



Joint-Stock Company RANBAXY

Independent Auditor's report on the special financial statements

for the year ended December 31, 2022

Moscow | 2023



Independent Auditor's Report [Translation from Russian original]

To the Shareholders and the Board of Directors of
Joint-Stock Company RANBAXY

Opinion

We have audited the accompanying financial statements of Joint-Stock Company RANBAXY (hereinafter — JSC RANBAXY), which comprise the balance sheet as at 31 December 2022, statement of financial results for the year then ended, supplements to the balance sheet and the statement of financial results, including the statement of changes in equity and the statement of cash flows for the year then ended, notes to the balance sheet and the statement of financial results, and notes to the financial statements for 2022, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of JSC RANBAXY as at 31 December 2022, its financial performance and its cash flows for the year then ended in accordance with Russian accounting standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 audited entity in accordance with the Rules of Independence of Auditors and Audit Organizations and the Code of Professional Ethics of Auditors, as well as with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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.

Responsibilities of Management and Members of the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Russian 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 entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Members of the Board of Directors are responsible for overseeing the entity'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 ISAs 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 ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- a) identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive 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.
- b) 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.
- c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) 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.
- e) 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.

Engagement partner on the audit
resulting in this independent
auditor's report acting on behalf of the audit firm
under power of attorney No. 67/22
dated 04 March 2022

Panfilova, Larisa Alexandrovna
Audit qualification certificate dated
18 April 2005 No. K022777, registration
number 22006035483

Date of the independent auditor's report: 31 March 2023

Audited entity

Name:

Joint-Stock Company RANBAXY (JSC RANBAXY).

Address of the legal entity within its location:

27/8 Elektrozavodskaya St., Room 14/1, Moscow, 107023, Russian Federation.

State registration:

The registration entry was made in the Unified State Register of Legal Entities on 20 May 2004 under primary state registration number (OGRN) 1047796353846.

Auditor

Name:

FBK, LLC.

Address of the legal entity within its location:

44/1 Myasnitskaya St, Bldg 2AB, Moscow, 101990, Russian Federation.

State registration:

The registration entry was made in the Unified State Register of Legal Entities on 24 July 2002 under primary state registration number 1027700058286.

Primary number of registration entry in the register of auditors and audit organizations of the Self-regulatory organization of auditors Association "Sodruzhestvo" 11506030481.

Balance Sheet
as at 31 December 2022

Entity Joint-Stock Company RANBAXY
 Taxpayer identification number _____
 Type of economic activity Wholesaling of pharmaceutical and medical products
 Organizational legal form / form of ownership Ownership of foreign legal entities
Joint-Stock Company / entities
 Measurement unit: thousand roubles
 Location (address) 27 Elektrozavodskaya ul., bldg. 8, room 14/1, Moscow, 107023, Russia

