Sun Farmacêutica do Brasil Ltda.

A Sun Pharma Company

Financial statements as of
31 March 2024 and 2023

Content

PEPPE ASSOCIADOS
Consultores & Auditores Independentes

INDEPENDENT AUDITORS' REPORT

To
The Quotaholders and Executive Board of
SUN Farmacêutica do Brasil Ltda.
Goiânia - GO

Opinion

1. We have examined the financial statements of **SUN Farmacêutica do Brasil Ltda.**, which comprise the balance sheet as of March 31, 2024 and the respective statements of operations, changes in quotaholders' equity and cash flows for the year then ended, and other accompanying notes to the financial statements and a summary of significant accounting practices.

2. In our opinion, financial statements referred in paragraph above ***represent fairly***, in all material respects, the financial position of **SUN Farmacêutica do Brasil Ltda.** as of March 31, 2024 the performance of its operations and its cash flows for the year then ended, in accordance with accounting practices adopted in Brazil.

Base for Opinion

3. Our audit was conducted in accordance with Brazilian and international standards on auditing. Our responsibilities, in accordance with these standards, are described in the following section, "Auditor's responsibility for the audit of the financial statements". We are independent in relation to the Company, according to the relevant ethical principles established in the Accountants' Professional Code of Ethics and the professional standards issued by the Federal Accounting Council, and we comply with the other ethical responsibilities according to these standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis

4. During the year ended March 31, 2024, the Company had an unsecured liability scenario over assets of BRL 147.782 (BRL 174.289 in 2023). These financial statements have been prepared under the assumption that the Company will continue as a going concern. The Company's management has no intention of discontinuing its operations and, therefore, the financial statements do not include any adjustments to Asset or Liability accounts that might be required in the event of discontinuation of operations. As a mitigating circumstance, therefore, out of the total current and non-current liabilities, BRL 431,973, are borrowings and supplies taken from controlling shareholders or related parties, and the rest of the liabilities with third parties is perfectly supported by current factor liquidity index at 18,69.

5. We draw attention to NE nº. 05 and 21, which presents within the balance of Customers and Other Revenues the amount of R$ 59,785 thousand of intercompany expense allocation, resulting from the policy of transferring expenses between Brazilian companies, (BRL 34.731 in 2023). The expense transfer policy impacted balances for the year ended March 31, 2024 and 2023.

Management’s responsibility and governance for the financial statements

6. The Company's management is responsible for the preparation and adequate presentation of the financial statements in accordance with the accounting practices adopted in Brazil, and the internal controls it deemed necessary to enable the preparation of these financial statements free of material misstatements, regardless of whether caused by fraud or error.

7. In the preparation of the financial statements, management is responsible for evaluating the Company’s ability to continue as a going concern, disclosing, when applicable issues related to the continuity of its operations and the use of this accounting base in the preparation of the financial statements, unless management has decided to settle the Company or to discontinue its operations, or does not have any realistic alternative to prevent the discontinuance of operations.

8. The ones responsible for the Company’s governance are those with responsibility for overseeing the process of preparation of the financial statements.

Auditor’s responsibilities for the audit of the financial statements

9. Our purposes are to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error and to issue audit report containing our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted according to the Brazilian and international auditing standards will always detect any material misstatements. The misstatements may result from fraud or error and are considered relevant when, individually or in conjunction, they may affect, from a reasonable standpoint, economic decisions of the users based on such financial statements.

10. As part of an audit conducted according to the Brazilian and international auditing standards, we exercise professional judgment, and maintain professional skepticism during the audit. In addition:

- We identify and evaluate the risks of material misstatements in the financial statements, whether due to fraud or error, plan and perform audit procedures in response to such risks, as well as obtain appropriate and sufficient audit evidence to base our opinion. The risk of not detecting material misstatement caused by fraud is higher than that caused by error, since fraud may involve the act of deceiving the internal controls, collusion, forgery, omission or intentional misrepresentations.

- We obtained understanding of the internal controls relevant to audit in order to plan audit procedures appropriate to the circumstances, but not with the aim to express opinion on the effectiveness of the internal controls of the Company.

- We evaluated the fairness of the accounting policies used and the reasonableness of the accounting estimates and respective disclosures made by management.

- We take conclusion on the adequacy of adoption by management of the accounting basis of the ability to continue as going concern, and, based on the obtained audit evidences, whether there is a significant uncertainty in relation to Company’s ability to continue as going concern. If we conclude that there is a significant uncertainty, we shall call attention in our audit report to the respective disclosures in the financial statements or include a modification in our opinion, if the disclosures are inadequate. Our conclusions are based on audit evidences obtained to the date of our report. However, future events or conditions may cause the Company not to continue as going concern.

- We evaluate the general presentation, structure and content of the financial statements, including disclosures and if the financial statements represent the corresponding transactions and events in compliance with the purpose of fair presentation.

11.We communicate with those responsible for governance with respect to, among other aspects, the planned scope, time of the audit and significant audit findings, including possible material weaknesses in internal controls identified by us during our work.

São Paulo, May 3 2024.

PEPPE ASSOCIADOS
Consultores & Auditores Independentes

CRC-SP nº 2SP021055/O-1

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Sun Farmaceutica do Brasil Ltda.

