

## **Audit of Financial Statements**

**Fiscal year from 1<sup>st</sup> January 2024 to 31<sup>st</sup> December 2024**

## **Audit of Financial Statements**

### **Qualified Opinion**

In accordance with the engagement entrusted to us by your General Assembly, we have audited the accompanying financial statements of **SUN PHARMACEUTICALS NORTH AFRICA S.A.**, which comprise:

- The balance sheet as of **December 31, 2024**,
- The income statement,
- The statement of financial performance,
- The cash flow statement for the fiscal year ended on that date, and
- The notes to the financial statements (ETIC).

These financial statements reflect **negative shareholders' equity of MAD 46,156,127.81**, resulting from a **net loss of MAD 47,779,360.10**.

**Except for the potential impact of the matter described in the "Basis for Qualified Opinion" section of our report**, we certify that the aforementioned financial statements are **compliant and truthful** and present, in all material respects, a fair view of the company's financial performance for the year and its financial position as of **December 31, 2024**, in accordance with the applicable accounting framework in Morocco.

### **Basis for Qualified Opinion**

As of **December 31, 2024**, the company holds a **VAT credit asset of MAD 15.2 million**, which is **not eligible for reimbursement**. Given the **lack of recoverability prospects** for this credit, we are unable to assess the full recoverability of this asset.

### **Audit Standards & Independence**

We conducted our audit in compliance with **Moroccan Auditing Standards**. Our responsibilities under these standards are further detailed in the "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of this report.

We confirm our **independence** from the company in accordance with the ethical requirements applicable to financial statement audits in Morocco, and we have fulfilled all other ethical responsibilities under these regulations.

We believe that the **audit evidence we have obtained is sufficient and appropriate** to provide a basis for our **qualified opinion**.

*Observation:*

We draw your attention to the **uncertainty regarding the company's ability to continue as a going concern**. Due to the reported losses, the company's net financial position is negative. However, **management believes that shareholders will continue providing financial support**. Consequently, the accompanying financial statements have been prepared on a **going concern basis** and do not include any adjustments that might be necessary if the company were unable to continue operations. **Our opinion is not modified in respect of this matter.**

## **Responsibilities of Management and Governance for the Financial Statements**

Management is responsible for:

- Preparing and fairly presenting the financial statements in accordance with **Moroccan accounting standards**.
- Establishing and maintaining **internal controls** to ensure the financial statements are free from material misstatements, whether due to **fraud or error**.
- Assessing the company's **ability to continue as a going concern**, disclosing any related uncertainties, and applying the **going concern principle**—unless management intends to liquidate the company or cease operations.

The **governing bodies** (Board of Directors/Audit Committee) are responsible for overseeing the company's financial reporting process.

## Auditor's Responsibilities

Our objectives are to:

- Obtain **reasonable assurance** that the financial statements are free from **material misstatements** (whether due to fraud or error).
- Issue an **auditor's report** containing our opinion.

"**Reasonable assurance**" is a high level of confidence but does not guarantee that all material misstatements will be detected. Misstatements are considered **material** if they could influence users' economic decisions.

### Key Audit Procedures

In accordance with **Moroccan Auditing Standards**, we:

1. **Identified and assessed risks** of material misstatement (fraud or error) and designed audit procedures accordingly.
  - *Note: The risk of undetected fraud is higher than error due to possible collusion, forgery, or intentional misrepresentation.*
2. **Evaluated internal controls** relevant to the audit (but not to opine on their effectiveness).
3. **Assessed accounting policies, estimates, and disclosures** for appropriateness.
4. **Evaluated management's use of the going concern principle.**
  - If a **material uncertainty exists**, we are required to draw attention to it in the report.
5. **Reviewed the overall presentation, structure, and content** of the financial statements to ensure a **true and fair view**.

We communicated with governance regarding:

- The **scope and timing** of the audit.

- **Significant findings**, including any material weaknesses in internal controls.

### **Specific Legal Verifications**

We performed additional procedures required by law, including:

- Verifying the **accuracy and consistency** of the management report with the financial statements.

#### *Non-Compliance with Corporate Law*

We highlight that the company **did not comply with Article 357 of the Moroccan Companies Act**, as it failed to **restore its shareholders' equity within the legal timeframe**.

