

SUN PHARMA DE MEXICO, S.A. DE C.V.
FINANCIAL STATEMENTS
2023 AND 2022
AND REPORT OF INDEPENDENT AUDITORS



To, The Shareholders of Sun Pharma de Mexico, S.A. de C.V.

Independent Auditor's Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Sun Pharma de México, S.A. de C.V.**, which comprise the Statement of Financial Position as of December 31, 2023 and 2022, and the Statements of Comprehensive Income, Changes in Stockholders' Equity and Cash Flows corresponding to the years ended on those dates, as well as the explanatory notes to the financial statements that include a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material aspects, the financial situation of Sun Pharma de México, S.A. de C.V., as of December 31, 2023 and 2022, as well as its results, changes in stockholders' equity and cash flows corresponding to the years ended on those dates, in accordance with the Financial Reporting Standards applicable in Mexico (NIF).

Basis of opinion

We have conducted our audits in accordance with International Standards on Auditing (ISA). Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. We are independent from the Company, in accordance with the Code of Professional Ethics of the Instituto Mexicano de Contadores Públicos, A.C., together with the ethical requirements that are applicable to our audits of the financial statements in Mexico, and we have complied with the other responsibilities of ethics in accordance with these requirements and with the Code of Professional Ethics. We believe that the audit evidence we have obtained provides a sufficient and adequate basis for our opinion.

Responsibilities of Management and those responsible of governance in relation to the Financial Statements

The Management is responsible for the preparation and fair presentation of the financial statements, in accordance with the NIF's and the internal control that the Management considered necessary to allow the preparation of financial statements free of material deviation due to fraud or error.

In preparing the financial statements, Management is responsible for evaluating the Company's ability to continue as a going concern, revealing, where appropriate, issues related to the going concern and using the going concern accounting principle.

Those responsible of governance of the entity are responsible for supervising the Company's financial reporting process.

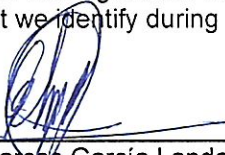


Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, due to fraud or error, and to issue an audit report containing our opinion. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement where it exists. Deviations may be due to fraud or error and are considered material if, individually or in aggregate, they can reasonably be expected to influence the economic decisions that users make based on the financial statements.

As part of an audit in accordance with the ISAs, we apply our professional judgment and maintain an attitude of professional skepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement in the financial statements, due to fraud or error, design and apply audit procedures to respond to such risks, and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than in the case of material misstatement due to error, as fraud may involve collusion, falsification, deliberate omissions, intentionally misstatements, or circumvention of internal control.
- We obtain knowledge of the internal control relevant to the audit in order to design audit procedures that are appropriate based on the circumstances and not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- We evaluate the adequacy of the accounting policies applied and the reasonableness of the accounting estimates and the corresponding information disclosed by the Management.
- We conclude on the appropriateness of the use, by the Management, of the going concern accounting principle and, with the audit evidence obtained, we conclude that there is no material deviation related to events or conditions that may generate significant doubts about the capacity of the Company to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to be a going concern.
- We assess as a whole, the presentation, structure and content of the financial statements, including the disclosed information, and whether the financial statements represent the underlying transactions and events in a way that achieves fair presentation.
- We communicate to those responsible of governance, among other matters, the scope and timing of the audit and significant audit findings, as well as any significant deficiencies in internal control that we identify during the course of the audit.


C.P.C. Ml. Jorge Marcos García Landa
Professional ID 363151
García Landa, Becerril & Asociados, S.C.
Independent Auditor

Mexico City, March 27, 2024

STATUTORY AUDITORS' REPORT

TO THE SHAREHOLDERS OF SUN PHARMA DE MEXICO S.A. DE C.V.

In my capacity as Statutory Auditor, and in compliance with the provisions of Article 166 of the Mexican General Corporations Law and the by-laws of **Sun Pharma de Mexico S.A. de C.V.** (the Company), I am pleased to submit my Audit Report on the veracity, sufficiency and reasonability of the Financial Statements of the Company for the year ended December 31, 2023, presented to you by the Board of Directors of the Company.