Balance sheet as at 31st March 2024 and 31st March 2023

(In Thousands of Brazilian Reais)

Asset	Note	31/Mar-2024	31/Mar-2023
Current			
Cash and cash equivalents	4	2,238	6,480
Other investments	4	80,635	48,939
Accounts receivables from customers	5	95,065	75,377
Inventories	6	98,181	107,543
Current tax assets	7	12,204	12,742
Other accounts receivable	8	3,339	2,892
Total of current assets		**291,662**	**253,973**
Non-current			
Fixed assets	9	8,105	7,438
Intangible Assets		30	72
Total of non-current assets		**8,135**	**7,510**
Total of assets		**299,797**	**261,483**

Liability	Note	31/Mar-2024	31/Mar-2023
Current			
Suppliers	10	249,330	229,760
Taxes and contributions payable	11	2,826	2,020
Salaries and holiday payable	12	4,189	2,526
Other provision	13	4,619	9,219
Other accounts payable	14	3,287	5,825
Total of current liabilities		**264,251**	**249,350**
Non-current		**183,327**	**186,421**
Provision for contingencies	15	675	612
Lease rental Agreement - Office and Vehicles		9	88
Loans	16	182,643	185,721
Total of non-current liabilities		**183,327**	**186,421**
Net Equity			
Share Capital	17	5,573	5,573
Accumulated losses		(153,355)	(179,862)
Total of net equity		**(147,782)**	**(174,289)**
Total of liabilities and net equity		**299,797**	**261,483**

The accompanying notes are na integral part of these financial statements.

Sun Farmaceutica do Brasil Ltda.

Statements of Income

Financial Years ended as of 31st March 2024 and 31st March 2023

(In thousands of Brazilian Reais)

	Note	31/Mar-2024	31/Mar-2023
Operating Revenue	18	281,871	212,667
Cost of goods sold and services rendered		(201,227)	(185,555)
Gross Profit		**80,644**	**27,112**
Operating expenses			
Sales	19	(5,443)	(4,309)
Administrative and General expenses	20	(48,118)	(55,210)
Other operating (expenses) income	21	(3,269)	36,173
Earnings before net financial (expenses) revenue and taxes		**23,813**	**3,767**
Financial expenses	22	(3,065)	(13,948)
Financial revenues	22	9,274	5,145
Net financial (expenses) revenue		**6,209**	**(8,803)**
Results before taxes		30,022	(5,036)
Income tax and social contribution		**(3,515)**	**(13,077)**
Current IRPJ		(3,492)	(9,614)
Current CSSL		(1,762)	(3,463)
Deferred		1,740	0
Income for the fiscal year		**26,507**	**(18,113)**

The accompanying notes are na integral part of these financial statements.

Sun Farmaceutica do Brasil Ltda.

Statements of changes in stockholders´ equity

Financial Years ended as of 31st March 2024 and 31st March 2023

(In thousands of Brazilian Reais)

	Share Capital	Accumulated losses	Total
Balance as of 31 of March de 2022	5,573	(161,749)	(156,176)
Results for the period	-	(18,113)	(18,113)
Balance as of 31 of March de 2023	5,573	(179,862)	(174,289)
Results for the period	-	26,507	26,507
Balance as of 31 of March de 2024	5,573	(153,355)	(147,781)

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

Sun Farmaceutica do Brasil Ltda.
Statement of Cash Flows - Indirect method
Financial Years ended as of 31st March 2024 and 31st March 2023
(In thousands of Brazilian Reais)

	Note	31/Mar-2024	31/Mar-2023
Cash flows from operating activities			
Result before taxes		30,022	(5,036)
Adjustments for amounts that did not affect cash:			
Depreciation of Fixed Assets		1,696	1,329
Increase in Impairment		0	89
Impairment write-off		(89)	(69)
Intangible Amortizations		42	41
(-) Capital Gains from Sale of Assets		505	610
Adjusted Result		**32,177**	**(3,036)**
Variation in Current and Non-Current Assets			
Accounts receivable from customers		(19,688)	(57,771)
Stocks		9,363	(57,204)
Current tax asset		538	(11,828)
Other accounts receivable		(447)	(2,298)
		(10,234)	**(129,101)**
Variation in Current and Non-Current Liabilities			
Suppliers		19,570	169,289
Taxes and contributions to collect		806	209
Salaries and charges payable		1,663	(195)
Other provisions		(4,600)	931
Other bills to pay		(2,538)	5,186
Taxes to pay		-	(2,314)
		14,901	**173,106**
Income tax and social contribution paid in the year		(3,515)	(13,077)
Net cash from operating activities		**33,329**	**27,892**
Cash flows from investment activities			
Acquisitions of Fixed Assets	9	(2,940)	(2,124)
Acquisitions of Intangible Assets		-	(23)
Revenue from Sales of Goods		161	166
		(2,780)	**(1,981)**
Cash flows from Financing activities			
Variations in Current Liabilities		-	-
Variations in Non-Current Liabilities		(3,095)	13,173
		(3,095)	**13,173**
Total cash variation in the period		**27,454**	**39,084**
Statement of increase/decrease in cash and cash equivalents			
At the beginning of the exercise		55,419	16,335
At the end of the exercise	4	82,873	55,419
		27,454	**39,084**

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

Explanatory notes to financial statements

(In thousands of Brazilian Reais)

1 - *Operating context*

SUN Farmacêutica do Brasil Ltda., founded on April 10, 2002, has its head office in the city of Goiânia - State of Goiás. Its corporate purpose is import, export and trade of pharmaceutical products in general, as well as the import, export and distribution of pharmaceutical supplies, medical devices and similar goods.