Form on OKUD _____
 Date (day, month, year) _____

Codes		
0710001		
31	12	2022
OKPO 72983356		
INN 7720508094		
OKVED 2 46.46.1		
OKOPF/OKFS 12267		23
OKEI 384		

The financial statements are subject to statutory audit YES NO

Name of the audit firm/full name of the individual auditor
FBK, LLC

Taxpayer identification number of the audit firm/individual auditor

INN 7701017140

Primary state registration number of the audit firm/individual auditor

OGRN/
OGRNIP 1027700058286

Notes	Narrative	Code	As at 31 December 2022	As at 31 December 2021	As at 31 December 2020
	ASSETS				
	I. NON-CURRENT ASSETS				
5	Intangible assets	1110	13 876	8 835	14 829
	Results of research and development	1120	-	-	-
	Intangible development assets	1130	-	-	-
	Tangible development assets	1140	-	-	-
6	Fixed assets	1150	73 213	94 192	7 433
	including:				
	Right-of-use asset	1151	66 381	88 993	-
	Fixed assets in the entity	1152	6 833	4 127	7 433
	Capital investments in fixed assets in progress	1153	-	1 072	-
	Income-bearing investments into tangible assets	1160	-	-	-
7	Financial investments	1170	1 530 000	1 005 000	550 000
21	Deferred tax assets	1180	149 650	86 988	143 007
	Other non-current assets	1190	-	-	-
	Total for Section I	1100	1 766 740	1 195 015	715 270
	II. CURRENT ASSETS				
8	Inventories	1210	1 562 938	1 039 399	1 184 707
	Input value-added tax	1220	533	1 138	197
9	Accounts receivable	1230	4 334 954	3 273 413	3 026 081
7	Financial investments (excluding cash equivalents)	1240	-	30 000	-
10	Cash and cash equivalents	1250	403 852	204 193	725 662
	including:				
	Cash on hand	1251	6	14	10
	Operating accounts	1252	403 846	54 179	180 958
	Foreign currency accounts	1253	-	-	19 695

	Deposited	1253	-	150 000	525 000
11	Other current assets	1260	3 315	3 135	5 961
	Total for Section II	1200	6 305 593	4 551 278	4 942 608
	BALANCE	1600	8 072 332	5 746 293	5 657 878

Notes	Narrative	Code	As at 31 December 2022	As at 31 December 2021	As at 31 December 2020
	EQUITY AND LIABILITIES				
	III. CAPITAL AND RESERVES				
12	Authorized capital (contributed capital, charter capital, contributions of partners)	1310	163 000	163 000	163 000
	Treasury shares	1320	-	-	-
	Revaluation of non-current assets	1340	-	-	-
	Additional capital (without revaluation)	1350	-	-	-
	Reserve capital	1360	40 750	40 750	40 750
	Retained earnings (uncovered loss)	1370	1 774 536	1 197 531	812 543
		1300	1 978 286	1 401 281	1 016 293
	Total for Section III				
13	Borrowings	1410	-	-	433 885
	Deferred tax liabilities	1420	17 060	28 279	13 531
21	Estimated liabilities	1430	-	-	-
22	Other liabilities	1450	44 905	85 084	-
	Total for Section IV	1400	61 965	113 363	447 416
	V. CURRENT LIABILITIES				
13	Borrowings	1510	-	-	3 185
14	Accounts payable	1520	5 733 127	3 983 582	3 932 152
	Deferred income	1530	-	-	-
15	Estimated liabilities	1540	298 954	248 066	258 832
	Other liabilities	1550	-	-	-
	Total for Section V	1500	6 032 081	4 231 649	4 194 169
	BALANCE	1700	8 072 332	5 746 293	5 657 878

Director _____
(signature)

Artur Valiev _____
(print name)

31 March 2023 _____

Statement of Financial Results
for January-December 2022

Entity	<u>Joint-Stock Company RANBAXY</u>	Form on OKUD	Codes		
Taxpayer identification number		Date (day, month, year)	31	12	2022
Type of economic activity	<u>Wholesaling of pharmaceutical and medical products</u>	OKPO	72983356		
Organizational legal form / form of ownership	<u>Ownership of foreign legal entities</u>	INN	7720508094		
Measurement unit:	thousand roubles	OKVED 2	46.46.1		
		OKOPF/OKFS	12267	23	
		OKEI	384		

Notes	Narrative	Code	For January-December 2022	For January-December 2021
16	Revenue	2110	8 256 769	6 211 211
17	Cost of sales	2120	(4 522 537)	(3 921 848)
	Gross profit (loss)	2100	3 734 232	2 289 363
18	Selling expenses	2210	(3 003 657)	(1 718 871)
	Administrative expenses	2220	-	-
	Profit (loss) on sales	2200	730 575	570 492
	Income from participation in other entities	2310	-	-
7	Interest receivable	2320	145 897	50 587
22	Interest payable	2330	(8 103)	(5 718)
19	Other income	2340	67 312	140 717
20	Other expenses	2350	(147 575)	(253 043)
	Profit (loss) before tax	2300	788 106	503 035
21	Income tax	2410	(211 101)	(109 379)
	including:			
	current income tax	2411	(284 983)	(38 611)
	deferred income tax	2412	73 882	(70 768)
	Other	2460	-	-
	including:			
	Net profit (loss)	2400	577 005	393 656

