

SUN PHARMACEUTICAL PERU S.A.C.

FINANCIAL STATEMENTS

2020

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REPORT OF INDEPENDENT AUDITORS

March 15, 2021

**To the Shareholders and Directors of
SUN PHARMACEUTICAL PERU S.A.C.**

We have audited the attached financial statements of SUN PHARMACEUTICAL PERU S.A.C., which comprise of the Balance Sheet as at December 31, 2020, the Income Statement, Cash Flow Statement and Statement of Changes in Shareholder's Equity for the year then ended, the preparation of the these Financial Statements being the Company's Management responsibility. Our responsibility is to express an opinion on these Financial Statements based on our audit.

Our audit was made in accordance with generally accepted Auditing Standards in Peru. Those standards require that we plan and perform our work in order to obtain reasonable guarantee that the Financial Statements are free of material misstatement. An audit includes an assessment based on selective evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles applied, and the significant estimates made by the Management; as well as evaluating an overall presentation of the Financial Statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the attached Financial Statements present fairly, in all material aspects, the financial position of SUN PHARMACEUTICAL PERU S.A.C., as at December 31, 2020, the Results of its Operations, Cash flows and Changes in Shareholder's Equity for the year then ended, in accordance with the generally accepted Accounting Principles in Peru.

Signed by:

GAMARRA MEDRANO ANTONIO N.
Independent Auditor
Certified Public Accountant
CPA Registration No. 28787

SUN PHARMACEUTICAL PERU S.A.C.
BALANCE SHEET AS AT DECEMBER 31, 2020

		Notes	As at December 31, 2020	As at December 31, 2019
			Soles	Soles
EQUITY AND LIABILITIES	3			
Shareholders' Funds				
Capital Stock			1,500	1,500
Reserves and Surplus			<u>(8,469,259)</u>	<u>(7,772,399)</u>
Non-Current Liabilities				
Loans and Advances	4		8,422,929	7,720,945
Current Liabilities				
Other Current Liabilities	5		62,392	62,392
Total Equity and liabilities			<u><u>17,562</u></u>	<u><u>12,438</u></u>
ASSETS				
Non-Current Assets				
Fixed Assets	6		1,851	4,031
Current Assets				
Cash and Cash Equivalents	7		15,711	8,407
Total Assets			<u><u>17,562</u></u>	<u><u>20,845</u></u>

The accompanying notes are an integral part of the Financial Statements

SUN PHARMACEUTICAL PERU S.A.C.
INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2020

		Notes Year Ended December 31, 2020		Year Ended December 31, 2019	
		Soles	Soles	Soles	Soles
Total Income					
Other Income	8		10,096		-
Total Income			<u>10,096</u>		<u>-</u>
Operational Expenses					
Other Expenses	9	4,253		963	
Depreciation	10	2,180	6,433	1,008	1,970
Operating Profit (Loss)			<u>3,663</u>		<u>(1,970)</u>
Exchange Gain / (Loss) - Net			(700,523)		81,119
Profit (Loss) before Tax			<u>(696,859)</u>		<u>79,149</u>
Income-tax			-		-
Profit (Loss) for the Year			<u>(696,859)</u>		<u>79,149</u>

The accompanying notes are an integral part of the Financial Statements

ASOCIADOS S.C.

SUN PHARMACEUTICAL PERU S.A.C.

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER, 31, 2020

	Year Ended December 31, 2020		Year Ended December 31, 2019	
	Soles	Soles	Soles	Soles
CASH FLOW FROM OPERATING ACTIVITIES				
Profit (Loss) Before Tax		(696,859)		79,149
Adjustment for:				
Depreciation Expenses	2,180		1,008	
Profit on Sales of Fixed Assets	(10,096)	(7,916)	-	1,008
		<u>(704,775)</u>		<u>80,156</u>
Operating Profit Before Working Capital Changes				
Changes in Working Capital:				
Increase / (Decrease) Loans and Advances		701,984		(71,749)
Net Cash Flow from Operating Activities		<u>(2,791)</u>		<u>8,407</u>
CASH FLOW FROM INVESTING ACTIVITIES				
Proceeds from Sales of Fixed Asset		10,096		-
Net Cash Flow Generated from / (Used in) Investing Activities		<u>10,096</u>		<u>-</u>
NET INCREASE IN CASH AND EQUIVALENTS		7,305		8,407
CASH AND EQUIVALENTS AT BEGINNING OF THE YEAR		8,407		-
CASH AND EQUIVALENTS AT END OF THE YEAR		<u>15,711</u>		<u>8,407</u>

The accompanying notes are an integral part of the Financial Statements

SUN PHARMACEUTICAL PERU S.A.C.

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY FOR THE YEARS ENDED DECEMBER, 31, 2020

Shareholders' Name	Opening Balance		Addition / (Deletion)		Closing Balance	
	No. of Shares	Soles	No. of Shares	Soles	No. of Shares	Soles
SUN PHARMACEUTICAL INDUSTRIES LTD.	149	1,490	0	0	149	1,490
MILMET PHARMA LTD.	1	10	0	0	1	10
Total Capital Stock	150	1,500	0	0	150	1,500
Previous Year	150	1,500	0	0	150	1,500

The accompanying notes are an integral part of the Financial Statements

SUN PHARMACEUTICAL PERU S.A.C.
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020 and 2019

1. OBJECTIVE, ACTIVITIES AND LEGAL ASPECT

The main activity of the company is the commercialization of pharmaceutical products.

Within the corporate purpose, acts related to the activities described in the preceding paragraphs that contribute to its goals achievement are included to comply with the corporate purpose, the company may perform all legal acts and contracts without restriction or limitation

The activity of SUN PHARMACEUTICAL PERU S.A.C. is governed by the New General Law of Commercial Companies and as provided in the articles and rules of incorporation and amendments.