The company has a branch in the city of São Paulo - State of São Paulo, with the corporate purpose of administrative office. The company has opened another branch in the state of Rio de Janeiro for warehousing activity.

1.1 - *Management plan for 2024 and 2023*

The balance sheet ended as of 31 March 2024 has a negative net worth of BRL 147,782 Mn.

Management projects that the net worth would become positive within the next five years with the launch of high value specialty products and new business units.

2 - *Presentation of the Financial Statements*

The financial statements were prepared in accordance with accounting practices adopted in Brazil and comprise the period from April to March, having their issue authorized by the Board on 3rd May, 2024.

The Company adopts the Law no. 6.404/76 and its amendments introduced by Law no. 11.638/07, which modified, revoked and introduced new provisions to the Brazilian Companies Law.

The aforementioned law aimed, mainly, to update the Brazilian corporate law to allow the process of convergence of accounting practices adopted in Brazil with those comprised in the International Financial Accounting Standards (IFRS).

2.1 *Functional currency and presentation currency*

The financial statements are presented in Brazilian Real, which is the functional currency of the Company. All financial information presented in Real have been rounded up to the nearest thousands, except where indicated otherwise.

2.2 Use of estimates and judgments

The preparation of financial statements in accordance with the accounting practices adopted in Brazil requires that the Management of the Company to make judgments, estimates and assumptions that affect the application of accounting policies and the reported values of assets, liabilities, revenues and expenses. Actual results could differ from those estimates.

Estimates and assumptions are reviewed in a continuous way. Revisions with respect to accounting estimates are recognized in the period in which the estimates are reviewed and in any future periods affected.

The information on assumptions and estimates that have a significant risk of result in material adjusting within the next few years are included in the following explanatory notes:

Note 5 - Provision for doubtful receivables
Note 6 - Provision for inventory obsolescence
Note 8 - Review of the fixed asset useful life
Note 13 - Provision for contingencies

3 Summary of Significant Accounting Policies

a. Determination of Net Income

Net income of operations of the company are established in accordance with the accrual accounting of financial year, which covers the period from April to March of each year.

Operating revenues from the sale of products, as well as costs and expenses are recognized in the outcome as a function of its implementation, i.e., when there is convincing evidence that the significant risks and benefits inherent to ownership have been transferred to the purchaser.

b. Cash and cash equivalents

Cash and cash equivalents include cash in hand, balances in current bank accounts and financial investments of high liquidity. The financial investments are recorded at cost, plus income earned during the financial year, duly regulated by the central bank of Brazil.

c. Accounts receivable from customers

Accounts receivable from customers are initially recorded by the invoiced value, including their direct taxes, tax liability of the Company, minus the taxes withheld at source, of which are considered as tax credits.

The provision for credit losses was made at an amount considered sufficient by the Management to compensate for any losses on the realization of the credits earned more than 12 months and or when identified the inability of recovery.

As provided in the CPC12, adjustment to the present value was not registered by virtue of not having material effect on the financial statements.

d. Inventories

Inventories are stated on the basis of historic cost of acquisition and production, plus expenses relating to transport, storage and non-recoverable taxes. In the case of industrialized products, under elaboration and finished, the inventory includes the manufacturing overheads based on the normal capacity of production. The cost is determined by the weighted average cost. The values of inventories recorded does not exceed the net value of realization. The net realization value, which corresponds to the estimated selling price in the ordinary course of business, less the actual costs of completion and those necessary to make the sale.

Physical verification of stock was carried out at the end of March 2024, and as per past trends, no significant variations were found.

e. Fixed asset

- **Fixed assets**

Items of fixed asset (property, plant and equipment) are measured at historic cost of acquisition or construction, less accumulated depreciation and loss of reduction to the recoverable amount (impairment), if applicable.

The cost includes expenditure that is directly attributable to the acquisition of an asset. The cost of assets constructed by the company itself includes the cost of materials and labor, other direct costs to place the asset in the location and condition necessary for these to be capable of operating in the manner sought by the management, the costs of dismantling and restoration of the site where these assets are located.

The improvement in third parties' properties are amortized in accordance with the duration of the lease contract.

Gains and losses on disposal of an item of property, plant and equipment are calculated by comparison between the resources deriving from disposal with the carrying amount of property and are recognized net inside of other revenues in the result.

Other costs are capitalized only when there is an increase in the economic benefits of the item of fixed asset. Any other type of expense is recognized in the result as an expense when incurred.

- **Depreciation**

Depreciation is calculated on the depreciable value, which is the cost of an asset, or other substitute value of the cost minus the residual value.

Depreciation is recognized in the results based on the straight-line method over the estimated useful lives of each part of an item of the fixed asset, since this method is the one that closely reflects the pattern of consumption of future economic benefits embodied in the asset. Lands are not depreciated.

