

SUN PHARMA DE MEXICO, S.A. DE C.V.
FINANCIAL STATEMENTS
2024 AND 2023
AND REPORT OF INDEPENDENT AUDITORS



To, The Shareholders of Sun Pharma de México, 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, 2024 and 2023, 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, 2024 and 2023, 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. MI. Jorge Marcos García Landa
Professional ID 363151
García Landa, Becerril & Asociados, S.C.
Independent Auditor

Mexico City, March 27, 2025.

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 México 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, 2024, 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, 2024;
- 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.C. Jorge Daniel García Becerril~~
Statutory Auditor**

Mexico City, March 27, 2025.

SUN PHARMA DE MEXICO, S.A. DE C.V.
Statement of Financial Position as of December 31, 2024 and 2023
(Amounts in Mexican Pesos)

	Note	2 0 2 4	2 0 2 3	Note	2 0 2 4	2 0 2 3
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents						
Accounts Receivable:						
Sundry Debtors	5	112,789,770	135,196,135		70,378,563	65,437,587
Taxes In Favor		21,938,987	29,883,447		86,772,393	96,079,430
Prepaid Expenses and other Accounts Receivables		5,746,026	4,012,547	10	6,772,906	6,302,472
Total Taxes in Favor and Advances Paid	6	27,685,013	33,895,994		9,620,924	24,339,371
Inventories						
Other Current Assets	7	108,238,057	101,940,554	12	5,004,359	4,205,521
		1,469,232	211,702	12	27,171,999	8,261,652
					32,176,358	12,467,173
TOTAL CURRENT ASSETS		312,253,888	300,405,287		118,948,751	108,546,603
NON CURRENT ASSETS						
Property, Machinery and Equipments	8	43,169,929	29,682,544		1,010,360	1,010,360
Deferred Tax	9	10,494,779	16,917,788	13	202,072	202,072
Patent		257,138	286,248		8,481,718	(30,032,929)
					237,532,832	267,565,761
TOTAL NON CURRENT ASSETS		53,921,846	46,886,580		247,226,982	238,745,264
Total Assets		\$ 366,175,733	\$ 347,291,867		\$ 366,175,733	\$ 347,291,867

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

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

For and on behalf of the Board of Directors

C.P.C. Jorge Marcos García Landa
Independent Auditor/s

Mexico City, March 27, 2025

Carlos Elbert Estrada Guerra
Legal representative

SUN PHARMA DE MEXICO, S.A. DE C.V.
Statement of Comprehensive Income
For the years ended December 31, 2024 and 2023
(Amounts in Mexican Pesos)

	Note	<u>2 0 2 4</u>	<u>2 0 2 3</u>
Net Income		\$ 403,083,308	\$ 363,385,468
Cost of Sales		<u>115,766,924</u>	<u>154,261,770</u>
Gross Profit		287,316,384	209,123,698
General Expenses:			
Operational Expenses		95,693,069	83,586,485
Selling Expenses		84,972,774	101,321,552
Administration Expenses		73,513,529	66,065,788
Depreciations		<u>9,747,436</u>	<u>6,383,868</u>
Total General Expenses		263,926,808	257,357,693
Operating (Loss) Profit		23,389,576	(48,233,995)
Net Financial (Income) Loss	14	(4,292,226)	9,654,795
Other Non-Operating Income and Expenses, Net	15	5,958,449	3,939,350
Profit (Loss) Before Tax		25,055,799	(34,639,850)
Income Tax	17	10,151,072	0
Deferred Tax	9	6,423,009	(4,606,921)
NET PROFIT (LOSS) FOR THE YEAR		\$ 8,481,718	\$ (30,032,929)

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 Ma, jos Garcia Landa
Independent Auditors

Carlos Elbert Estrada Guerra
Legal representative

Mexico City, March 27, 2025

SUN PHARMA DE MEXICO, S.A. DE C.V.
Statement of Changes in Stockholders' Equity
For the years ended December 31, 2024 and 2023
(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, 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
Application of Profit for the Year 2023				30,032,929	(30,032,929)	0
Profit for the Year 2024				8,481,718		8,481,718
Balances as of December 31, 2024	\$ 1,010,360	\$ 0	\$ 202,072	\$ 8,481,718	\$ 237,532,832	\$ 247,226,982

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

For and on behalf of
Garcia 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, 2025

