

SUN PHARMA DE VENEZUELA C.A.

AUDITED FINANCIAL REPORTS

2023-2022

**SUN PHARMA DE VENEZUELA C.A.
FINANCIAL STATEMENTS
YEAR ENDED 31 ST MARCH 2023 - 2022**

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No MI 9824242

INDEPENDENT AUDITOR'S REPORT

To the Gentlemen: BOARD OF DIRECTORS AND SHAREHOLDERS OF SUN PHARMA DE VENEZUELA C.A.

We have audited the statement of Financial position of **SUN PHARMA DE VENEZUELA C.A.**, as of March 31, 2023, and the related statement of results, the statement of Changes in Shareholder's Fund and the statement of cash flows, which are relative for the year then ended, comparative with the previous year, which are accompanied, and a summary of significant accounting and legal policies and other explanatory notes. The company did not carry out any commercial activity during the corresponding fiscal year period from 01/04/2022 to 31/03/2023.

The preparation and presentation of these Financial Statements is the responsibility of the Company Management, in accordance with the conceptual framework of the aforementioned reports and the Internal Control necessary to issue the financial information free of significant errors, our responsibility is to express an opinion on those financial statements based on our audits.

We carry out our Audit in accordance with the International Accounting Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement or error. An audit includes the examination, based on evidence, of the evidence supporting the figures and disclosures in the financial statements. Also, an audit includes the evaluation of the accounting principles used, of the significant estimates made by management, as well as the evaluation of internal control regarding the presentation of the financial statements as a whole, and the evaluation of the risks, either by fraud or by mistake. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the aforementioned financial statements present fairly, in all its material aspects, the financial position of **SUN PHARMA DE VENEZUELA C.A.**, as at March 31, 2023, the result of its operations, the movement of the Shareholder's Fund and the cash flows for the year then ended, in accordance with accounting principles generally accepted in Venezuela VEN IFRS SME.

Caracas, May 08, 2023.

Sign and Seal

Lic. Ruby Cuello Melgarejo

Public Accountant CPC 10.976

SUN PHARMA DE VENEZUELA, C.A.
Comparative Balance Sheet As at 31st March
(Expressed in Historical Bolivars)

	2023	2022
<u>Assets</u>		
<u>Current Assets</u>		
Security Deposit	0,00	0,00
Total Current Assets	<u>0,00</u>	<u>0,00</u>
Total Assets	<u>0,00</u>	<u>0,00</u>
<u>Liabilities and Capital</u>		
<u>Current Liabilities</u>		
Payable to Suppliers	0,06	0,06
Total Current Liabilities	<u>0,06</u>	<u>0,06</u>
<u>Non-Current Liabilities</u>		
Inter Company Long Term Loan Payable	0,00	0,00
Total Non-Current Liabilities	<u>0,00</u>	<u>0,00</u>
Total Liabilites	<u>0,06</u>	<u>0,06</u>
<u>Capital and Retained Earnings</u>		
Share Capital	0,00	0,00
Retained Earnings	-0,06	-0,06
Total Capital and Retained Earnings	<u>-0,06</u>	<u>-0,06</u>
Total Liabilities and Capital	<u>0,00</u>	<u>0,00</u>

Values Expressed in Bs. Digital, in compliance with Decree 4,553 published in Official Gazette 42,185 dated 06-08-2021

Where by it is established that as of 10-01-2021 the unit is restated of the monetary system in the Bolivarian Republic of Venezuela.

SUN PHARMA DE VENEZUELA, C.A.
Comparative Statement of Income
From 01 April to 31 March
(Expressed in Historical Bolivars)

	From 01-04-22 to 31-03-2023	From 01-04-21 to 31-03-2022
<u>Income</u>		
Sales	0,00	0,00
Total Net Income	<u>0.00</u>	<u>0.00</u>
<u>Selling, Administrative and General Expenses</u>		
Other General Expenses	0,00	0,00
Total Selling, Administrative and General Expenses	<u>0,00</u>	<u>0,00</u>
Net Income (Loss) From Operations	0,00	0,00
Profit (Loss) for the Year	0,00	0,00
Income-tax	0,00	0,00
Net Income (Loss) for the Year	<u><u>0,00</u></u>	<u><u>0,00</u></u>

Values Expressed in Bs. Digital, in compliance with Decree 4,553 published in Official Gazette 42,185 dated 06-08-2021

Where by it is established that as of 10-01-2021 the unit is restated of the monetary system in the Bolivarian Republic of Venezuela.