The estimated useful lives are as follows:	**Years**
Machines and equipment	14
Furniture and utensils	12
IT equipment	10
Vehicles	12
Improvement in third parties' property	5

The depreciation methods were reviewed, and new rates may be adopted, at each closing of the financial year and any adjustments recognized as changes in accounting estimates.

- **Intangible Assets**

It is valued at cost of acquisition, less accumulated depreciation and losses by reducing the recoverable amount, when applicable.
The intangible asset of the company has defined life, composed by software. The record of depreciation is done in the demonstration of the income statement of the fiscal year, under the heading "Depreciation and amortization".

The estimated useful life for the current fiscal and year is:	**Years**
Software	10

- **Reduction in the recoverable value of assets**

According to NBC TG 01 (R4) – Impairment of Assets – Related to IAS 36.
Aims to ensure that the assets are not recorded accounted for a higher value than the one that can be recovered in time for use of the company's operations or its eventual sale.

f. Leasing Operation

In line with the pronouncement of the new Accounting Standard on Leasing, through CPC 06 (R2) and in India (Where Sun's headquarters are located) from April 1, 2019 through Ind AS 116. It establishes principles for the recognition and measurement of leases, the purpose of which is to ensure relevant information that faithfully represents these transactions.
As part of a Big group, as of April 1, 2019, Sun Farmacêutica do Brasil Ltda . adhered to the referred norm, and began to treat the property rental according to its requirements. The company started to present its Assets - Right of Use (Net Present Value of the Lease Agreement) and it's Lease Liabilities (Net Present Value of the Lease Payable, updated by interest). The Right of Use is amortized over the term of the contract and its effects are reflected in the result.

g. Current and non-current liabilities

The current and non-current liabilities are demonstrated by the known or calculated estimated plus, when applicable the corresponding charges, monetary variations and/or exchange rate incurred up to the date of the balance sheet.

h. Short-term benefits to employees

Obligations of short-term benefits to employees are measured on an undiscounted basis and are incurred as expenses as the related service is provided.
Provision was made for the payment of bonuses on individual performance and was recognized by the amount expected to be paid under the plans of bonuses on money or participation in profits in the short term if the company has a legal or constructive obligation to pay this value in function of past service rendered by the employee, and the obligation can be estimated reliably.

i. Loans and Financing

The financial charges and the monetary indexations of the loans are accounted for on the basis of the period elapsing, being established in accordance with the terms of the contracts. Composed mainly by contracts aiming at the expansion of production capacity, as well as modernization, as well as to meet working capital needs.

j. Provisions

A provision is recognized in the balance sheet when the company has an obligation or as a result of a past event, and it is probable that an economic resource will be required to settle the obligation. Provisions are recorded taking as a basis the best estimates of the risk involved.

k. Income tax and social contribution

The fiscal year for calculation of income tax is determined by law, and comprises the period counting from January to December, unlike the corporate year depicted in the financial statements, which comprises the period from April to March.

The income tax and social contribution of current and deferred charges are calculated on the basis of rates of 15%, plus an additional 10% on the taxable profit surplus of BRL 240 for income tax and 9% on taxable profit for social contribution on net profits and consider the offsetting of tax losses and negative social contribution base, limited to 30% of the real profit.

The current tax is the tax payable or receivable expected on the taxable profit or loss for the year, the tax rates enacted or substantively enacted at the date of presentation of the financial statements and any adjustment to tax payable in relation to previous years.

The Company does not recognize the Income Tax and Social Contribution, of deferred tax assets on tax loss and negative base of social contribution, and also on temporary differences between the tax base of assets and liabilities and their respective accounting value. The deferred active Income Tax and Social Contribution are recognized based on the expected generation of future taxable profits. Deferred tax is measured by the tax rates that are expected to be applied to temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the date of presentation of the financial statements.

The Company does not have any value recorded with respect to income tax and social contribution deferred during the fiscal year, due to expected generation of future taxable profits.

l. Financial Instruments

The financial instruments are only recognized as from the date on which the company becomes part of the contractual provisions of the financial instruments. When recognized, are initially recorded at its fair value plus transaction costs that are directly attributable to the acquisition or contracting. On 31 March 2022, the accounting value of the financial instruments of the company, represented mainly by cash, accounts receivable, accounts payable to suppliers and loans with financial institutions and related companies were equivalent to its market value. The company does not use financial instruments in exchange operations of indices (SWAP) or involving operations in the form of derivatives risk. Other Assets and Liabilities

An asset is recognized in the balance sheet when it is probable that future economic benefits will be generated in favor of the company and its cost or value can be measured with security.

The current and non-current liabilities are demonstrated by the known or calculated values plus, when applicable the corresponding charges and monetary variations incurred up to the date of the balance sheet.

Provisions are recorded taking as a basis the best estimates of the risk involved. The financial statements therefore include various estimates based on objective and subjective factors, based on the judgment of the management for the determination of appropriate values to be recorded. The settlement of transactions involving these estimates may result in divergent values of the recorded in the financial statements due to the inaccuracies inherent to the process of determining them, for which reason the management periodically revise such estimates and assumptions.