SUN PHARMA DE MEXICO, S.A. DE C.V.
Statement of Cash flows for the years ended december 31, 2024 and 2023
(Amounts in Mexican Pesos)

	<u>2 0 2 4</u>	<u>2 0 2 3</u>
OPERATING ACTIVITIES:		
Profit (Loss) Before Tax	\$ 25,055,799	\$ (34,639,850)
Items related to investment activities	25,226,458	17,639,135
Depreciation and Amortization of the Assets	9,747,436	6,383,869
Provision for Doubtful Debts	22,599,535	16,695,363
Profit from Sales of Fixed Assets	(1,974,847)	(2,481,506)
Interest Received	(5,145,665)	(2,958,591)
Total	50,282,257	(17,000,715)
(Decrease) / Increase in Accounts Receivable	(193,170)	12,422,290
Decrease / (Increase) in Short Term Advances	4,953,451	(6,870,879)
(Decrease) / Increase in inventories	(6,297,503)	17,995,933
Increase / (Decrease) in Suppliers	(9,307,037)	20,524,941
Increase / (Decrease) in Other Liability	19,709,185	(6,780,167)
Cash generated from Operations	59,147,183	20,291,403
Income Tax Paid	(10,151,072)	0
Net Cash flow from Operating Activities	48,996,111	20,291,403
INVESTMENT ACTIVITIES:		
Purchase of Fixed Assets	(23,393,233)	(21,308,604)
Income from Sales of Fixed Assets	2,162,370	2,946,727
Interest Income	5,145,665	2,958,591
Cash Flow from Investing Activities	(16,085,198)	(15,403,286)
Net Increase / (Decrease) in Cash and Cash Equivalents	32,910,914	4,888,117
Cash and Cash Equivalents at Beginning of the Year	29,160,902	24,272,785
Cash and Equivalents at End of the Year	\$ 62,071,816	\$ 29,160,902

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

For and on behalf of
García Landa Becerra & 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, 2025

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

Notes to the financial statements

December 31, 2024

(With comparative figures for 2023)

(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, 2024, and 2023, 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 2024 and 2023:

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 2024 the participation of workers in profit (PTU) is applicability, the company has recognized the same in liability and it is recorded in the results of the year in which it is caused. For the fiscal year 2024, the participation of utility workers (PTU) was 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 applying bulletin D-5, because its lease contract ended in 2024.

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.**

	2024	2023
Cash on Hand	\$ 19,000	\$ 16,000
Bank Balance in Local Currency	61,926,103	28,122,376
Bank Balance in Foreign Currency	126,712	1,022,526
Total	\$ 62,071,815	\$ 29,160,902

5) **Accounts receivable.**

	2024	2023
Debtors Considered Good	\$ 112,789,770	\$ 135,196,135
Debtors Considered Doubtful	66,227,760	43,628,225
	179,017,530	178,824,360
Provision for Doubtful Debtors	(66,227,760)	(43,628,225)
Total	\$ 112,789,770	\$ 135,196,135

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

	2024	2023
VAT in favor	\$ 13,529,869	\$ 11,634,669
Income Tax in favor	8,409,118	18,248,778
Taxes to be recovered	\$ 21,938,987	\$ 29,883,447
Prepaid insurance expenses	\$ 5,332,055	\$ 3,745,929
Other Accounts Receivables	413,971	266,618
	\$ 5,746,026	\$ 4,012,547
	\$ 27,685,013	\$ 33,895,994

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

	2024	2023
Raw Material	\$ 20,274,181	\$ 14,182,062
Raw Material in Transit	1,079,214	0
Finished Goods	77,687,635	87,758,492
Finished Goods in Transit	9,197,027	0
Total	\$ 108,238,057	\$ 101,940,554

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

	2024	2023
Land	\$ 5,245,942	\$ 5,245,942
Building	5,296,665	5,296,665
Machinery and Equipment's	39,504,619	39,481,122
Transportation Equipment's	35,577,107	32,444,027
Furniture and Office Equipment's	4,342,076	3,770,692
Data Processing Equipment's	3,263,408	2,963,785
Building of Lease	13,758,075	0
Total Fixed Assets	\$ 106,987,892	\$ 89,202,233
Accumulated depreciation	\$ 63,817,963	\$ 59,519,689
Net Fixed Assets	\$ 43,169,929	\$ 29,682,544