SUN PHARMA DE VENEZUELA, C.A.

Comparative Statment of Changes in Shareholders´ Fund

From April 01 to March 31

(Expressed in Historical Bolivars Soberanos)

	2023	2022
Capital		
Share Capital	0,00	0,00
Total Share Capital	<u>0,00</u>	<u>0,00</u>
Reserve & Surplus		
Accumulated Profit / (Loss)	-0,06	-0,06
Profit (Loss) for the Year	0,00	0,00
Total	<u>-0,06</u>	<u>-0,06</u>
Total Shareholders´ Fund	<u><u>-0,06</u></u>	<u><u>0.06</u></u>

**Values Expressed in Bs. Digital, in compliance with Decree 4,553
published in Official Gazette 42,185 dated 06-08-2021**

**Where by it is established that as of 10-01-2021 the unit is restated
of the monetary system in the Bolivarian Republic of Venezuela.**

SUN PHARMA DE VENEZUELA C.A.
Comparative Cash Flow Statement for the Year Ended March 31
(Expressed in Historical Bolivars Soberanos)

	2023/2022	2022/2021
<u>Cash Flow From Operating Activities</u>		
Net Profit (Loss)	0,00	0,00
<u>Adjustment To Reconcile the Net Income for the Year</u>		
<u>Net Cash from Operating Activities</u>		
Net Cash from Operating Activities		
Increase / (Decrease) Liabilities		
Payable to Suppliers	0,00	0,00
Others Accounts Payable	0,00	0,00
Inter Company Long Term Loan Payable	0,00	0,00
Net Cash from Operating Activities	<u>0,00</u>	<u>0,00</u>
<u>Cash Movement from Financing Activities</u>		
Increase (Decrease) in Financing Activities		
Income-tax	0,00	0,00
Cash from Financing Activities	<u>0,00</u>	<u>0,00</u>
<u>Net Increase (Decrease) of the Year in Cash and its Equivalent</u>	0,00	0,00
Cash and Equivalents at Beginning of the Year	0,00	0,00
Cash and Equivalents at End of the Year	<u><u>0,00</u></u>	<u><u>0,00</u></u>

Values Expressed in Bs. Digital, in compliance with Decree 4,553 published in Official Gazette 42,185 dated 06-08-2021 Where by it is established that as of 10-01-2021 the unit is restated of the monetary system in the Bolivarian Republic of Venezuela.

SUN PHARMA DE VENEZUELA, C.A.

Notes to the financial statements

As at March 31, 2023 and 2022

(Expressed in Historical Bolivars as at March 31, 2023)

(1) Company Activities

Business Description: SUN PHARMA DE VENEZUELA, C.A. is a company incorporated on September 20, 2010, according 2nd Notary Public of Autonomous Municipality of Chacao of Caracas Metropolitan District and filed with the Registry, under No. 29, Volume 2-A in the province Seventh District Capital, its principal object is to carry out all types of activities related to the pharmaceutical industry, including: (i) import, representation, marketing, sales and distribution of pharmaceutical products, (ii) manufacture pharmaceutical products; and (iii) any other lawful activity of trade that the Company deems necessary to achieve its social objective; on the understanding that these activities will be developed in compliance with Venezuelan legal provisions, in which case the Company must obtain the necessary permissions and/or authorizations issued by the competent authorities.

The company started its activity in the month of November 2010 and closed its first fiscal year on March 31, 2011, as contemplated by its constitution document, in the twenty third article.

(2) Basis of Preparation

(a) Compliance Statement

The financial statements of the Company are prepared in accordance with accounting principles generally accepted in Venezuela (VEN IFRS SMEs).

(b) Measurement Base

The FPAV established the criteria for application in Venezuela of the International Accounting Standard Section 31 of the IFRS for SMEs "Financial reporting in hyperinflationary economies" and Application Bulletin No. 2 (BA VEN-IFS 2) "Criteria for Venezuela's application of section 31 of the IFRS for SMEs financial reporting in hyperinflationary economies". The Bulletin establishes that entities in the preparation and presentation of financial statements in accordance with VEN-IFS, must submit restated financial information when the accumulated inflation during their fiscal year exceeds one digit. When inflation is single digit, management must assess their impact on financial information and, if relevant, in accordance with the general principles of materiality, comparability and sufficient disclosure, should recognize, for the purposes of which provisions apply to the section 31 of the IFRS for SMEs.