Estimates and assumptions are used in the selection of the useful lives of the assets, for the constitution of adjustment for the possible risk of not carrying out their accounts receivable, as well as in the analysis of other risks for the determination of other provisions, including the contingent liabilities and other similar, in addition to the valuation of financial instruments and other assets and liabilities on the balance sheet date.

The realizable rights and obligations are classified as Current when their realization or settlement occur within twelve months following the date of presentation of the financial statements. Otherwise, they are shown as Non-current.

4 *Cash and cash equivalents*

	2.024	2.023
Cash	46	8
Banks	2.192	6.471
Other Investments (Short term Investments)	80.635	48.939
Total	**82.873**	**55.419**

The variation of cash and cash equivalents is directly linked to the payments made during the year, to SPIL, towards import purchase invoices for finished goods.

5 *Accounts receivable from customers*

Accounts receivable from customers are initially recorded by the invoiced value, including their direct taxes, tax liability of the Company, minus the taxes withheld at source, of which are considered as tax credits.

The provision for credit losses was made at an amount considered sufficient by the Management to compensate for any losses on the realization of the credits earned more than 12 months and or when identified the inability of recovery.

The adjustment related to the recognition of revenue, are due to orders that were invoiced, dispatched and that on 31 March, had not been received by customers.

	2024	2023
Accounts receivable	36.327	53.841
Other accounts receivable	13	2.097
(-) Provision f/ doubtful settlement Credits	-895	-895
(-) Revenue adjustment recognition	-479	-14.397
Other accounts receivable	314	0
Debit note	59.785	34.731
Total	**95.065**	**75.377**

a) Accounts receivable increase is due to the launch of new product Nintedanib / Nidhi, and increase in credit period for some of its major customers.

b) The company adopted the practice of issuance of Debit Notes to reallocate expenses between Sun Farmacêutica and Ranbaxy Farmacêutica, (being of the same economic group) aiming to represent better, the operational results of each of the entities. This amount is constituted of expenses for analyzing Ranbaxy's products by Sun's laboratory, in addition to direct and indirect selling & marketing and general administrative expenses. The direct allocation was based on expenses pertaining to the Generic/Retail division business of Ranbaxy, incurred by Sun. Indirect allocation was based on the proportion of sales of the two companies. The amount allocated between the entities is recorded in Sun in the asset and as credit to each expense account and in Ranbaxy in the liability and as debit to each corresponding expense account, both recording the value of R$ 59.785Mn for the current year and 34.731Mn in 2022-23.

On 31/03/24 the total gross value of accounts receivable by the company, distributed by their maturity dates are as follows:

Not Due	**R$**	
Within 30 days	15.598	
From 31 to 60 days	17.094	
From 61 to 90 days	1.294	
Subtotal		**33.986**

Due	**R$**	
Overdue from 31 within 180 days	1.347	
Overdue from 181 within 365 days	99	
Overdue over 365 days	895	
Subtotal		**2.341**
Total		**36.327**

6 *Inventories*

	2.024	**2.023**
Products for Resale	85.810	55.861
Adjust Revenue Recognition -Cogs	555	9.828
Raw material	6	6
Packaging materials	159	83
Goods in transit	22.019	48.972
Customs Broker	234	727
Others	335	305
(-) Adjustment Net Realization Value	0	-2.422
(-) Adjustment Provision for non-saleable Stock	-10.936	-5.818
Total	**98.164**	**107.543**

The balance figured in the accounts identified above as (a) - shelf life of inventories, to mature in the next 1 year and non-moving for more than 1 year, management has made the adjustment and awaits the approval of Regulatory Heath Agency for them to be destroyed.

Physical inventory count was carried out at the end of Mar´24, with no major variations in these counts, and we have not identified any risk regarding the numbers reported here.

The variation in stock in transit was due to the decrease in purchase price from the parent company.

The Net Realization Value had the inclusion in its base, inventory corresponding to the revenue recognition adjustment and the in-transit stock for the recognition of the provision.

7 *Current tax asset*

	2024	2023
ICMS on Purchase (a)	627	1.417
VAT on fixed assets	26	38
PIS to be recovered	210	0
COFINS to be recovered	969	0
TDS recoverable	49	481
Other Taxes and Contributions to be Recovered	82	0
Advance CSSL	0	2.768
Advance IRPJ	0	7.025
IRPJ Negative Balance (b)	6.230	1.011
CSLL Negative Balance (b)	2.271	0
IRPJ Deferred Tax Asset on Accumulated Loss	1.279	0
CSLL Deferred Tax Asset on Accumulated Loss	461	0
Total	**12.204**	**12.742**

a) Since April 28, 2021, the company has had TARE 01-1070/2021-GSE, so that ICMS is only paid when the goods are shipped.

b) IRPJ and CSLL in advance were paid based on the estimated result, of profit in January and February 2023, however set-off by a higher loss in March 2023.

8 *Other Accounts Receivable*

	2024	2023
Other Accounts Receivable	3.339	2.892
Total	**3.339**	**2.892**

The Balance of this account is composed of salary advances, advances to employees for reimbursements based on Pay track expenses, and imports in transit.

