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SUN PHARMACEUTICALS MOROCCO LLC SARLAU

GENERAL REPORT OF THE INDEPENDENT AUDITOR ON PROVISIONAL ACCOUNTS

YEAR ENDED MARCH 31ST, 2025

ADVISORY · ASSURANCE · TAX · LEGAL

Baker Tilly Majer Audit SARL trading as Baker Tilly Majer is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.



(This is a free translation into English of our audit report signed and issued in French and is provided solely for the convenience of English speaking users. This report should be read in conjunction and construed solely in accordance with, Moroccan law and Moroccan professional standards).

GENERAL REPORT OF THE
INDEPENDENT AUDITOR ON PROVISIONAL
ACCOUNTS

YEAR FROM APRIL 1st, 2024 TO MARCH 31st, 2025

To the Shareholder of SUN PHARMACEUTICALS MOROCCO LLC SARLAU
CASABLANCA

AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In accordance with the terms of our appointment as auditors, we have audited the accompanying financial statements of the company SUN PHARMACEUTICALS MOROCCO LLC SARLAU, including the balance sheet and the profit and loss account relating to the financial year ended March 31st, 2025. These financial statements show a negative amount of net equity of KMAD 29 589 including a net profit of KMAD 7 851.

In our opinion, the financial statements referred to in the first paragraph above are regular, sincere and give a true and fair view of SUN PHARMACEUTICALS MOROCCO LLC SARLAU's assets, liabilities and financial position at March 31st, 2025, and of its operations for the year then ended, in accordance with the accounting principles generally accepted in Morocco.

Basis of opinion

We conducted our audit in accordance with the Moroccan auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Morocco, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Observations

The net equity of the company is negative, because of the accumulated losses. The company's management believes that the sole shareholder continues to provide financial support to the company. Consequently, the accounts have been closed on the basis of going concern principle, and do not take into account any adjustments that would prove necessary in the event that the company is forced to cease its activity.

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Moroccan accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Moroccan auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Moroccan auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control ;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control ;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management ;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern ;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The independent auditor

Baker Tilly Majer Audit

M. Mohamed Hamdache

Partner

Casablanca, May 12, 2025

Balance Sheet (Assests)

	ASSETS	CURRENT YEAR			PRIOR YEAR
		Gross Amount	Amortisation or depreciation	Net amount	Net amount
	CAPITALIZED EXPENSES (A)	163 353,00	163 353,00	0,00	
	Preliminary expenses	163 353,00	163 353,00		
	Deferred expenses on several years				
A	Premium of debentures refund				
C	INTANGIBLE FIXED ASSETS (B)	66 741,00	66 741,00	0,00	
T	Research and development				
I	Patents, Trademarks, and similar rights	66 741,00	66 741,00		
F	Goodwill				
	Other Intangible Assets				
	TANGIBLE FIXED ASSETS(C)	18 814 098,23	9 031 731,09	9 782 367,14	10 896 148,58
	Land				
	Buildings				
I	Industrial fixtures and equipement	11 504 701,88	5 513 493,57	5 991 208,31	6 867 658,44
M	Transportation equipement				
M	Office equipment and furniture	7 309 396,35	3 518 237,52	3 791 158,83	4 028 490,14
O	Other tangible fixed assets				
B	Tangible fixed assets in progress				
I	LONG TERM INVESTMENTS (D)	1 912 833,54	0,00	1 912 833,54	1 851 330,16
L	Long term loans				
I	Other financial assets	1 912 833,54		1 912 833,54	1 851 330,16
S	Investments				
E	Other investments				
	UNREALISED EXCHANGE RATE LOSSES (E)				
	Unrealised exchange rate losses (from long term asse				
	Unrealised exchange rate losses (from long term liabi				
	TOTAL I (A+B+C+D+E)	20 957 025,77	9 261 825,09	11 695 200,68	12 747 478,74
	INVENTORIES (F)	141 538 262,59	62 157 517,17	79 380 745,42	76 797 751,81
A	Merchandises	106 224 097,00	38 106 987,41	68 117 109,59	62 247 244,99
C	Raw materials and furnitures	32 537 358,65	22 816 107,76	9 721 250,89	12 117 317,99
T	Work in progress				
I	Intermediate and residual products				
F	Finished products	2 776 806,94	1 234 422,00	1 542 384,94	2 433 188,83
	CURRENT ASSETS(G)	144 003 834,29	2 041 725,60	141 962 108,69	109 568 697,47
C	Advances payments to suppliers and other debtors	2 591 976,50		2 591 976,50	2 591 976,50
I	Trade accounts receivable	94 694 602,23	2 041 725,60	92 652 876,63	78 668 939,73
R	Personnel	651 421,58		651 421,58	630 473,86
C	Taxes	28 513 466,49		28 513 466,49	25 371 949,46
U	Shareholders Current accounts				
L	Others debtors	17 489 973,49		17 489 973,49	2 305 357,92
A	Deferral accounts	62 394,00		62 394,00	
N	MARKETABLE SECURITIES (H)				
T	UNREALISED EXCHANGE RATE LOSSES (I)	11 869 841,06		11 869 841,06	16 058 213,72
	(Current)				
	TOTAL II (F+G+H+I)	297 411 937,94	64 199 242,77	233 212 695,17	202 424 663,00
T	CASH AND CASH EQUIVALENTS (Assets)	22 781 349,61	0,00	22 781 349,61	16 753 355,83
R	Checks and other instruments to be cashed	578 635,80		578 635,80	
E	Cash on Bank	22 199 123,42		22 199 123,42	16 742 726,63
S	Cash on hand	3 590,39		3 590,39	10 629,20
O	TOTAL III	22 781 349,61	0,00	22 781 349,61	16 753 355,83
	TOTAL ASSETS I+II+III	341 150 313,32	73 461 067,86	267 689 245,46	231 925 497,57

