

SUN PHARMACEUTICAL PERU S.A.C.

FINANCIAL STATEMENTS

2021-2020

CONTENTS:

Report of Independent Auditors

Financial Statements:

Balance Sheet

Income Statement

Cash Flow Statement

Statement of Changes in Shareholders' Equity

Notes to the Financial Statements



REPORT OF INDEPENDENT AUDITORS

**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, 2021, and the Income Statement, Statement of changes in Shareholders' Equity and Cash Flow Statement for the year then ended on that date, as well as the Notes to the Financial Statements, the preparation of the 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 assurance 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 respects, the financial position of the company SUN PHARMACEUTICAL PERU S.A.C., as at December 31, 2021, as well as the results of its Operations, changes in Shareholders' Equity and Cash Flows for the year then ended on that date, in accordance with the generally accepted Accounting Principles in Peru.

GAMARRA MEDRANO ANTONIO N.
Independent Auditors
Certified Public Accountant
CPA Registration No. 28787
Date: March 29, 2022
Place: Lima, Peru

SUN PHARMACEUTICAL PERU S.A.C.
BALANCE SHEET AS AT DECEMBER 31, 2021

	Notes	As at December 31, 2021		As at December 31, 2020	
		Soles	Soles	Soles	Soles
EQUITY AND LIABILITIES	3				
Shareholders' Funds					
Capital Stock		1,500		1,500	
Reserves and Surplus		<u>(9,181,108)</u>	<u>(9,179,608)</u>	<u>(8,469,259)</u>	<u>(8,467,759)</u>
Non-Current Liabilities					
Loans and Advances	4		9,267,546		8,422,929
Current Liabilities					
Other Current Liabilities	5		-		62,392
Total Equity and liabilities			<u>87,939</u>		<u>17,562</u>
ASSETS					
Non-Current Assets					
Fixed Assets	6		-		1,851
Current Assets					
Cash and Cash Equivalents	7		87,939		15,711
Total Assets			<u>87,939</u>		<u>17,562</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, 2021

	Notes	Year Ended December 31, 2021		Year Ended December 31, 2020	
		Soles	Soles	Soles	Soles
Total Income					
Other Income	8		-		10,096
Total Income			-		10,096
Operational Expenses					
Other Expenses	9	777		4,253	
Depreciation	10	1,851	2,628	2,180	6,433
Operating Profit (Loss)			(2,628)		3,663
Exchange Gain / (Loss) - Net			(709,221)		(700,523)
Profit (Loss) before Tax			(711,849)		(696,859)
Income-tax					
Profit (Loss) after Tax			(711,849)		(696,859)

The accompanying notes are an integral part of the Financial Statements

SUN PHARMACEUTICAL PERU S.A.C.
CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER, 31, 2021

	Year Ended December 31, 2021		Year Ended December 31, 2020	
	Soles	Soles	Soles	Soles
CASH FLOW FROM OPERATING ACTIVITIES				
Profit (Loss) Before Tax		(711,849)		(696,859)
Adjustment for:				
Depreciation Expenses	1,851		2,180	
Profit on Sales of Fixed Assets	-	1,851	(10,096)	(7,916)
	<u>1,851</u>	<u>1,851</u>	<u>(10,096)</u>	<u>(7,916)</u>
Operating Profit (Loss) Before Working Capital Changes		(709,998)		(704,775)
Changes in Working Capital:				
Increase / (Decrease) Loans and Advances	844,618		701,984	
Increase / (Decrease) Other Current Liabilities	(62,392)	782,226	-	701,984
	<u>(62,392)</u>	<u>782,226</u>	<u>-</u>	<u>701,984</u>
Net Cash Flow from Operating Activities		72,228		(2,791)
CASH FLOW FROM INVESTING ACTIVITIES				
Proceeds from Sales of Fixed Asset		-		10,096
		<u>-</u>		<u>10,096</u>
Net Cash Flow Generated from Investing Activities		-		10,096
NET INCREASE IN CASH AND EQUIVALENTS		72,228		7,305
CASH AND EQUIVALENTS AT BEGINNING OF THE YEAR		15,712		8,407
CASH AND EQUIVALENTS AT END OF THE YEAR		87,939		15,712

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, 2021

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, 2021 and 2020

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>2021</u>	<u>2020</u>
Capital Stock	1,500	1,500
Retained Earnings	<u>(9'181,108)</u>	<u>(8'469,259)</u>
	<u>(9'179,608)</u>	<u>(8467,759)</u>

In the Balance Sheet the Equity Capital as at March 31, 2022 is comprised of 1,500 Soles (Previous year 1,500 Soles), representing 150 (Previous year 150) units of common shares with a nominal value of 10.00 Soles (Previous year 10.00 Soles) each.

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

	As at 31 December, Soles	
	<u>2021</u>	<u>2020</u>
Loans and Advances- Related Parties	<u>9'267,546</u>	<u>8'422,929</u>
	<u>9'267,546</u>	<u>8'422,929</u>

5. OTHER CURRENT LIABILITIES:

	As at 31 December, Soles	
	<u>2021</u>	<u>2020</u>
Other Provisions	<u>0</u>	<u>62,392</u>
	<u>0</u>	<u>62,392</u>

6. FIXED ASSETS:

	As at 31 December, Soles			
			<u>2021</u>	<u>2020</u>
TYPE OF ASSETS	HISTORICAL COST	ACCUMULATED DEPRECIATION	NET VALUE	NET VALUE
Data Processing equipment	<u>10,900</u>	<u>(10,900)</u>	<u>0</u>	<u>1,851</u>
	<u>10,900</u>	<u>(10,900)</u>	<u>0</u>	<u>1,851</u>

7. CASH AND CASH EQUIVALENT:

	As at 31 December, Soles	
	<u>2021</u>	<u>2020</u>
Balances at bank	<u>87,939</u>	<u>15,711</u>
	<u>87,939</u>	<u>15,711</u>

8. OTHER INCOME:

	Year Ended 31 December, Soles	
	<u>2021</u>	<u>2020</u>
Sale of Fixed Asset	<u>0</u>	<u>10,096</u>
	<u>0</u>	<u>10,096</u>

ASOCIADOS S.C.

9. OTHER EXPENSES:

Year Ended 31 December,
Soles

2021 2020

Bank charges

777 4,253
777 4,253

10. DEPRECIATION:

Year Ended 31 December,
Soles

2021 2020

On Data Processing equipment

1,815 2,180
1,815 2,180

11. 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 2021.

12. APPROVAL OF THE FINANCIAL STATEMENTS:

These financial statements were approved and authorized for its issue by the Management of Sun Pharmaceutical Industries S.A.C. on March 29, 2022.