9) **Differed Tax.**

2024:

	Temporary Items	Deferred Tax In Favor (Payable)
Opening Balance for the Year	\$ 56,392,627	\$ 16,917,788
Provision of Expenses 2024	(24,339,371)	
Provision of Expenses 2023	9,620,924	
Prepaid Expenses 2024	(5,332,056)	
Prepaid Expenses 2023	3,745,928	
Provision Inventory Net	15,416,708	
Fiscal Loss	(20,445,122)	
Provision of Employees Benefits 2024	(77,040]	
Deferred Tax 2024	(21,410,029)	(6,423,009)
Closing Balance for the Year	\$ 34,982,598	\$ 10,494,779

2023:

	Temporary Items	Deferred Tax In Favor (Pagable)
Opening Balance for the Year	\$ 41,036,225	\$ 12,310,867
Provision of expenses 2023	24,339,371	
Provision of expenses 2022	(25,578,021)	
Prepaid expenses 2023	(3,745,928)	
Prepaid expenses 2022	3,350,779	
Provision Inventory Net	(3,006,179)	
Fiscal Loss	20,445,122	
Provision of employees benefits 2023	(448,742)	
Deferred Tax 2023	(15,356,402)	4,606,921
Closing Balance for the Year	\$ 56,392,627	\$ 16,917,788

10) **Related parties.**

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

	2024		2023	
<u>Accounts Payable</u>				
Sun Pharmaceutical Industries Ltd.	\$	70,378,563	\$	59,496,244
Sun Farmacéutica Do Brasil Ltda.		0		5,941,343
Total	\$	70,378,563	\$	65,437,587

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

	2024	2023
Inventory Purchases / Expenses:		
Sun Pharmaceutical Industries Ltd.	\$ 93,269,963	\$ 93,658,600
Sun Farmacéutica Do Brasil Ltda.	\$ 0	\$ 6,390,281

11) **Position in foreign currency.**

	December 2024		December 2023	
	Dollars USA	Pesos	Dollars USA	Pesos
Asset:				
Banks	\$ 6,178	\$ 126,712	\$ 60,538	\$ 1,022,707
Liabilities:				
Suppliers	\$ 2,132,565	\$ 43,727,930	\$ 3,896,253	\$ 65,821,346
Net Liability position	\$ 2,126,387	\$ 43,601,218	\$ 3,835,715	\$ 64,798,639

12) Taxes and other accounts payable.

	2024	2023
Taxes Payable:		
Monthly Income Tax Provision	\$ 770,311	\$ 505,490
Withholding Income Tax	13,996	20,214
Withholding Tax Salaries	1,879,310	1,516,124
Withholding VAT	47,056	43,105
IMSS (Social Security)	2,020,004	1,863,412
Salary tax	273,682	257,176
	\$ 5,004,359	\$ 4,205,521
Other Accounts Payable:		
Other Accounts	\$ 4,553,072	\$ 4,124,501
Liability for Employees Benefits	4,073,453	4,137,151
Lease Liability	13,323,660	0
Employee's Profit Sharing	5,221,814	0
	\$ 27,171,999	\$ 8,261,652
Total	\$ 32,176,358	\$ 12,467,173

13) Share capital.

	2024	2023
Fixed:		
Sun Pharmaceutical Industries Ltd. formed with 750 shares subscribed and paid-up of nominal value of \$1,010.36 each.	\$ 757,770	\$ 757,770
Sun Pharma Netherlands, B. V., formed by 250 share subscribed and paid-up of nominal value of \$1,010.36 each.	\$ 252,590	\$ 252,590
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. (Income) / Loss

	2024	2023
Interest Earned	\$ 5,145,665	\$ 2,958,591
Exchange Rate Loss for the year	(26,319,370)	(4,652,851)
Exchange Rate Gain for the year	16,881,477	11,349,055
Total	\$ (4,292,228)	\$ 9,654,795

15) Other non-operating income and expenses.

		2024		2023
Profit from the sale of fixed assets	\$	1,974,847	\$	2,481,506
Insurance Claims		3,163,442		1,311,776
Other Income		820,162		146,068
Total	\$	5,958,451	\$	3,939,350

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 2024 and 2023 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 2024.

The CINIF Issuing Council approved some improvements to the Financial Reporting Standards until fiscal year 2024, 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, 2025.