Casablanca, 3<sup>rd</sup> June 2025

Auditor

Ernst & Young

# Sun Pharmaceuticals North Africa

As of: 12/31/2024

## Balance Sheet (Assests)

	ASSETS	CURRENT YEAR			PRIOR YEAR
		Gross Amount	Amortisation or depreciation	Net amount	Net amount
	<b>CAPITALIZED EXPENSES (A)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
	Preliminary expenses				
	Deferred expenses on several years				
A	Premium of debentures refund				
C	<b>INTANGIBLE FIXED ASSETS (B)</b>	<b>2,895,982.47</b>	<b>617,659.34</b>	<b>2,278,323.13</b>	<b>2,588,774.95</b>
T	Research and development	1,535,391.47	307,078.29	1,228,313.18	1,535,391.47
I	Patents, Trademarks, and similar rights	1,360,591.00	310,581.05	1,050,009.95	1,053,383.48
F	Goodwill				
	Other Intangible Assets				
	<b>TANGIBLE FIXED ASSETS(C)</b>	<b>94,469,021.42</b>	<b>55,577,636.95</b>	<b>38,891,384.47</b>	<b>57,566,028.80</b>
	Land				
	Buildings				
I	Industrial fixtures and equipement	87,429,520.14	52,677,361.45	34,752,158.69	55,006,758.11
M	Transportation equipement	1,284,960.13	904,043.56	380,916.57	1,296,884.25
M	Office equipment and furniture	2,909,396.15	1,982,651.94	926,744.21	1,262,386.44
O	Other tangible fixed assets	13,580.00	13,580.00		
B	Tangible fixed assets in progress	2,831,565.00		2,831,565.00	
I	<b>LONG TERM INVESTMENTS (D)</b>	<b>618,639.26</b>	<b>0.00</b>	<b>618,639.26</b>	<b>453,241.19</b>
L	Long term loans				
I	Other financial assets	618,639.26		618,639.26	453,241.19
S	Investments				
E	Other investments				
	<b>UNREALISED EXCHANGE RATE LOSSES (E)</b>	<b>962,715.38</b>		<b>962,715.38</b>	<b>1,410,141.21</b>
	Unrealised exchange rate losses (from long term asset				
	Unrealised exchange rate losses (from long term liabil	962,715.38		962,715.38	1,410,141.21
	<b>TOTAL I (A+B+C+D+E)</b>	<b>98,946,358.53</b>	<b>56,195,296.29</b>	<b>42,751,062.24</b>	<b>62,018,186.15</b>
	<b>INVENTORIES (F)</b>	<b>9,182,050.20</b>	<b>2,417,281.80</b>	<b>6,764,768.40</b>	<b>9,341,446.24</b>
A	Merchandises	1,233,462.99		1,233,462.99	1,603,260.74
C	Raw materials and furnitures	6,000,921.23	1,436,773.22	4,564,148.01	6,218,626.86
T	Work in progress				
I	Intermediate and residual products				
F	Finished products	1,947,665.98	980,508.58	967,157.40	1,519,558.64
	<b>CURRENT ASSETS(G)</b>	<b>19,703,992.41</b>	<b>0.00</b>	<b>19,703,992.41</b>	<b>16,664,635.86</b>
C	Advances payments to suppliers and other debtors	343,888.13		343,888.13	201,133.79
I	Trade accounts receivable	3,929,478.36		3,929,478.36	3,012,368.92
R	Personnel	345.57		345.57	
C	Taxes	15,349,795.35		15,349,795.35	13,153,614.15
U	Shareholders Current accounts				
L	Others debtors	64,800.00		64,800.00	157,448.52
A	Deferral accounts	15,685.00		15,685.00	140,070.48
N	<b>MARKETABLE SECURITIES (H)</b>				
T	<b>UNREALISED EXCHANGE RATE LOSSES (I)</b>	<b>425,116.58</b>		<b>425,116.58</b>	<b>3,491.49</b>
	(Current)				
	<b>TOTAL II ( F+G+H+I)</b>	<b>29,311,159.19</b>	<b>2,417,281.80</b>	<b>26,893,877.39</b>	<b>26,009,573.59</b>
T	<b>CASH AND CASH EQUIVALENTS (Assets)</b>	<b>11,136,950.11</b>	<b>0.00</b>	<b>11,136,950.11</b>	<b>189,270.90</b>
R	Checks and other instruments to be cashed				
E	Cash on Bank	11,135,108.82		11,135,108.82	189,270.90
S	Cash on hand	1,841.29		1,841.29	
O	<b>TOTAL III</b>	<b>11,136,950.11</b>	<b>0.00</b>	<b>11,136,950.11</b>	<b>189,270.90</b>
	<b>TOTAL ASSETS I+II+III</b>	<b>139,394,467.83</b>	<b>58,612,578.09</b>	<b>80,781,889.74</b>	<b>88,217,030.64</b>