9 *Fixed assets*

The company has conducted tests of impairment in all its assets and found losses by devaluation. Another change is the adoption of CPC 06, which as of April 2019, the company began to present its Assets - Right of Use (Net Present Value of the Lease Contract) and its Lease Liabilities (Net Present Value of the Lease Payable, restated by interest). The Right of Use is amortized over the term of the contract and its effects are reflected in the result.

Fixed Assets		**2.024**			**2.023**
Descriptions	**Annual Rate**	**Gross Book**	**(-) Accumulated Depreciation**	**Total**	**Previous Year**
Land		118	0	118	118
Installations	10%	1.607	-595	1.012	273
Plant and Machinery	10%	6.631	-3.718	2.913	2.370
Furniture and fixture	10%	415	-264	151	164
Computer Equipment's	20%	1.561	-1.023	538	423
Vehicles	8%	1.016	-455	562	714
Buildings	4%	7.392	-3.574	3.818	4.445
Tools and devices	20%	347	-318	30	30
Rental of Vehicles and Office		2.393	-2.347	46	71
Subtotal of Fixed assets		**21.481**	**-12.293**	**9.188**	**8.609**
Impairment Test		**-**	**-**	**-1.083**	**-1.172**
Total of Fixed assets		**-**	**-**	**8.105**	**7.438**

Movement of accounts for property, plant and equipment accounts for the period from April 1, 2022 to March 31, 2023 are as follows:

Cost evolution

Descriptions	Useful Life	Opening Balance	(+) Income	(-) Out	Closing Balance
Land	-	118	0	0	118
Installations	10	839	779	-11	1.607
Plant and Machinery	10	6.002	877	-248	6.631
Furniture and fixture	12	410	4	0	415
Computer Equipment's	10	1.296	337	-71	1.561
Vehicles	12	1.069	117	-169	1.016
Buildings	25	8.098	0	-705	7.392
Tools and devices	14	347	0	0	347
Rental of Vehicles and Office	-	1.724	826	-157	2.393
CWIP	-	0	0		0
Total of Fixed assets		**19.903**	**2.940**	**-1.362**	**21.481**

Depreciation Evolution

Descriptions	Annual Tax Rate	Opening Balance	(+) Income	(-) Out	Closing Balance
Installations	10%	565	38	-8	595
Plant and Machinery	10%	3.632	269	-183	3.718
Furniture and fixture	10%	246	18	0	264
Computer Equipment's	20%	873	182	-32	1.023
Vehicles	20%	355	175	-75	455
Buildings	4%	3.653	319	-397	3.574
Tools and devices	20%	317	0	0	318
Rental of Vehicles and Office		1.653	695	0	2.347
Total of Fixed assets		**11.294**	**1.696**	**-696**	**12.293**

Impairment Test Evolution

Descriptions	Opening Balance	(+) Income	(-) Out	Closing Balance
Buildings	149	0	-15	134
Plant and Machinery	915	0	-47	868
Furniture and fixture	43	0	-6	37
Computer Equipment's	21	0	-8	14
Tools and devices	43	0	-13	30
Impairment Total (a)	**1.172**	**0**	**-89**	**1.083**

(a) As per management decision, plant in Goiania had stopped local manufacturing w.e.f. Feb 2017. The primary reasons behind this shutdown, were driven by the three following factors:

- ✓ Significantly higher investments were projected as requisites to have more economic levels of production;
- ✓ Low capacity of plant, inefficient machineries and production lines having led to high overheads, and therefore high cost per unit, making the products being manufactured have low margins, rendering them economically unviable;
- ✓ Denial of registration for new products to be manufactured at Goiania plant, also erased the opportunity for further absorption of overheads, and rendering products manufactured here, yield reasonable margins.

10 Suppliers

	2024	2023
Intercompany - Principal	283.289	161.604
Intercompany - Unrealized exchange rate	2.052	2.247
Intercompany - TP adjustments	22.019	48.972
Intercompany - In Transit	-58.030	16.735
Intercompany - Sun Mexico	0	191
Other Suppliers	0	11
Total	**249.330**	**229.760**

The Company's exposure to currency and credit risks related to suppliers and other accounts payable are disclosed in Note 20 (v).

11 Taxes and contributions payable

Social contributions payable	2024	2023
INSS payable on payroll	556	496
INSS withheld at source	3	7
FGTS on Payroll	123	112
PIS/COFINS/CSSL/ISS withheld at source	14	15
Subtotal	**696**	**630**
Taxes payable		
Income Tax withheld at Source (Payroll)	419	392
Sales Taxes – ICMS/PIS/COFINS	776	3
(-) Adjustment of ICMS/PIS/COFINS on Revenue Recognition (a)	-48	0
ICMS Provision for Destruction of Goods	978	989
Taxes Payable (b)	0	-549
Others	5	6
Subtotal	**2.130**	**841**
TOTAL	**2.826**	**1.471**

(a) The adjustment of VAT (ICMS) is related to Revenue Recognition of invoices that have been invoiced, dispatched bit as on 31st March, had not been received by the customers.