Notes	Narrative	Code	For January-December 2022	For January-December 2021
	Result of revaluation of non-current assets not included in net profit (loss) for the period	2510	-	-
	Result of other operations not included in net profit (loss) for the period	2520	-	-
	Income tax from operations whose result is not included in net profit (loss) for the period	2530	-	-
25	Total financial result for the period	2500	577 005	393 656
	FOR REFERENCE ONLY			
	Basic earnings (loss) per share	2900	4	2
	Diluted earnings (loss) per share	2910	-	-

Director _____
(signature)

Artur Valiev _____
(print name)

31 March 2023 _____

Statement of Changes in Equity
for January-December 2022

Codes	
0710004	
31	12 2022
OKPO 72983356	
INN 7720508094	
OKVED 2 46.46.1	
12267	23
OKEI 384	

Form on OKUD

Date (day, month, year)

Entity Joint-Stock Company RAINBAXY

Taxpayer identification number

Type of economic activity Wholesaling of pharmaceutical and medical products

Organizational legal form / form of ownership Ownership of foreign legal

Joint-Stock Company / entities OKOPF/OKFS

Measurement unit: thousand roubles

1. Changes in equity

Narrative	Code	Authorized capital	Treasury shares	Additional capital	Reserve capital	Retained earnings (uncovered loss)	Total
Equity as at 31 December 2020	3100	163 000	-	-	40 750	812 543	1 016 293
<u>For 2021</u>	3210	-	-	-	-	393 656	393 656
Total increase in equity, including:							
Net profit	3211	X	X	X	X	393 656	393 656
Revaluation of assets	3212	X	X	X	X	-	-
Gains taken directly to equity	3213	X	X	X	X	-	-
Additional issue of shares	3214	-	-	-	X	X	-
Increase in par value of shares	3215	-	-	-	X	-	X
Reorganization of the legal entity	3216	-	-	-	-	-	-

Narrative	Code	Authorized capital	Treasury shares	Additional capital	Reserve capital	Retained earnings (uncovered loss)	Total
Total decrease in equity:	3220	-	-	-	-	(8 668)	(8 668)
including:							
Loss	3221	X	X	X	X	-	-
Revaluation of assets	3222	X	X	-	X	-	-
Expenses directly charged to equity	3223	X	X	-	X	(8 668)	(8 668)
Reduction in par value of shares	3224	-	-	-	X	-	-
Reduction in number of shares	3225	-	-	-	X	-	-
Reorganization of the legal entity	3226	-	-	-	-	-	-
Dividends	3227	X	X	X	X	-	-
Change in additional capital	3230	X	X	-	-	-	X
Change in reserve capital	3240	X	X	X	-	-	X
Equity as at 31 December 2021	3200	163 000	-	-	40 750	1 197 531	1 401 281
For 2022							
Total increase in equity:	3310	-	-	-	-	577 005	577 005
including:							
Net profit	3311	X	X	X	X	577 005	577 005
Revaluation of assets	3312	X	X	-	X	-	-
Gains taken directly to equity	3313	X	X	-	X	-	-
Additional issue of shares	3314	-	-	-	X	X	-
Increase in par value of shares	3315	-	-	-	X	-	X
Reorganization of the legal entity	3316	-	-	-	-	-	-
Total decrease in equity:	3320	-	-	-	-	-	-
including:							
Loss	3321	X	X	X	X	-	-
Revaluation of assets	3322	X	X	-	X	-	-
Expenses directly charged to equity	3323	X	X	-	X	-	-
Reduction in par value of shares	3324	-	-	-	X	-	-
Reduction in number of shares	3325	-	-	-	X	-	-
Reorganization of the legal entity	3326	-	-	-	-	-	-
Dividends	3327	X	X	X	X	-	-
Change in additional capital	3330	X	X	-	-	-	X
Change in reserve capital	3340	X	X	X	-	-	X
Equity as at 31 December 2022	3300	163 000	-	-	40 750	1 774 536	1 978 286