## Sun Pharmaceuticals North Africa

As of

12/31/2024

### Balance Sheet (Liabilities)

	LIABILITIES	CURRENT YEAR	PRIOR YEAR
	<b>Shareholder's equity (A)</b>		
	Common stock (1)	150,000,000.00	150,000,000.00
	(Minus) Common stock subscribed but not called-up		
F	Issuance, merger and contribution premium		
I	Revaluation reserve	43,776,029.90	43,776,029.90
N	Legal reserve		
A	Others reserves		
N	Profit/ loss account brought forward (2)	-192,152,797.61	-166,188,961.06
C	Not yet allocated income (2)		
E	of the year	-47,779,360.10	-25,963,836.55
M	<b>Total Shareholders Net Equity (A)</b>	<b>-46,156,127.81</b>	<b>1,623,232.29</b>
E	<b>RELATED EQUITY (B)</b>	<b>0.00</b>	<b>0.00</b>
N	Investment Subsidy		
T	Regulatory provisions		
P	<b>FINANCIAL LIABILITIES (C)</b>	<b>70,977,399.69</b>	<b>61,703,489.33</b>
E	Debenture Loans		
R	Other financial liabilities	70,977,399.69	61,703,489.33
M			
A			
N	<b>PROVISION FOR CONTINGENCIES AND LOSSES(D)</b>	<b>962,715.38</b>	<b>1,337,613.40</b>
E	Provision for contingencies	962,715.38	1,337,613.40
N	Provision for losses		
T	<b>UNREALISED EXCHANGE RATE GAINS (Non current) (E)</b>	<b>1,553,245.65</b>	<b>245,370.26</b>
	Unrealised exchange rate gains from long term assets		
	Unrealised exchange rate gains from long term liabilities	1,553,245.65	245,370.26
	<b>Total I(A+B+C+D+E)</b>	<b>27,337,232.91</b>	<b>64,909,705.28</b>
P	<b>CURRENT LIABILITIES (F)</b>	<b>52,982,065.15</b>	<b>23,040,505.27</b>
.	Trade accounts payable	5,122,891.45	8,868,859.36
C	Clients in credit, Advance payments received	120,406.54	398.44
I	Personnel	692,174.40	892,453.00
R	Social security liabilities	387,567.04	308,902.17
C	Taxes	1,377,165.53	1,268,042.26
U	Shareholders current accounts	45,281,860.19	11,644,846.04
L	Others debts		57,004.00
A	Deferral accounts		
N	<b>OTHER PROVISION FOR CONTINGENCIES AND LOSSES (G)</b>	<b>425,116.57</b>	<b>76,019.30</b>
T	<b>UNREALISED EXCHANGE RATE GAINS (Current ) (H)</b>	<b>37,475.11</b>	<b>190,800.80</b>
	<b>Total II (F+G+H)</b>	<b>53,444,656.83</b>	<b>23,307,325.37</b>
T	<b>CASH LIABILITIES</b>	<b>0.00</b>	<b>0.00</b>
R	Discounts credit		
E	Short term credit facility		
S	Bank Overdrafts		
	<b>Total III</b>		
	<b>TOTAL LIABILITIES I+II+III</b>	<b>80,781,889.74</b>	<b>88,217,030.65</b>