Balance Sheet (Liabilities)

	LIABILITIES	CURRENT YEAR	PRIOR YEAR
	Shareholder's equity (A)		
	Common stock (1)	12 235 300,00	12 235 300,00
	(Minus) Common stock subscribed but not called-up		
F	Issuance, merger and contribution premium		
I	Revaluation reserve		
N	Legal reserve		
A	Others reserves		
N	Profit/ loss account brought forward (2)	-49 674 466,87	-56 197 338,27
C	Not yet allocated income (2)		
E	of the year	7 850 584,97	6 522 881,41
M	Total Shareholders Net Equity (A)	-29 588 581,90	-37 439 156,86
E	RELATED EQUITY (B)	0,00	0,00
N	Investment Subsidy		
T	Regulatory provisions		
P	FINANCIAL LIABILITIES (C)	0,00	0,00
E	Debenture Loans		
R	Other financial liabilities		
M			
A			
N	PROVISION FOR CONTINGENCIES AND LOSSES(D)	0,00	0,00
E	Provision for contingencies		
N	Provision for losses		
T	UNREALISED EXCHANGE RATE GAINS (Non current) (E)	0,00	0,00
	Unrealised exchange rate gains from long term assets		
	Unrealised exchange rate gains from long term liabilities		
	Total I(A+B+C+D+E)	-29 588 581,90	-37 439 156,86
P	CURRENT LIABILITIES (F)	257 005 232,79	242 285 759,31
.	Trade accounts payable	180 055 402,49	168 236 833,83
C	Clients in credit, Advance payments received	3 827 991,00	
I	Personnel	9 559 072,42	5 140 802,09
R	Social security liabilities	1 895 891,23	2 546 753,87
C	Taxes	886 348,61	5 921 043,93
U	Shareholders current accounts	60 780 527,04	60 440 325,59
L	Others debts		
A	Deferral accounts		
N	OTHER PROVISION FOR CONTINGENCIES AND LOSSES (G)	23 869 841,06	16 058 213,72
T	UNREALISED EXCHANGE RATE GAINS (Current) (H)	16 402 753,51	8 331 952,09
	Total II (F+G+H)	297 277 827,36	266 675 925,12
T	CASH LIABILITIES	0,00	2 688 729,31
R	Discounts credit		
E	Short term credit facility		
S	Bank Overdrafts		2 688 729,31
	Total III		2 688 729,31
	TOTAL LIABILITIES I+II+III	267 689 245,46	231 925 497,57

Debtor share capital (-)

Income (+) Loss (-)