I have attended the Shareholders' and the Board of Directors' meetings to which I was summoned, and I have obtained from the board of Directors and the Company's officers all the information on the Company's operations, documentation and records, that I considered necessary for examination. I conducted my audit in accordance with Auditing Standards generally accepted in Mexico.

In my opinion, the accounting and reporting policies and procedures observed by the Company in the preparation of the financial statements that are being presented to the shareholders are adequate and sufficient and were applied on a basis consistent with that of the previous year. Therefore, it is also my opinion that the financial statements referred to above give a True and Fair view in conformity with Mexican Financial Reporting Standards:

- i. in the case of Statements of Financial Position of the Company as of December 31, 2023;
- ii. in the case of Statement of Comprehensive Income, of the profit of the Company for the year ended on that date;
- iii. in the case of Statement of Cash Flow, of the cash flows of the Company for the year ended on that date; and
- iv. in the case of Statement of Changes in Stockholders' Equity, of the changes in stockholders' equity of the Company for the year ended on that date.

C.P. Enircía Hernández
Statutory Auditor

Mexico City, March 27, 2024.

SUN PHARMA DE MEXICO, S.A. DE C.V.
Statement of Financial Position as of December 31, 2023 and 2022
(Amounts in Mexican Pesos)

	Note	<u>2 0 2 3</u>	<u>2 0 2 2</u>		Note	<u>2 0 2 3</u>	<u>2 0 2 2</u>
ASSETS				LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT ASSETS				CURRENT LIABILITIES			
Cash and Cash Equivalents	4	\$ 29,160,902	\$ 24,272,785	Accounts Payable to Suppliers		\$ 6,302,472	\$ 1,349,070
Accounts Receivable:				Accounts Payable Related Party	10	65,437,587	47,552,910
Sundry Debtors	5	135,196,135	164,313,788	Provision for Expenses Payable		<u>24,339,371</u>	<u>26,652,509</u>
				Total Accounts Payable		96,079,430	75,554,489
Taxes In Favor		29,883,447	21,454,275	Taxes Payable	12	4,205,521	5,271,079
Prepaid Expenses and other Accounts Receivables		<u>4,012,547</u>	<u>5,570,840</u>	Other Accounts Payable	12	<u>8,261,652</u>	<u>13,976,260</u>
Total Taxes in Favor and Advances Paid	6	33,895,994	27,025,115	Total Taxes and Other Accounts Payable		12,467,173	19,247,339
Inventories	7	101,940,554	119,936,487	TOTAL CURRENT LIABILITIES		<u>108,546,603</u>	<u>94,801,828</u>
Other Current Assets		211,702	211,703	TOTAL LIABILITIES		<u>\$ 108,546,603</u>	<u>\$ 94,801,828</u>
TOTAL CURRENT ASSETS		<u>300,405,287</u>	<u>335,759,878</u>	STOCKHOLDERS' EQUITY			
NON CURRENT ASSETS				Share Capital	13	\$ 1,010,360	\$ 1,010,360
Property, Machinery and Equipments	8	29,682,544	15,509,276	Legal Reserve		202,072	202,072
Deferred Tax	9	16,917,788	12,310,867	Profit for the Year		(30,032,929)	13,464,455
Patent		286,248		Accumulated Profits of Previous Years		267,565,761	254,101,306
TOTAL NON CURRENT ASSETS		<u>46,886,580</u>	<u>27,820,143</u>	TOTAL STOCKHOLDERS' EQUITY		<u>\$ 238,745,264</u>	<u>\$ 268,778,193</u>
Total Assets		<u>\$ 347,291,867</u>	<u>\$ 363,580,021</u>	Total Liabilities and Share Capital		<u>\$ 347,291,867</u>	<u>\$ 363,580,021</u>

The twenty accompanying notes are an integral part of these financial statements

Asociados S.C.