# Sun Pharmaceuticals North Africa

As of

12/31/2024

## INCOME STATEMENT

		CURRENT YEAR		PRIOR YEAR
		ITEM	Net amount	Net amount 4
EXPLOITATION	I	OPERATING REVENUE		
		Sales of merchandise	4,919,335.79	2,578,106.58
		Sales of goods and services	6,831,170.11	5,758,039.04
		Turnover	11,750,505.90	8,336,145.62
		Finished Goods inventory change (+/-) (1)	-257,898.73	-244,075.51
		Self constructed capital asset	1,941,780.54	2,812,270.98
		Operating Subsidy		
		Others operating income		
		Reversal of operating provisions-charges transfer	2,203,498.99	2,129,593.73
		Total I	15,637,886.70	13,033,934.82
	II	OPERATING EXPENSES		
		Purchase of goods for resale (2)	1,776,780.15	955,284.17
		Purchase of materials and supplies (2)	8,473,032.77	6,635,319.29
		Other external expenses	10,096,638.91	10,080,783.08
		Taxes	391,520.32	458,827.79
FINANCIER		Personnel expenses	14,577,038.65	12,956,682.98
		Other operating expenses		
		Operating allowances (for depreciation and risks)	24,156,316.07	6,708,977.01
		Total II	59,471,326.87	37,795,874.32
	III	OPERATING INCOME / LOSS (I - II)	-43,833,440.17	-24,761,939.50
	IV	FINANCIAL REVENUE		
		Revenue from investment and others		
		Exchange gains	67,233.53	14,304.13
		Interests and other financial revenue		
		Reversal of financial provisions - charges transfer	1,413,632.70	3,265,487.48
		Total IV	1,480,866.23	3,279,791.61
	V	FINANCIAL EXPENSES		
		Interests expenses	3,448,394.87	1,837,864.74
		Exchange losses	270,857.75	363,563.71
		Other financial expenses	6,534.21	
		Financial allowances	1,387,832.04	1,413,632.70
		Total V	5,113,618.87	3,615,061.15
	VI	FINANCIAL INCOME (IV-V)	-3,632,752.64	-335,269.54
	VII	ORDINARY INCOME (III+VI)	-47,466,192.81	-25,097,209.04

## INCOME STATEMENT

			CURRENT YEAR	PRIOR YEAR
		ITEM	Net amount	Net amount
NON COURANT	VII	ORDINARY INCOME (report)	-47,466,192.81	-25,097,209.04
	VIII	EXCEPTIONAL REVENUE		
		Revenue from assets disposal	340,000.00	
		Balancing Subsidy		
		Reversal of Investment Subsidy		
		Other extraordinary revenue	239,694.78	102,220.26
		Reversal of extraordinary provisions- charges transfer		
		Total VIII	579,694.78	102,220.26
	IX	EXCEPTIONAL EXPENSES		
		Net value of sold assets	716,972.98	
		Granted Subsidies		
		Others extraordinary expenses	155,890.09	955,710.77
		Extraordinary allowances		
		Total IX	872,863.07	955,710.77
	X	EXCEPTIONAL INCOME / LOSS (VIII - IX)	-293,168.29	-853,490.51
	XI	INCOME / LOSS BEFORE TAXES(VII + X)	-47,759,361.10	-25,950,699.55
	XII	INCOME TAX	19,999.00	13,137.00
	XIII	NET INCOME / LOSS (XI - XII)	-47,779,360.10	-25,963,836.55
	XIV	TOTAL OF REVENUES (I+IV+VIII)	17,698,447.71	16,415,946.69
	XV	TOTAL OF EXPENSES (II+V+IX+XII)	65,477,807.81	42,379,783.24
	XVI	NET INCOME	-47,779,360.10	-25,963,836.55



# Sun Pharmaceuticals North Africa

As of

3/31/2023

## STATEMENT OF MANAGEMENT BALANCES

### I-STATEMENT OF INCOME GENERATION

				Current year	Previous year
	1		Sales of merchandise	4,919,335.35	2,578,106.58
	2	-	Purchase of goods for resale	-1,776,780.15	-955,284.17
I	=		<b>Gross Margin</b>	<b>3,142,555.20</b>	<b>1,622,822.41</b>
II	+		<b>Other revenue of the period</b>	<b>8,515,051.92</b>	<b>8,326,234.51</b>
	3		Sales of goods and services	6,831,170.11	5,758,039.04
	4		Finished goods inventory change (+/-)	-257,898.73	-244,075.51
	5		Self constructed capital asset	1,941,780.54	2,812,270.98
III	-		<b>Consumption of the current year</b>	<b>18,569,671.68</b>	<b>16,716,102.37</b>
	6		Purchase of materials and supplies (2)	8,473,032.77	6,635,319.29
	7		Other external expenses	10,096,638.91	10,080,783.08
IV	=		<b>ADDED VALUE( I + II - III )</b>	<b>-6,912,064.56</b>	<b>-6,767,045.45</b>
	8	+	Operating subsidy		
	9	-	Taxes	391,520.32	458,827.79
	10	-	Personnel Expenses	14,577,038.65	12,956,682.98
V	=		<b>EBIDTA (+)</b>		
			Or		
	=		<b>EBIDTA (-)</b>	<b>-21,880,623.53</b>	<b>-20,182,556.22</b>
	11	+	Other operating income		
	12	-	Other operating expenses		
	13	+	Reversal of operating provisions-charges tran	2,203,498.99	2,129,593.73
	14	-	Operating allowances (for depreciation and r	24,156,316.07	6,708,977.01
VI	=		<b>OPERATING INCOME + / -</b>	<b>-43,833,440.61</b>	<b>-24,761,939.50</b>
VII			<b>FINANCIAL INCOME+ / -</b>	<b>-3,632,752.64</b>	<b>-335,269.54</b>
VIII	=		<b>CURRENT INCOME+ / -</b>	<b>-47,466,193.25</b>	<b>-25,097,209.04</b>
IX			<b>NON CURRENT INCOME+ / -</b>	<b>-293,168.29</b>	<b>-853,490.51</b>
	15		<b>Corporate Tax</b>	<b>19,999.00</b>	<b>13,137.00</b>
X	=		<b>Net earnings+ / -</b>	<b>-47,779,360.54</b>	<b>-25,963,836.55</b>

