</b>	<b>5,076,360</b>	<b>1</b>	<b>(5,067,496)</b>	<b>8,865</b>

## **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2020**

### **1. GENERAL INFORMATION**

The company is a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and registered and domiciled in England. The address of its registered office is Ridings Point, Whistler Drive, Castleford, England, WF10 5HX.

### **2. STATEMENT OF COMPLIANCE**

The financial statements of Arrow Generics Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the Companies Act 2006.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **3.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared on a going concern basis under the historical cost convention. The preparation is in conformity with FRS 102 and requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

#### **3.2 GOING CONCERN**

The directors believe that preparing the financial statements on a going concern basis is appropriate due to the continued financial support of Teva Pharmaceuticals Europe B.V., a fellow group company. The directors have received confirmation from Teva Pharmaceuticals Europe B.V. that it has pledged its continuing support for a minimum of 12 months from the date of signing these financial statements.

#### **3.3 CASH FLOW**

The company has taken advantage of the exemption, under FRS 102 paragraph 1.12 (b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Teva Pharmaceutical Industries Limited, includes the company's cash flows in its own consolidated financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2020 (continued)**

### **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **3.4 FINANCIAL INSTRUMENTS**

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. The company does not have any financial instruments other than debtors and creditors. Due to the short-term nature of these balances, the company considers the fair value of these items to be equal to their carrying values.

#### **3.5 TAXATION**

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

##### **3.5.1 Current Tax**

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates the position taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### **3.5.2 Deferred Tax**

Deferred taxes arise from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

#### **3.6 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Due to the limited transactions in the company, the Directors deem there to be no estimates and critical judgments which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

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**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2020 (continued)**

**4. OPERATING PROFIT/(LOSS)**

The audit fees for the company in 2020 and 2019 were borne by Teva UK Limited as a combined fee for the group. No recharge (2019: £nil) is made to Arrow Generics Limited.

**5. STAFF COSTS AND DIRECTORS' REMUNERATION**

During both the current and previous year the company did not have any employees. The directors did not receive any emoluments in respect of their services to the company (2019: £nil). There were no (2019: £nil) other transactions with directors. The emoluments of the directors are paid by other group companies which make no (2019: £nil) recharges to the company. The directors are directors of a number of other group companies and it is not possible to make an accurate apportionment of their emoluments in respect of each of the companies.

During the year, no directors had retirement benefits accruing in respect of any pension schemes of the company (2019: none).

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2020	2019
	£	£
Interest payable on loans from group undertakings	<u>56,901</u>	<u>114,523</u>

**7. TAX ON LOSS**

**(a) Tax on loss**

	2020	2019
	£	£
Tax charge on loss	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2020 (continued)**

**7. TAX ON LOSS (continued)**

**(b) Factors affecting current tax**

The tax assessed on the loss before taxation for the year is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020	2019
	£	£
Loss before taxation	(54,636)	(118,568)
Loss before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2019: 19%)	<u>(10,381)</u>	<u>(22,528)</u>
Group relief surrendered for no payment	10,381	22,528
<b>Total tax charge on loss (note 7a)</b>	<u>-</u>	<u>-</u>

**(c) Deferred Taxation**

There are no unrecognised deferred tax (assets)/liabilities for the current year (2019: £nil).

**(d) Tax rate change**

The Finance (No.2) Act 2015 reduced the main rate of UK corporation tax to 19%, effective from 1 April 2017. A further reduction in the UK corporation tax rate to 17% was expected to come into effect from 1 April 2020 (as enacted by Finance Act 2016 on 15 September 2016). However, legislation introduced in the Finance Act 2020 (enacted on 22 July 2020) repealed the reduction of the corporation tax rate, thereby maintaining the current rate of 19%.

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were not substantively enacted at the balance sheet date.

**8. DEBTORS**

	2020	2019
	£	£
Amounts owed by group undertakings	8,865	-
	<u>8,865</u>	<u>-</u>

Amounts owed by group undertakings are interest free and repayable on demand.

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
	£	£
Trade creditors	-	4,515
Amounts owed to group undertakings	-	5,018,460
	<u>-</u>	<u>5,022,975</u>

Amounts owed to group undertakings were settled during 2020. Previously this represented an unsecured loan on which interest was charged at the 1m London Inter-Bank Offered Rate (LIBOR) plus 1.20% from 1 July 2018 to 30 June 2019 and at 1m LIBOR plus 1.97% from 1 July 2019.

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**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2020 (continued)**

**10. CALLED UP SHARE CAPITAL**

	2020	2019
	£	£
Allotted, called up and fully paid		
5,076,360 (2019: 1,000) ordinary shares of £1 each	<b>5,076,360</b>	<b>1,000</b>

On 18 June 2020 a creditor of £5,075,361 owed to a fellow group undertaking was assigned and novated to the company's immediate parent, Arrow Group ApS. Following this the company issued 5,075,360 new ordinary shares of GBP 1.00 each to Arrow Group ApS, the subscription price for which was paid in full by set off against the company's indebtedness due to Arrow Group ApS arising from the aforementioned assignment.

**11. CONTINGENT LIABILITIES**

The European Commission imposed fines on Lundbeck and other pharmaceutical companies, including Arrow Generics Limited, for allegedly delaying the market entry of generic versions of citalopram, which the Commission asserts is in breach of EU competition law.

The company paid the fine in 2013 and filed an appeal against the decision. The General Court found in favour of the Commission and a further appeal was filed to the Court of Justice. The appeals against the Commission Decision in relation to citalopram were dismissed by the Court of Justice on 25 March 2021. We anticipate that the NHS may seek follow-on damages claims that were previously stayed by agreement. However, at this stage it is too early to ascertain the quantum (if any) of damages attributable to Arrow Generics Limited.

**12. RELATED PARTY TRANSACTIONS**

The company has no (2019: £nil) other transactions with related parties other than those with fellow group companies also wholly owned by the group. In accordance with paragraph 33.1A of FRS 102 these transactions with group members are exempt from disclosure.

**13. ULTIMATE CONTROLLING PARTY**

The immediate parent undertakings is Arrow Group ApS, a company incorporated in Denmark by virtue of its 99.995% (2019: 76.5%) shareholding in the company.

The ultimate parent company and controlling party of Arrow Generics Limited is considered by the directors to be Teva Pharmaceutical Industries Limited.

As of 31 December 2020, the largest and smallest group into which the results of the company are consolidated is that headed by Teva Pharmaceutical Industries Limited, a company incorporated in Israel. Copies of Teva Pharmaceutical Industries Limited's financial statements can be obtained from 5 Basel St., Petach Tikva 49131, Israel.