For and on behalf of the Board of Directors

C.P.C. Jorge Marcos Garcia Landa
Independent Auditors

Carlos Elbert Estrada Guerra
Legal representative

Mexico City, March 27, 2024

SUN PHARMA DE MEXICO, S.A. DE C.V.
Statement of Comprehensive Income
For the years ended December 31, 2023 and 2022
(Amounts in Mexican Pesos)

	Note	2 0 2 3	2 0 2 2
Net Income		\$ 363,385,468	\$ 389,552,115
Cost of Sales		<u>154,261,770</u>	159,809,188
Gross Profit		209,123,698	229,742,927
General Expenses:			
Operational Expenses		83,586,485	73,207,801
Selling Expenses		101,321,552	100,791,864
Administration Expenses		66,065,788	40,630,214
Depreciations		<u>6,383,868</u>	4,773,291
Total General Expenses		257,357,693	219,403,170
Operating Profit		(48,233,995)	10,339,757
Net Financial Income	14	9,654,795	6,463,335
Other Non-Operating Income and Expenses, Net	15	3,939,350	2,820,609
Profit Before Tax		<u>(34,639,850)</u>	19,623,701
Income Tax	17	0	11,727,698
Deferred Tax	9	(4,606,921)	(5,568,452)
NET (LOSS) PROFIT FOR THE YEAR		\$ (30,032,929)	\$ 13,464,455

The twenty accompanying notes are an integral part of these financial statements

For and on behalf of
García Landa Becerril & Asociados S.C.

For and on behalf of the Board of Directors

C.P.C. Jorge Marcos García Landa
Independent Auditors

Carlos Elbert Estrada Guerra
Legal representative

Mexico City, March 27, 2024

SUN PHARMA DE MEXICO, S.A. DE C.V.
Statement of Changes in Stockholders' Equity
For the years ended December 31, 2023 and 2022
(Amounts in Mexican Pesos)

Movements	Share Capital	Unsubscribed Share Capital	Legal Reserve	Profit for the year	Accumulated Profits of Previous Years	Total
Balances as of December 31, 2021	\$ 1,010,360	\$ 0	\$ 202,072	\$ 54,973,778	\$ 199,127,528	\$ 255,313,738
Application of Profit for the Year 2021				(54,973,778)	54,973,778	0
Profit for the Year 2022				13,464,455		13,464,455
Balances as of December 31, 2022	\$ 1,010,360	\$ 0	202,072	\$ 13,464,455	\$ 254,101,306	\$ 268,778,193
Application of Profit for the Year 2022				(13,464,455)	13,464,455	0
Loss for the Year 2023				(30,032,929)		(30,032,929)
Balances as of December 31, 2023	\$ 1,010,360	\$ 0	\$ 202,072	\$ (30,032,929)	\$ 267,565,761	\$ 238,745,264

The twenty accompanying notes are an integral part of these financial statements

For and on behalf of
García Landa Becerril & Asociados S.C.

For and on behalf of the Board of Directors


C.P.C. Jorge Marcos Garcia Landa
Independent Auditors


Carlos Elbert Estrada Guerra
Legal representative

Mexico City, March 27, 2024

SUN PHARMA DE MEXICO, S.A. DE C.V.
Statement of Cash flows for the years ended december 31, 2023 and 2022
(Amounts in Mexican Pesos)

	2 0 2 3	2 0 2 2
OPERATING ACTIVITIES:		
(Loss) Profit Before Tax	\$ (34,639,850)	\$ 19,623,701
Items related to investment activities	17,639,135	6,741,589
Depreciation and Amortization of the Assets	6,383,868	4,773,291
Provision for Doubtful Debts	16,695,363	5,879,010
Profit from Sales of Fixed Assets	(2,481,506)	(843,685)
Interest Received	(2,958,591)	(3,067,027)
Total	(17,000,715)	26,365,290
Decrease / (Increase) in Accounts Receivable	12,422,290	(31,907,696)
Decrease / (Increase) in Short Term Advances	(6,870,879)	(9,238,128)
Decrease / (Increase) in inventories	17,995,933	(35,266,818)
Increase / (Decrease) in Suppliers	20,524,941	38,782,248
Increase / (Decrease) in Other Liability	(6,780,167)	(2,179,483)
Cash generated from Operations	20,291,403	(13,444,587)
Income Tax Paid	0	(11,727,698)
Net Cash flow from Operating Activities	20,291,403	(25,172,285)
INVESTMENT ACTIVITIES:		
Purchase of Fixed Assets	(21,308,604)	(4,433,766)
Income from Sales of Fixed Assets	2,946,727	944,034
Interest Income	2,958,591	3,067,027
Cash Flow from Investing Activities	(15,403,286)	(422,705)
Net Increase / (Decrease) in Cash and Cash Equivalents	4,888,117	(25,594,990)
Cash and Cash Equivalents at Beginning of the Year	24,272,785	49,867,775
Cash and Equivalents at End of the Year	\$ 29,160,902	\$ 24,272,785

The twenty accompanying notes are an integral part of these financial statements

For and on behalf of
García Landa Becerril & Asociados S.C.