12 Labor Cases Liability

	2024	2023
Salaries	995	0
13th Salary and Tax Provision	546	437
Vacation and Tax Provision	2.648	2.089
Total	**4.189**	**2.526**

13 Other Provisions

	2024	2023
Provisions for Sales returns	751	3.045
Sales Commission payable	0	0
Expenses with development of new products	0	38
Provision for Selling expenses (a)	494	4.149
Performance Bonus, Provision for Termination payable to personnel, Dif % INSS	1.904	1.775
Provision for Administrative expenses (b)	1.470	762
Provision for Income Tax	0	-549
Total	**4.619**	**9.219**

a) The variation in the Provision for Selling Expenses occurred on account of Esilato de Nintedanibe / Nidhi. To reintroduce this product to the market, it was necessary to provide additional discounts to the distributor to ensure their guaranteed margin.

14 Other Accounts Payables

	2024	2023
Accounts Payable	3.087	839
Advances received from customers	4	5.161
Freight – Adjustment for Revenue Recognition	196	-176
Total	**3.287**	**5.825**

15 Contingencies

The company is a defendant in lawsuits and administrative proceedings before various courts and governmental bodies, arising from the normal course of operations, involving tax, labor, civil aspects and other matters.

Based on information from the legal advisors, analysis of lawsuits pending and, labor litigation actions, management did not constitute a provision, based on previous experience regarding the amounts claimed, considering that the accounting practices adopted in Brazil do not require their accounting, as follows:

	2024			**2023**
	Provision	**Judicial Deposit**	**Net**	**Net**
Labor	704	-29	675	612
	704	**-29**	**675**	**612**

On March 31, 2024, the company has 1 case of civil complaints classified as probable loss, resulting in the establishment of a provision for contingency.

16 Transaction with Related parties

Loans	**2024**	**2023**
- Alkaloida Chemical ZRT	182.643	185.721
Total	**182.643**	**185.721**

On March 31, 2024, the outstanding in US Dollar (USD) to Alkaloida is USD 36,556 Mn with an interest rate of 0% p.a., having its maturity postponed annually.

17 Net Equity

Share capital is composed of 5,573 shares, (BRL 5,573 2023) fully subscribed and paid, represented by 5,573,482 shares, being of the nominal value of BRL 1.00 each, which are distributed as follows:

Quota Holder Partners	Country	31/03/2024	%
Alkaloida Chemical Company ZRT	Hungria	5,550	99,58
Sun Pharma Holding	Índia	19	0,35
Sun Pharmaceutical Industries Limited	Índia	4	0,07
		5,573	**100%**

The capital was registered with the Brazilian Central Bank in order to enable the company to transfer profits abroad and to repatriate the foreign capital invested.

18 Operating Revenue

	2024	2023
Resale of Goods	311.012	250.073
Resale of samples for Bioequivalence	0	108
Tax Benefit	-1	0
Gross Revenue from Sales	**311.011**	**250.181**
Taxes on sales	-21.141	-14.334
Discounts given	-2.057	-5.897
Sales Returns	-5.943	-17.284
(-) **Deductions from Sales**	**-29.141**	**-37.515**
Operating Revenue	**281.871**	**212.667**

In Dec/21, the oncology portfolio was transferred to the unit in Rio de Janeiro to benefit from the ICMS Agreement 162/94, which authorizes the States and the Federal District to grant ICMS exemption in operations with drugs intended for the treatment of Cancer.

The company's sales in the national market are currently directed to hospital Distributors, who represent Sun Pharma in public Tenders, and in clinics and hospitals specialized in cancer treatment.

W.e.f. Sep´22, the practice of not charging for sending samples for Bioequivalence testing to the headquarters in India was adopted, thus generating a reduction in Sample Export revenue.

Financial discounts refer to hospital products that were not delivered, and customers received some type of penalty in which, as we were co-responsible, and had to reimburse them.

In financial year 2022-23, Nintedanib / Nidhi was launched, a product for the treatment of psoriasis, being the first generic in Brazil, generating significant impact on Sales, Returns and Financial Discounts.

The Sales Return amount was impacted due to the returns of Nintedanib / Nidhi being the quantities of this product not sold in the secondary sell-out until 31st March, 2023.

The methodology for the Provision for Sales Returns was changed, now being based on the trend of the percentage of sales returns in the previous two year versus sales made further two years ago. Until the previous year, the calculation was based on both returns and sales for the previous period.

19 Sales Expenses

	2024	**2023**
Advertising and Publicity	119	139
Promotional material (a)	1.082	781
Promotional campaigns	1.569	1.845
Sales convention	452	228
Congresses and Events (b)	929	920
Travel Expenses	882	697
Other Promotional Costs	631	591
Provision for Promotional Expenses	-219	-890
	5.443	**4.309**

(a) With the launch of new molecules, Sun Pharma invested more in promotional material, aimed at sales development with doctors, health plans and clinics.

20 General and Administrative Expenses

	2.024	**2.023**
Personnel (a)	23.229	30.178
Equipment Maintenance	1.008	907
Rent Expenses	139	95
Power Expenses	381	613
Travel Expenses	1.482	1.240
Commissions Expenses and Sales Incentive	1.742	1.728
Service Provided	6.133	892
Regulatory (b)	3.353	4.211
Quality Control (c)	1.665	6.758
Taxes and fees	242	366
Other administrative expenses	7.006	6.863
Depreciation and amortization	1.738	1.358
	48.118	**55.210**

a) Personnel expenses have reduced due change in remuneration structure of key personnel, having shifted from on-rolls paid employee to thirds-party service provider

b) Regulatory expenses were higher in 2023, being related to the development of 9 new products, for which amounts were spent on bioequivalence studies and pharmaceutical consultancy.

c) Quality Control expenses were lower in current year, due to lower consumption of material for quality tests and analysis, because of implementation of reduced testing, on the basis of prior process validations.