INCOME STATEMENT

		ITEM	CURRENT YEAR			PRIOR YEAR Net amount 4
			Related to the period 1	Related to the prior periods 2	Net amount 3=2+1	
EXPLOITATION	I	OPERATING REVENUE				
		Sales of merchandise	275 786 617,15		275 786 617,15	222 128 190,87
		Sales of goods and services	28 827 435,25		28 827 435,25	29 183 234,15
		Turnover	304 614 052,40		304 614 052,40	251 311 425,02
		Finished Goods inventory change (+/-) (1)	343 618,11		343 618,11	-1 027 137,12
		Self constructed capital asset				
		Operating Subsidy				
		Others operating income	14 628 703,26		14 628 703,26	12 927 602,53
		Reversal of operating provisions-charges transfer	61 398 463,97		61 398 463,97	41 836 556,40
		Total I	380 984 837,74		380 984 837,74	305 048 446,83
	II	OPERATING EXPENSES				
		Purchase of goods for resale (2)	140 000 376,14		140 000 376,14	139 511 321,07
		Purchase of materials and supplies (2)	12 105 510,97		12 105 510,97	8 487 389,34
FINANCIER		Other external expenses	94 151 170,31	821 835,65	94 973 005,96	78 675 688,29
		Taxes	518 257,70		518 257,70	792 495,38
		Personnel expenses	52 076 726,14		52 076 726,14	38 679 196,84
		Other operating expenses				
		Operating allowances (for depreciation and risks)	63 931 524,62		63 931 524,62	35 731 948,54
		Total II	362 783 565,88	821 835,65	363 605 401,53	301 878 039,46
	III	OPERATING INCOME / LOSS (I - II)			17 379 436,21	3 170 407,37
	IV	FINANCIAL REVENUE				
		Revenue from investment and others				
		Exchange gains	5 518 218,08		5 518 218,08	2 320 575,49
		Interests and other financial revenue	254 067,79		254 067,79	
		Reversal of financial provisions - charges transfer	16 058 213,72		16 058 213,72	25 392 142,29
		Total IV	21 830 499,59		21 830 499,59	27 712 717,78
	V	FINANCIAL EXPENSES				
		Interests expenses	3 376 654,68		3 376 654,68	4 416 219,91
		Exchange losses	837 177,62		837 177,62	991 602,66
		Other financial expenses				
		Financial allowances	11 869 841,06		11 869 841,06	16 058 213,72
		Total V	16 083 673,36		16 083 673,36	21 466 036,29
	VI	FINANCIAL INCOME (IV-V)			5 746 826,23	6 246 681,49
	VII	ORDINARY INCOME (III+VI)			23 126 262,44	9 417 088,86

INCOME STATEMENT

		ITEM	CURRENT YEAR			PRIOR YEAR Net amount 4
			Related to the period 1	Related to the prior periods 2	Net amount 3=2+1	
NON COURANT	VII	ORDINARY INCOME (report)			23 126 262,44	9 417 088,86
	VIII	EXCEPTIONAL REVENUE				
		Revenue from assets disposal				
		Balancing Subsidy				
		Reversal of Investment Subsidy				
		Other extraordinary revenue	112,09		112,09	239 542,27
		Reversal of extraordinary provisions- charges transfer				
		Total VIII	112,09	0,00	112,09	239 542,27
	IX	EXCEPTIONAL EXPENSES				
		Net value of sold assets	0,00		0,00	
		Granted Subsidies	0,00		0,00	
		Others extraordinary expenses	1 265 392,59		1 265 392,59	2 750 829,72
		Extraordinary allowances	12 000 000,00		12 000 000,00	
		Total IX	13 265 392,59	0,00	13 265 392,59	2 750 829,72
	X	EXCEPTIONAL INCOME / LOSS (VIII - IX)			-13 265 280,50	-2 511 287,45
	XI	INCOME / LOSS BEFORE TAXES(VII + X)			9 860 981,94	6 905 801,41
	XII	INCOME TAX			2 010 396,97	382 920,00
	XIII	NET INCOME / LOSS (XI - XII)			7 850 584,97	6 522 881,41

	XIV	TOTAL OF REVENUES (I+IV+VIII)			402 815 449,42	333 000 706,88
	XV	TOTAL OF EXPENSES (II+V+IX+XII)			394 964 864,45	326 477 825,47
	XVI	NET INCOME			7 850 584,97	6 522 881,41