2. Adjustments related to changes in accounting policies and correction of errors

Narrative	Code	As at 31 December 2020	Change in equity for 2021		As at 31 December 2021
			Due to net profit (loss)	Due to other factors	
Total capital					
Before adjustments	3400	1 016 293	393 656	-	1 409 949
Adjustments arising from:					
Changes in accounting policies	3410	-	-	(8 668)	(8 668)
Correction of errors	3420	-	-	-	-
After adjustments	3500	1 016 293	393 656	(8 668)	1 401 281
including:					
Retained earnings (uncovered loss):					
Before adjustments	3401	812 543	393 656	-	1 206 199
Adjustments arising from:					
Changes in accounting policies	3411	-	-	(8 668)	(8 668)
Correction of errors	3421	-	-	-	-
After adjustments	3501	812 543	393 656	(8 668)	1 197 531
Other capital items					
Before adjustments	3402	-	-	-	-
Adjustments arising from:					
Changes in accounting policies	3412	-	-	-	-
Correction of errors	3422	-	-	-	-
After adjustments	3502	-	-	-	-

3. Net assets

Narrative	Code	As at 31 December 2022	As at 31 December 2021	As at 31 December 2020
Net assets	3600	1 978 286	1 401 281	1 016 293

Director _____
(signature)

Artur Valiev _____
(print name)

31 March 2023

Statement of Cash Flows
for January-December 2022

Entity Joint-Stock Company RANBAXY
 Taxpayer identification number _____
 Type of economic activity Wholesaling of pharmaceutical and medical products
 Organizational legal form / form of ownership _____
 Ownership of foreign legal entities _____
Joint-Stock Company / entities
 Measurement unit: thousand roubles

Form on OKUD			Codes		
Date (day, month, year)			0710005		
	31	12	2022		
OKPO	72983356				
INN	7720508094				
OKVED 2	46.46.1				
OKOPF/OKFS	12267	23			
OKEI	384				

Narrative	Code	For January-December 2022	For January-December 2021
Cash flows from operating activities			
Total receipts	4110	7 823 649	6 079 214
including:			
Sales of products, goods, works and services	4111	7 537 785	6 015 657
Lease payments, license fees, royalties, commissions, fees	4112	125	325
Resale of financial investments	4113	-	-
Other receipts	4119	285 739	63 232
Total payments	4120	(7 110 283)	(5 651 364)
including:			
To suppliers (contractors) for materials, supplies, works and services	4121	(5 220 088)	(4 217 529)
Employee compensation	4122	(1 166 086)	(1 063 982)
Interest on debt obligations	4123	-	(8 574)
Corporate income tax	4124	(285 507)	(123 611)
Other payments	4129	(438 602)	(237 668)
Net cash flows from operating activities	4100	713 366	427 850
Cash flows from investing activities			
Total receipts	4210	152 632	550 985
including:			
Sales of non-current assets (excluding financial investments)	4211	-	16 231
Sale of shares (interests) in other entities	4212	-	-
Loans repayments, sale of debt securities (monetary claims against other persons)	4213	50 000	500 000
Dividends, interest on financial debt investments and similar receipts from equity participation in other organizations	4214	102 632	34 754
Other receipts	4219	-	-
Total payments	4220	(586 996)	(990 097)
including:			
Acquisition, creation, modernization, reconstruction and preparation of non-current assets for use	4221	(11 996)	(5 097)
Acquisition of shares (interests) in other entities	4222	-	-
Acquisition of debt securities (monetary claims against other persons), disbursement of loans	4223	(575 000)	(985 000)

Interest on debt liabilities, included into the cost of investment asset	4224	-	-
Other payments	4229	-	-
Net cash flows from investing activities	4200	(434 364)	(439 112)