For and on behalf of the Board of Directors

Carlos Elbert Estrada Guerra
Legal representative

Mexico City, March 27, 2024

SUN PHARMA DE MEXICO, S.A. DE C.V.

Notes to the financial statements

December 31, 2023

(With comparative figures for 2022)

(Amounts in Mexican pesos, except wherever indicated expressly)

1) Activity of the Company.

Sun Pharma de México, S.A. de C.V. (the "Company") is a Company incorporated under Mexican Law, the main objective of the Company is all kinds of activities related to the pharmaceutical industry, such as commercialization, purchases, sales, export, import, representation, marketing and distribution of pharmaceutical products.

2) Basis of presentation.

a) Declaration of compliance.

The accompanying financial statements have been prepared in accordance with the Mexican Financial Reporting Standards (NIF's), issued by the Mexican Council for Financial Reporting Standards (CINIF).

Presentation of the comprehensive income statement.

Starting in 2013, adopting the changes in NIF B-3 "Statement of comprehensive income", the company presents its costs and ordinary expenses based on its function, which allows knowing its gross profit margin. Additionally, the operating income item is presented, which is the result of reducing the cost of sales and expenses to net sales, considering that this item contributes to a better understanding of the economic and financial performance of the Company.

Likewise, the item of other income (expenses) is included because it is considered convenient to present in the amounts of activities which are not related to the operation of the company.

3) Summary of the main accounting policies.

The accounting policies shown below have been uniformly applied in the preparation of the financial statements presented in accordance with the Mexican Financial Reporting Standards (NIF'S) and have been consistently applied by the Company, except as indicated expressly.

a) Recognition of the effects of inflation.

The accompanying financial statements were prepared in accordance with NIF'S, as the Company operates in a non - inflationary environment, as inflation accumulated in the previous 3 financial years does not exceed 26%, do not include the recognition of effects of inflation on financial information, therefore, as of January 1, 2008, entities have the obligation to suspend the recognition of the effects of inflation on financial information. Therefore, the figures of the accompanying financial statements as of December 31, 2023, and 2022, are expressed in historical Mexican pesos.

b) Cash and cash equivalents.

Cash and cash equivalents include deposits in bank accounts, foreign currencies, and others similar of immediate realization. At the date of the financial statements, the interest earned and the profit or loss in valuation are included in the results of the year, as part of the comprehensive financing result.

c) Accounts receivable.

Account receivables are presented at their realizable value, net of the allowance for doubtful debts, or provisions for doubtful debts.

d) Inventories and Cost of Sales.

Cost of sale represents the replacement cost of inventories at the time of sale, inventories are valued using the first-in and first-out method.

e) Advance payments.

They mainly include advances for the purchase of services that are received after the date of the statement of financial position and during the normal course of operations and are presented in the short or long term according to the classification of the destination item.

f) Property, Machinery and Equipment.

The Property, Machinery and Equipment are recorded at acquisition cost.

Depreciation is calculated based on the remaining useful life of the assets, and its application to results is carried out using the straight-line method, using the maximum rates authorized by the Income Tax law according to the following percentages for 2023 and 2022:

Buildings	5%
Machinery and equipment	10%
Office Furniture and Equipment	10%
Transportation Equipment	25%
Computer equipment	30%
Electrical installation	10%
Patent	5%

Improvements to the leased property are charged to income in the period in which this occurs.

g) Provisions.

The liabilities borne by the company and liability provisions recognized in the balance sheet represent present obligations in which the outflow of economic resources is probable to settle the obligation. These provisions have been recorded in the accounting, under the best reasonable estimate made by management to settle the present obligation; however, actual results could differ from recognized provisions.

h) Income taxes on Profit.