21 Net financial (expenses) revenue

	2024	2023
Other receipts inter company (Note 5b)	0	34.731
Other operating income (expense)	3.269	1.442
	3.269	**36.173**

The company adopted the practice of issuance of Debit Notes to reallocate expenses between Sun Farmacêutica and Ranbaxy Farmacêutica, (being of the same economic group) aiming to represent better, the operational results of each of the entities. This amount is constituted of expenses for analyzing Ranbaxy's products by Sun's laboratory, in addition to direct and indirect selling & marketing and general administrative expenses. The direct allocation was based on expenses pertaining to the Generic/Retail division business of Ranbaxy, incurred by Sun. Indirect allocation was based on the proportion of sales of the two companies. The amount allocated between the entities is recorded in Sun in the asset and as credit to each expense account and in Ranbaxy in the liability and as debit to each corresponding expense account, both recording the value of R$ 59.785 for the current year and 34.731 in 2022-23.

22 Net financial (expenses) revenue

Financial expenses	**2024**	**2023**
Interests	2.719	659
Exchange rate	0	13.113
Others	346	176
	3.065	**13.948**
Financial revenues		
Interests	-501	-168
Interest on financial investments	-5.541	-4.965
Foreign Exchange gain	-3.227	0
Others	-5	-12
Subtotal	**-9.274**	**-5.145**
Total	**-6.209**	**8.803**

23 Insurance coverage

The company has contracted Allianz Seguros no. 5177202353960000094, a property insurance, which aims to guarantee covers for possible claims, together with all the addresses of the Sunpharma group companies in the Brazilian territory. The amounts contracted are considered sufficient to cover possible claims, considering the nature of their activity.

As of 31st March, 2024, insurance coverage against operational risks comprises R$ 199.096 Mn, for Sun group in Brazil.

24 Financial Instruments

(i) Identification and valuation of financial instruments

The accounting balances of financial instruments such as cash, accounts receivable, taxes, loans and financing, when compared with the values that could be obtained on their negotiation in an active market or, in their absence, with its net present value is adjusted based on the prevailing rate of interest on the market approach, substantially, their corresponding market values.

(ii) Credit risk

It arises from the possibility of the company suffering losses arising from defaults of their counterparts or depositary financial institutions of resources or financial investments. To mitigate these risks, the company adopts as a practice analysis of financial and equity status of its operations, as well as the definition of credit limits and permanent monitoring of open positions. Regarding financial institutions, the Management only carries out transactions with reputable financial institutions and of low risk, assessed by rating agencies.

(iii) Risk of price of the goods sold

It arises from the possibility of oscillation of market prices of products marketed by the company. These price fluctuations can cause substantial changes in their income and their costs. To mitigate these risks, Management permanently monitors the local and international markets, seeking to anticipate the price movements.

(iv) Interest rate risk

It arises from the possibility of the company suffering gains or losses arising from fluctuations in interest rates levied on its financial assets and liabilities. Aiming to mitigate this type of risk, Management seeks to diversify the acquisition of resources in terms of rates fixed or floating.

(v) Exchange rate risk

The associated risk arises from the possibility of the company coming to incur losses due regarding fluctuations in exchange rates, which increase the values obtained on the market. On 31 March 2024 the company had liabilities, denominated in foreign currency, there is no financial instrument to protect this exposure on that date.

	2024	**2023**
	USD	**USD**
Suppliers	0	2.094
Loans	36.556	36.556
	36.556	**38.650**

The following exchange rates were applied during the year:

Average Rate		**Closure Rate on the date of the Financial Statements**	
2024	**2023**	**2024**	**2023**
4.9333	5.1573	4.9962	5.0804

Exchange Rate Sensitivity Analysis

The Company has liabilities linked to foreign currency in the balance sheet as of 31 March 2023, and for the purposes of analysis of sensitivity, adopted as a likely scenario the rate of BRL 5,40.

Therefore, the table below shows the simulation of the unrealized exchange rate effects in the future outcome in scenarios of increases and reductions:

	Scenarios (increase)		
Exchange Rate Risk	**Likely**	**Possible**	**Remote**
Scenarios and price levels	5.20	5.40	5.60
Passive Position	190.091	197.402	204.714
Total net effect	-7	-15	22

	Scenarios (reduction)		
Exchange Rate Risk	**Likely**	**Possible**	**Remote**
Scenarios and price levels	4.80	4.60	4.50
Passive Position	175.469	168.158	164.502
Total net effect	-7	-14	-18

(vi) Derivative financial instruments

The company has not used financial instruments in exchange operations of indices (SWAP) or involving operations in the modality of derivatives.

25 Approval of the set of Financial Statements and Explanatory Notes

These financial statements were approved by the Management of Sun Brazil Pharmaceutical Ltda., and authorized for issue on 3rd May 2024.

Walter Wiesmueller Coelho Filho
RFC – BRAZIL

Babita Roy
F&A Manager

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