Narrative	Code	For January-December 2022	For January-December 2021
Cash flows from financing activities			
Total receipts	4310	-	-
including:			
Credit and loan proceeds	4311	-	-
Monetary contributions of owners (members)	4312	-	-
Issue of shares, increase in participatory interests	4313	-	-
Issue of bonds, bills and other debt securities, etc.	4314	-	-
Other receipts	4319	-	-
Total payments	4320	(79 343)	(506 094)
including:			
To owners (members) in connection with repurchase of shares (interests) from them or termination or their participation	4321	-	-
Payment of dividends and other profit distributions to owners (members)	4322	-	-
In connection with redemption (repurchase) of bills and other debt securities, credit and loan repayments	4323	-	(426 675)
Other payments	4329	(79 343)	(79 419)
Net cash flows from financing activities	4300	(79 343)	(506 094)
Net cash flows for the reporting period	4400	199 659	(517 356)
Cash and cash equivalents as at the beginning of the reporting period	4450	204 193	725 662
Cash and cash equivalents as at the end of the reporting period	4500	403 852	204 193
Effect of changes in foreign exchange rates against the rouble	4490	-	(4 113)

Director _____
(signature)

Artur Vaiev

(print name)

31 March 2023 _____

**Notes to the Balance Sheet
and Statement of Financial Results (RUB'000)**

**1. Intangible assets and expenses for research, development and technological works (R&D)
1.1. Existence and movements of intangible assets**

p.1

Narrative	Code	Period	At the beginning of the year		Changes over the period						At the end of the period			
			Historical cost	Accumulated amortisation and impairment losses	Additions	Disposal		Accumulated amortisation and impairment losses	Accrued amortisation	impairment loss	Revaluation		Historical cost	Accumulated amortisation and impairment losses
						Historical cost	Accumulated amortisation and impairment losses				Historical cost	Accumulated amortisation		
Total intangible assets	5100	For 2022	22 400	(14 978)	10 248	(2 148)	2 148	(5 509)	-	-	-	-	30 500	(18 339)
	5110	For 2021	22 800	(9 294)	794	(1 194)	1 194	(6 878)	-	-	-	-	22 400	(14 978)
including: Other intangible assets	5101	For 2022	14 524	(7 869)	9 267	(1 093)	1 093	(4 843)	-	-	-	-	22 699	(11 620)
	5111	For 2021	14 924	(4 664)	794	(1 194)	1 194	(4 399)	-	-	-	-	14 524	(7 869)
Exclusive copyright to computer programs and databases	5102	For 2022	7 876	(7 109)	981	(1 055)	1 055	(666)	-	-	-	-	7 802	(6 719)
	5112	For 2021	7 876	(4 629)	-	-	-	(2 479)	-	-	-	-	7 876	(7 109)

1.2. Historical cost of intangible assets developed in-house

Narrative	Code	As at 31 December 2022		As at 31 December 2021	
		As at 31 December 2022	As at 31 December 2021	As at 31 December 2021	As at 31 December 2020
Total	5120	-	-	-	-
including:	5121	-	-	-	-

1.3. Fully amortised intangible assets

	Code	As at 31 December 2022	As at 31 December 2021	As at 31 December 2020
Total	5130	7 435	6 206	2 307
including:				
Exclusive copyright to computer programs and databases	5131	670	670	-
Other intangible assets	5132	6 765	5 536	2 307

1.4. Existence and movements of R&D results

Narrative	Code	Period	At the beginning of the year			Changes over the period			At the end of the period	
			Historical cost	Expensed portion	Additions	Disposal		Historical cost	Expensed portion	
						Historical cost	Expensed portion			
Total R&D	5140	For 2022	-	-	-	-	-	-	-	-
	5150	For 2021	-	-	-	-	-	-	-	-
including:										
	5141	For 2022	-	-	-	-	-	-	-	-
	5151	For 2021	-	-	-	-	-	-	-	-