(c) Functional and Presentation currency

The Company has determined that the Bolivar (Bs.) represents its functional currency, in accordance with the provisions of section 30 of IFRS for SMEs, International Accounting Standard section 31 of the IFRS for SMEs "Effects of change in exchange rates of foreign currency". To determine its functional currency, it was considered that the main economic environments of the Company's operations are conducted in the domestic market. Therefore, the transactions in currencies other than the bolivar are considered "foreign currency".

According to the provisions of the Decree with Rank, Value and Force of Law on Currency Conversion, which was published on March 6, 2007, in Official Gazette No. 38.638, as of 1 January 2008, the unit monetary system of the Bolivarian Republic of Venezuela is expressed in Bolivars (Bs.). The financial statements as of March 31, 2023 and 2022 are presented in Bolivars.

(d) Estimates and Judgments use

The preparation of financial statements in conformity with accounting principles of generally accepted in Venezuela (VEN-IFS SMEs), requires that the Company management made a number of judgments, estimates and assumptions that affect the application of accounting policies in relation with the amounts presented of assets, liabilities, income and expenses informed during the correspondent period. The estimates and associated assumptions are based on historical experience and other factors that are considered reasonable under the current circumstances; the result is the basis for forming judgments about the carrying value of assets and liabilities that are not readily determinable by other sources. The most significant items subject to such estimates and assumptions include the fair value of property furniture and equipment, deferred costs, deferred income tax. The final results may differ from such estimates.

The estimates and underlying assumptions are reviewed on a continuous basis. The review of the accounting estimates are recognized in profits and losses for the year of revision if the revision affects only that year, or profit or loss of the year of the revision and future periods, if the revision affects the current period and future years.

(e) Monetary Reconversion 2021

Decree No. 4,553 was published in Official Gazette No. 42.185, related to the Monetary Reconversion entry into force from 01-10-2021.

The scale of the Bolívar Soberano is modified to Bolívar Digital, eliminating six (6) zeros from the currency that is, dividing the values by 1.000.000.

The Historical Financial Statements as of March 31, 2023, are expressed in Digital Bolivars.

(3) Significant Accounting Policies

Policies and significant accounting principles have been consistently applied in the preparation of financial statements, and are presented below:

(a) Current and noncurrent balances classification

The balances presented in the accompanying balance attachments are classified according to their maturity, i.e. as current or those with a maturity equal or lower than twelve months, and as non-current exceeding the maturity that period.

(b) Cash and cash equivalents

For purposes of the cash flow statement, the Company considers all highly liquid investments acquired in securities with a maturity of three months or less, as cash equivalents.

(c) Financial assets at fair value with through profits

This category is classified as financial assets for trading and financial assets at fair value with effect on results by voluntary designation at the date of incorporation. A financial asset is classified in this category when it is acquired for the purpose of selling it in the short term or if it is designated by the Management when it is purchased. The unrealized gain or loss in the valuation of these assets is included in the results of the year.

(d) Share Capital

Common shares are classified as equity. As at March 31, 2023 and 2022 the Company has no preferred shares.

(e) Revenue Costs and Expenses Recognition

The Revenues comprise the fair or market value of the products sold, net of sales taxes, returns and discounts. Revenues from product sales and other income are recognized as detailed below:

The Revenues from the sale of products are recognized when they are dispatched and accepted by the customer, and the risk and ownership of the products have been transferred to the buyer.

The Interest income and expenses are recognized on a proportional basis of time and using the effective interest method.

The Costs and expenses are recognized in the results to the extent that they are incurred. The revenues and direct costs of contracts for services entered into with customers are recognized during the term thereof. The anticipated collections of unrealized revenues are recognized as deferred credits in the current liabilities of the balance sheet.

(f) Commitments and Contingencies

Obligations or losses associated with contingencies, originating in claims, litigation, fines or penalties in general, are recognized as liabilities in the balance sheet when there is a certain legal obligation resulting from past events, it is likely that an outlay will be necessary to pay the obligation and the amount can be reasonably estimated. Otherwise, the qualitative details of the situation causing the contingency are disclosed in the notes to the financial statements. The relevant commitments are disclosed in the notes to the financial statements. No income, gains or contingent assets are recognized.

(g) Cash Flow Statement

The cash flow statement presents the cash change of historical purchasing power, based on the financial situation at the beginning of the year, updated in terms of bolivars purchasing power as at March 31, 2022.

(4) Taxes:

Income tax

The provision for income tax comprises the sum of the current income tax payable and the deferred income tax when it is significant.