### II CASH FLOW FROM OPERATIONS

				Current year	Previous year
	1		Net earnings		
			. Profit+	0	0
			. Loss -	-47,779,360.10	-25,963,836.55
619	2	+	Operating allowances (for depreciation and r	21,739,034.27	6,664,991.09
639	3	+	Financial allowances ( 1 )		1,337,613.40
659	4	+	Extraordinary allowances ( 1 )		
719	5	-	Reversal of operating provisions - charges transfer ( 2 )		
739	6	-	Reversal of financial provisions - charges tra	1,285,473.88	3,137,328.66
759	7	-	Reversal of extraordinary provisions - charge		
	8	-	Revenue from assets disposal	340,000.00	
	9	+	Net value of sold assets	716,972.98	
I			<b>Cash Flow</b>	<b>-26,948,826.73</b>	<b>-21,098,560.72</b>
	10	-	Dividends		
II			<b>Net Cash Flow</b>	<b>-26,948,826.73</b>	<b>-21,098,560.72</b>

## Sun Pharmaceuticals North Africa

### Financing Table

From 01/01/2024 to 31/12/2024

Summary Balance Sheet	Current Year	Previous Year	A - B	
			Uses	Resources
			c	d
Permanent Financing	27,337,232.91	64,909,705.28	37,572,472.37	
Minus Fixed Assets	42,751,062.24	62,018,186.15		19,267,123.91
= Fonctionnel (1-2) (A) Working Capital	- 15,413,829.33	2,891,519.13	18,305,348.46	
Asset	26,893,877.39	26,009,573.59	884,303.80	
minus Liabilities	53,444,656.83	23,307,325.36		30,137,331.47
= TOTAL FINANCING NEED (4-5) (B)	- 26,550,779.44	2,702,248.23		29,253,027.67
Net Treasury (Asset -Liabilities) A- B	11,136,950.11	189,270.90	10,947,679.21	

II Uses and Ressources	Current Year		Previous Year	
	Uses	Resources	Uses	Resources
<b>Stable Ressources</b>				
<b>Autofinancing (A)</b>	26,948,826.73		21,098,560.72	
+ Autofinancing Capacity	26,948,826.73		21,098,560.72	
- Distribution of dividend		-		
<b>Sale and reduction of Fixed Assets (B)</b>		340,000.00		
+ Sale of Intangible FA				
+ Sale of Tangible FA	-	340,000.00		-
+ Sale of Financial FA				
+ Recovering on FA receivables				
<b>Increase of Equity</b>				53,776,029.90
+ Increase of Equity				53,776,029.90
+ Investment Grant				
<b>Increase in Financing Debt (net of redemption premiums)</b>		9,950,000.00		
<b>Total Stable Ressourcess (A+B+C+D)</b>	26,948,826.73		21,098,560.72	
<b>II Stable resources of exercise</b>				
<b>Acausition and increase of FA</b>	864,744.17		45,766,413.81	
+ Acquisition of Intangible FA			1,763,391.47	
+ Acquisition of Tangible FA	601,868.72		44,003,022.34	
+ Acquisition of Financial FA	225,398.07			
+ Increase of FA receivables				
<b>Repayment of Equity (F)</b>				
<b>Repayment of Financial Debt (G)</b>	744,300.18		726,492.08	
<b>Expenditures on Non-Value Items (H)</b>				
<b>Total Stable Uses (E+F+G+H)</b>	1,609,044.35		46,492,905.89	
<b>III Change in Total Financing Need</b>		29,253,027.67		10,001,803.12
<b>IV Treasury Variation</b>	10,947,679.21			3,813,633.59
<b>Total General</b>	39,543,027.67	39,543,027.67	67,591,466.61	67,591,466.61