1.5. R&D in progress and not formalized and acquisitions of intangible assets in progress

Narrative	Code	Period	At the beginning of the year	Changes over the period			At the end of the period
				Costs for the period	Costs written off as unproductive	Recognized as intangible assets or R&D	
Costs of R&D in progress - total including:	5160	For 2022	-	-	-	-	-
	5170	For 2021	-	-	-	-	-
Acquisitions of intangible assets in progress - total including:	5161	For 2022	-	-	-	-	-
	5171	For 2021	-	-	-	-	-
	5180	For 2022	1 413	10 550	(10 248)	1 714	
	5190	For 2021	1 323	884	(794)	1 413	
Loyalty system	5181	For 2022	500	-	-	500	
	5191	For 2021	500	-	-	500	
Package design for "Vitastrong Aspacardio"	5182	For 2022	348	-	-	348	
	5192	For 2021	348	-	-	348	
F-exadin new package blister pack	5183	For 2022	350	-	(350)	-	
	5193	For 2021	350	-	-	350	
Brustel visual concept	5184	For 2022	215	215	(215)	-	
	5194	For 2021	-	-	-	215	
Video clip "Neotravisil"	5185	For 2022	-	2 940	(2 940)	-	
	5195	For 2021	-	-	-	-	
Site "Delsia"	5186	For 2022	-	167	(167)	-	
	5196	For 2021	-	-	-	-	
Site "Miteravel"	5187	For 2022	-	167	(167)	-	
	5197	For 2021	-	-	-	-	
Site "Azix-Derm"	5188	For 2022	-	167	(167)	-	
	5198	For 2021	-	-	-	-	
Site "Artroflex"	5189	For 2022	-	60	(60)	-	
	5199	For 2021	-	-	-	-	
Site "Pylobact"		For 2022	-	421	(421)	-	
		For 2021	-	-	-	-	
Key visual for "Jayna"		For 2022	-	208	(208)	-	
		For 2021	-	-	-	-	
Video clip "Pharyngosept. Giraffes"		For 2022	-	2 629	(2 629)	-	
		For 2021	-	-	-	-	
Image for "Coldact Hot Drink"		For 2022	-	238	(238)	-	
		For 2021	-	-	-	-	
Video animation "Mesacool"		For 2022	-	480	(480)	-	

2. Fixed assets
2.1. Existence and movements of fixed assets

Narrative	Code	Period	At the beginning of the year		Changes over the period					At the end of the period		
			Historical cost	Accumulated depreciation	Additions	Disposal		Accrued depreciation	impairment loss	Revaluation		
						Historical cost	Accumulated depreciation			Historical cost	Accumulated depreciation	
Total fixed assets (excluding income-bearing investments into tangible assets)	5200	For 2022	16 556	(15 484)	6 831	(11 169)	11 145	(1 046)	-	-	12 218	(5 385)
	5210	For 2021	38 442	(31 230)	6 057	(27 943)	17 669	(1 923)	-	-	16 556	(15 484)
including:												
Office equipment	5201	For 2022	12 796	(13 624)	5 830	(10 823)	10 698	(706)	-	-	7 802	(3 632)
	5211	For 2021	17 907	(12 778)	6 057	(11 167)	893	(1 740)	-	-	12 796	(13 624)
Vehicles	5202	For 2022	3 010	(1 110)	1 001	-	-	(340)	-	-	4 011	(1 450)
	5212	For 2021	19 704	(17 620)	-	(16 694)	16 694	(184)	-	-	3 010	(1 110)
Buildings	5203	For 2022	-	-	-	-	-	-	-	-	-	-
	5213	For 2021	-	-	-	-	-	-	-	-	-	-
Other fixed assets	5204	For 2022	75	(75)	-	(75)	75	-	-	-	-	(75)
	5214	For 2021	157	(157)	-	(81)	81	-	-	-	75	(303)
Machinery and equipment (except office equipment)	5205	For 2022	404	(404)	-	-	102	-	-	-	404	(404)
	5215	For 2021	404	(404)	-	-	-	-	-	-	404	(404)
Production and organizational stock	5206	For 2022	270	(270)	-	(270)	270	-	-	-	-	(270)
	5216	For 2021	270	(270)	-	-	-	-	-	-	270	(270)
Total income-bearing investments into tangible assets	5220	For 2022	-	-	-	-	-	-	-	-	-	-
including:	5230	For 2021	-	-	-	-	-	-	-	-	-	-
	5221	For 2022	-	-	-	-	-	-	-	-	-	-
	5231	For 2021	-	-	-	-	-	-	-	-	-	-