Income tax expense on Profit consists of current and deferred tax and is recognized in the income statement.

The current income tax is the expected tax to be paid on the taxable result for the year at the current tax rate, and any adjustment to the tax to be paid with respect to previous years.

Deferred income taxes, as stated in NIF D-4 "Income taxes" must be recognized according to the assets and liabilities method, which compares their accounting and tax values. Deferred income taxes

(assets and liabilities) must be recognized for future tax consequences attributable to temporary differences between the values reflected in the financial statements of existing assets and liabilities and their relative tax bases, and in the case of taxes on the profit, for tax losses to be amortized and other tax credits to be recovered. Deferred income tax assets and liabilities must be calculated using the rates established in the corresponding law, which will be applied to taxable income in the years in which it is estimated that the temporary differences will be reversed. The effect of changes in tax rates on deferred income taxes is recognized in the results of the period in which such changes are approved.

i) Employees Benefit.

The company has recognized the guidelines established in NIF D-3 "Employee benefits" which require that liabilities derivatives for retirement benefits, "Pension plans, seniority premiums and compensation, are recognized.

j) Employee Profit Sharing.

According to the Federal Labor Law, for the year 2022 the participation of workers in profit (PTU) is applicability, the company has recognized the same in liability and it is recorded in de results of the year in which it is caused. For the fiscal year 2023, the participation of utility workers (PTU) was not generated.

k) Lease

The accounting recognition for the lease according to NIF D-5 establishes a single lease recognition model that eliminated the classification of leases as operating or capitalizable, so the assets and liabilities of all leases with a duration greater than 12 months (unless the underlying asset is of low value). Consequently, the most important impact on the statement of financial position would be to recognize the rights of use of the assets under lease and the financial liabilities for the assets under lease that reflect the obligation to make payments at present value.

The accounting recognition for the lessor has not changed and only disclosure requirements have been added.

For the application of this NIF, the Entity considered not applying bulletin D-5, because its lease contract ended in 2023.

l) Revenue recognition.

Sales revenue is recognized when the risks and benefits of the products are transferred to the customers who purchase them, which generally occurs when they are delivered to the customer and the customer assumes responsibility for them. Net sales are net of discounts and returns.

m) Comprehensive financing results.

Comprehensive financing result includes interest and exchange rate differences, if any, deducted from capitalized amounts.

n) Transactions in foreign currency.

Transactions in foreign currency are recorded at the exchange rate of the date they are carried out. These assets and liabilities receivable and payable in foreign currency are valued in national currency at the exchange rate in effect on the date of the financial statements. The exchange difference resulting between the transaction date and the payment date, or the balance sheet date, is applied to the results of the year and is presented in the comprehensive financing result.

4) **Cash and cash equivalents.**

	2023		2022	
Cash on Hand	\$	16,000	\$	16,000
Bank Balance in Local Currency		28,122,376		24,127,407
Bank Balance in Foreign Currency		1,022,526		129,378
Total	\$	29,160,902	\$	24,272,785

5) **Accounts receivable.**

	2023		2022	
Debtors Considered Good	\$	135,196,135	\$	164,313,788
Debtors Considered Doubtful		43,628,225		26,932,862
		<u>178,824,360</u>		<u>191,246,650</u>
Provision for Doubtful Debtors		(43,628,225)		(26,932,862)
Total	\$	135,196,135	\$	164,313,788

6) **Taxes in favor and Advances Paid.**

	2023		2022	
VAT in favor	\$	11,634,669	\$	6,320,242
Income Tax in favor		18,248,778		15,134,033
Taxes to be recovered	\$	<u>29,883,447</u>	\$	<u>21,454,275</u>
Prepaid insurance expenses	\$	3,745,929	\$	3,351,782
Other Accounts Receivables		266,618		2,219,058
	\$	<u>4,012,547</u>	\$	<u>5,570,840</u>
Total	\$	33,895,994	\$	27,025,115