2. SIGNIFICANT ACCOUNTING POLICIES

The principles and significant accounting policies applied for registration of operations and arrangement of Financial Statements are as follows:

- a) The preparation and presentation of Financial Statements in accordance with generally accepted accounting principles in Peru, requires Management to make estimates and assumptions to determine the amounts of assets and liabilities and the amounts of revenues and expenses, and of contingent assets and liabilities at the date of the financial statements. If these estimates and assumptions vary in the future as a result of changes in circumstances and conditions under which they were based, the effect of such changes is recognized in profit or loss at the time such changes are identified. The main estimates related to financial statements correspond: i) estimate of allowance for doubtful accounts; ii) allowances for impairment of inventories; iii) estimate of useful life assigned to fixed assets; iv) the recoverability of income tax.

- b) Fixed assets are stated at historical cost, net of accumulated depreciation and accumulated impairment, if any. The initial cost comprises its purchase price, and any other cost directly attributable to locating and rendering the assets fit to use. Disbursements incurred after assets have been put to use, such as repairs and the cost of maintenance and refurbishment are charged to results of period in which the costs are incurred. If it can be demonstrated clearly that such

disbursement will result in future benefits deriving from use assets beyond their original performance standard, these are capitalized as an additional cost to assets. Repairs and maintenance costs are recognized in the results of period as incurred. An item of fixed assets and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of profit and loss.

- c) Foreign currency transactions: Functional currency and presentation currency, Company prepares and presents its financial statements in Soles, which corresponds to its functional currency. The functional currency corresponds to primary economic environment in which the Company operates.

Transactions and balances: transactions in different currency were translated into the functional currency, at the exchange rate as on the date of the transactions. Differences due to adjustment of balances of assets and liabilities in foreign currencies, recorded at the exchange rate when the operations occurred and the exchange rate at the date of balance sheet are recognized in the results of the period.

3. SHAREHOLDERS' FUNDS:

	As at 31 December	
	Soles	
	<u>2020</u>	<u>2019</u>
Equity Capital	1,500	1,500
Retained Earnings the last year	(7,772,399)	(7,851,547)
Net Income (Loss) for the Year	<u>(696,860)</u>	<u>79,148</u>
	<u>(8,467,759)</u>	<u>(7,770,899)</u>

4. LOANS AND ADVANCES (Non-Current Liabilities):

	As at 31 December	
	Soles	
	<u>2020</u>	<u>2019</u>
Loans and Advances- Related Parties	<u>8,422,929</u>	<u>7,720,945</u>
	<u>8,422,929</u>	<u>7,720,945</u>

5. OTHER CURRENT LIABILITIES:

	As at 31 December	
	Soles	
	<u>2020</u>	<u>2019</u>
Other Provisions	62,392	62,392
	<u>62,392</u>	<u>62,392</u>

6. FIXED ASSETS:

	As at 31 December			
	Soles			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
TYPE OF ASSETS	HISTORICAL COST	ACCUMULATED DEPRECIATION	NET VALUE	NET VALUE
Data Processing equipment	10,900	(9,049)	1,851	4,031
	<u>10,900</u>	<u>(9,049)</u>	<u>1,851</u>	<u>4,031</u>

7. CASH AND CASH EQUIVALENT:

	As at 31 December	
	Soles	
	<u>2020</u>	<u>2019</u>
Balance at bank	15,711	8,407
	<u>15,711</u>	<u>8,407</u>

8. OTHER INCOME:

	Year Ended 31 December	
	Soles	
	<u>2020</u>	<u>2019</u>
Sale of Fixed Asset	10,096	0
	<u>10,096</u>	<u>0</u>

9. OTHER EXPENSES:

	Year Ended 31 December	
	Soles	
	<u>2020</u>	<u>2019</u>
Bank charges	4,253	963
	<u>4,253</u>	<u>963</u>

10. DEPRECIATION:

	Year Ended 31 December	
	Soles	
	<u>2020</u>	<u>2019</u>
On Data Processing equipment	<u>2,180</u>	<u>1,008</u>
	<u>2,180</u>	<u>1,008</u>

11. In the Balance Sheet, the Equity as at December 31, 2020 is comprised of Soles 1,500.00 (Previous year Soles 1,500), representing 150 (Previous year 150) units of common shares with a nominal value of Soles 10.00 each (Previous year Soles 10.00 each).

12. INCOME TAX

Superintendence Resolution No. 000229-2020/SUNAT, Resolution No. 271-2019/SUNAT is amended that approves provisions and forms for the affidavit annual income tax and transaction tax financial and the schedule for the year is approved taxable 2020.

Through the Consolidated Text of Income Tax Law, Supreme Decree No. 179-2004-EF and amendments, rules are established as approved by Supreme Decree No. 054-99-EF, hereinafter TUO (for its acronym in Spanish) and related standards regulating the Income Tax, as amended by Law No. 27356, 27386 and 27394 and Law No. 27513 and 27615. This standard has been regulated by Supreme Decree No. 122-94-EF, modified by SD 194-99-EF and S.D. 045-2001-EF and Superintendence Resolution No. 011-2018/SUNAT and Superintendence Resolution No. 069-2018/SUNAT and Superintendence Resolution No. 015-2019/SUNAT approving the provisions and forms for the annual tax return for income tax and taxes on the financial transactions of the taxable year 2020.

13. Previous year's figures have been rearranged / regrouped wherever necessary.

14. APPROVAL OF THE FINANCIAL STATEMENTS AND EXPLANATORY NOTES

These financial statements were approved by the Management of Sun Pharmaceutical Industries S.A.C. and were authorized for issue on March 15, 2021.