7) **Inventories. (Valued at the lower of cost or net Realizable Value)**

	2023		2022	
Raw Material	\$	87,758,492	\$	13,757,807
Raw Material in Transit		0		2,034,719
Finished Goods		14,182,062		96,480,463
Finished Goods in Transit		0		7,663,498
Total	\$	101,940,554	\$	119,936,487

8) **Property, machinery and equipment.**

	2023	2022
Land	\$ 5,245,942	\$ 5,245,942
Building	5,296,665	5,296,665
Machinery and Equipment's	39,481,122	39,481,130
Transportation Equipment's	32,444,027	19,544,041
Furniture and Office Equipment's	3,770,692	3,676,286
Data Processing Equipment's	2,963,785	1,716,681
Total Fixed Assets	\$ 89,202,233	\$ 74,960,745
Accumulated depreciation	\$ 59,519,689	\$ 59,451,469
Net Fixed Assets	\$ 29,682,544	\$ 15,509,276

9) **Differed Tax.**

2023:

	Temporary Items	Deferred Tax In Favor (Payable)
Opening Balance for the Year	\$ 41,036,225	\$ 12,310,867
Provision of Expenses 2023	26,454,557	
Provision of Expenses 2022	(23,978,020)	
Prepaid Expenses 2023	(3,745,928)	
Prepaid Expenses 2022	3,351,779	
Provision Inventory Net	(3,006,179)	
Provision of Employees Benefits 2023	(448,742)	
Deferred Tax 2023	(1,372,533)	4,606,921
Closing Balance for the Year	\$ 39,663,692	\$ 16,917,788

2022:

	Temporary Items	Deferred Tax In Favor (Payable)
Opening Balance for the Year	\$ 22,474,716	\$ 6,742,415
Provision of expenses 2022	25,578,021	
Provision of expenses 2021	(13,385,103)	
Prepaid expenses 2022	(3,351,779)	
Prepaid expenses 2021	2,219,237	
Provision of sales return 2021	3,625,061	
Provision inventory Net	2,838,182	
Provision of employees benefits 2022	1,037,890	
Deferred Tax 2022	18,561,509	5,568,452
Closing Balance for the Year	\$ 41,036,225	\$ 12,310,867

10) **Related parties.**

As of December 31, the balance with Related Party is:

	2023		2022	
<u>Accounts Payable</u>				
Sun Pharmaceutical Industries Ltd.	\$	59,496,244	\$	47,552,910
Sun Farmacéutica Do Brasil Ltda.		5,941,343		0
Total	\$	65,437,587	\$	47,552,910

Operation with related parties during the year were in respect of:

	2023		2022	
Inventory Purchases / Expenses:				
Sun Pharmaceutical Industries Ltd.	\$	93,658,600	\$	199,801,665
Sun Farmacéutica Do Brasil Ltda.		6,390,281		0
Administration Services:				
Endesk, S.A. de C.V.	\$	0	\$	935,000

11) **Position in foreign currency.**

	December 2023		December 2022	
	Dollars USA	Pesos	Dollars USA	Pesos
Asset:				
Banks	\$ 60,538	\$ 1,022,707	\$ 6,682	\$ 129,378
Liabilities:				
Suppliers	\$ 3,896,253	\$ 65,821,346	\$ 2,456,056	\$ 47,552,910
Net Liability position	\$ 3,835,715	\$ 64,798,639	\$ 2,449,374	\$ 47,423,532

12) *Taxes and other accounts payable.*

	2023	2022
Taxes Payable:		
Monthly Income Tax Provision	\$ 505,490	\$ 2,242,516
Withholding Income Tax	20,214	16,070
Withholding Tax Salaries	1,516,124	1,448,879
Withholding VAT	43,105	46,395
Quotas IMSS	1,863,412	1,288,999
Salary tax	257,176	228,220
	<u>\$ 4,205,521</u>	<u>\$ 5,271,079</u>
Other Accounts Payable:		
Other Accounts	\$ 4,124,501	\$ 5,246,890
Liability for Employees Benefits	4,137,151	4,591,485
Employee's Profit Sharing	0	4,137,885
	<u>\$ 8,261,652</u>	<u>\$ 13,976,260</u>
Total	\$ 12,467,173	\$ 19,247,339

13) *Share capital.*

	2023	2022
Fixed:		
Sun Pharmaceutical Industries Ltd. formed with 750 shares (Previous year 750 shares) subscribed and paid-up of nominal value of \$1,010.36 each (Previous year \$1,010.36).	\$ 757,770	\$ 757,770
Indi Pharma, S.A.P.I. de C.V., formed by 250 share (Previous year 250 shares) subscribed and paid-up of nominal value of \$1,010.36 each (Previous year \$1,010.36). Until November 8, 2023, it owned these shares.	\$ 0	252,590
Sun Pharma Netherlands, B. V., formed by 250 share subscribed and paid-up of nominal value of \$1,010.36 each.	\$ 252,590	\$ 0
Total	\$ 1,010,360	\$ 1,010,360

On November 9, 2023, in deed 163,359 that contains the protocolization of the Minutes of the Ordinary General Assembly of Shareholders, the sale, transfer and delivery of 250 nominative ordinary shares without par value representing the company was approved and ratified fixed part of the share capital of the company owned by Indi Pharma, S.A.P.I. de C.V., thus transmitting to Sun Pharma Netherlands, B.V., its ownership in the share capital of the Company.

14) **Net financial Income.**

		2023		2022
Interest Earned	\$	2,958,591	\$	3,067,027
Exchange Rate Loss for the year		(4,652,851)		(8,173,032)
Exchange Rate Gain for the year		11,349,055		11,569,340
Total	\$	9,654,795	\$	6,463,335

15) **Other non-operating income and expenses.**

		2023		2022
Profit from the sale of fixed assets	\$	2,481,506	\$	843,686
Insurance Claims		1,311,776		1,057,569
Other Income		146,068		919,354
Total	\$	3,939,350	\$	2,820,609

16) **Fiscal Taxes on dividends.**

Dividends paid will be free of income tax if they come from the net tax profit account (CUFIN). Dividends that exceed said CUFIN will cause the tax equivalent to the rate of 30%, from the year 2013 onwards, the tax caused will be determined and withheld by the company as the dividends are paid and may be credited against the income tax for the year or that of the immediate next two years.

In addition to the previous tax, when the payment of dividends is made to residents abroad and to individuals residing in Mexico, decreeing profits, generated with effect from January 1, 2014, the additional tax will be determined by applying the 10% rate directly on the dividend paid. The tax must be withheld by the company that carries out the payment of the dividend and has the character of "final payment".

In the event of a capital reduction, the procedures established by the income tax law provide that any surplus of stockholders' equity over the balances of the contributed capital accounts be given the same treatment as that applicable to dividends.

17) **Taxes on Income.**

The Company is subject to the income tax. The income tax calculated and considering certain effects of inflation as taxable or deductible, such as the depreciation calculated on values in constant pesos, the effect of inflation on certain liabilities and monetary assets is accumulated or deducted through the annual adjustment for inflation. The income tax rate applicable to the Company for the years 2023 and 2022 is 30%.

The Income Tax Law in force allows tax losses to be amortized to be offset against future tax profits obtained in the ten years following the year in which those losses were incurred and updated using inflation indices.

18) *New accounting pronouncements from 2023.*

The CINIF Issuing Council approved some improvements to the Financial Reporting Standards until fiscal year 2023, in order to establish a more appropriate regulatory approach. In addition to improving certain aspects of the NIF's, the changes eliminate some differences with the International Financial Reporting Standards, to make them compact. The application of these improvements to the NIF's have no significant effect on the Company's financial statements so it is not necessary to mention them.

19) *Contingencies.*

According to current legislation, the Authorities have the power to review Income Tax returns up to five fiscal years prior to the last Income Tax return filed.

In accordance with the Income Tax Law, companies that carry out operations with related parties are subject to limitations and tax obligations, regarding the determination of the agreed prices, since these must be comparable to those that would be used with or between independent parties in comparable operations. If the tax authorities review the prices and rejects the determined amounts, they could demand the taxes, in addition to the collection of the corresponding tax and accessories (updates and surcharges), fines on the omitted contributions, which could be up to 100% on the updated amount of contributions.

20) *Issuance of financial statements.*

These financial statements have been approved by the Company's Management on March 27, 2024.