2.2. Capital investments in progress

Narrative	Code	Period	At the beginning of the year	Changes over the period			At the end of the period
				Costs for the period	Written off	Recognized as fixed assets or written up	
Construction in progress and acquisitions, modernization etc. of fixed assets in progress — total							
including:							
Laptop HP PB 440 G6 Core i5 8256U + bag	5240	For 2022	4 127	2 704	-	(6 831)	-
	5250	For 2021	221	9 963	-	(6 057)	4 127
	5241	For 2022	41	-	-	(41)	-
	5251	For 2021	41	-	-	-	41
Server P19766-B21_bundle241/HPE ProLiant DL360	5242	For 2022	695	-	-	(695)	-
	5252	For 2021	-	695	-	-	695
Tape library/AK379A/HPR MSL2024 0-Drive Library	5243	For 2022	575	-	-	(575)	-
	5253	For 2021	-	575	-	-	575
Laptop HP PB 445 G7 14" Ryzen 7 4700U (2Ghz)	5244	For 2022	561	-	-	(561)	-
	5254	For 2021	-	5 053	-	(4 492)	561
Data processing station 7XGE RJ45 ports	5245	For 2022	91	-	-	(91)	-
	5255	For 2021	-	91	-	-	91
Laptop DELL VOSTRO 3400	5246	For 2022	703	-	-	(703)	-
14.0/black_54086,76_Batch 2	5256	For 2021	-	703	-	-	703
Laptop DELL VOSTRO 3400	5247	For 2022	1 460	-	-	(1 460)	-
14.0/black_54086,77_Batch 2	5257	For 2021	-	1 460	-	-	1 460
Coffee machine Jura E6 Piano Black	5248	For 2022	-	167	-	(167)	-
	5258	For 2021	-	-	-	-	-
Car: KIA JD (Ceed), XWEHN512BF0028119	5249	For 2022	-	1 001	-	(1 001)	-
	5259	For 2021	-	-	-	-	-
Supermicro SuperServer 1U 110P-WTR no CPU		For 2022	-	907	-	(907)	-
		For 2021	-	-	-	-	-
Wi-Fi infrastructure (switch-board + Zyxel NebulaFlex access point)		For 2022	-	629	-	(629)	-
		For 2021	-	-	-	-	-
Laptop HP PB 440 G7 Core i3-10110U + bag+ mouse_batch 13/07/2020 (44965.84)		For 2022	180	-	-	(180)	-
		For 2021	-	-	-	-	-
Coffee machine Jura X6 Dark Inox		For 2022	-	134	-	(134)	-
		For 2021	-	-	-	-	-
Laptop DELL VOSTRO 3400 14.0/black_54086,76		For 2022	-	-	-	-	-
		For 2021	-	379	-	(379)	-
Laptop DELL VOSTRO 3400 14.0/black_54086,77		For 2022	-	-	-	-	-
		For 2021	-	703	-	(703)	-
Server Mini SuperMicro (system unit platform SuperMicro+ processor intel original)		For 2022	-	-	-	-	-
		For 2021	-	169	-	(169)	-

2.3. Changes in the cost of fixed assets resulting from further construction, additional equipment, reconstruction or partial liquidation

Narrative	Code	For 2022	For 2021
Total increase in the cost of fixed assets as a result of further construction, additional equipment, reconstruction	5260	-	-
including:	5261	-	-
Total decrease in the cost of fixed assets as a result of partial liquidation	5270	-	-
including:	5271	-	-

2.4. Other use of fixed assets

Narrative	Code	As at 31 December 2022	As at 31 December 2021	As at 31 December 2020
Leased out fixed assets on the balance sheet	5280	-	-	-
Leased out fixed assets off the balance sheet	5281	-	-	-
Leased fixed assets on the balance sheet	5282	66 381	88 993	-
Leased fixed assets off the balance sheet	5283	8 175	8 175	176 999
Items of immovable property accepted for operation and actually used, in process of state registration	5284	-	-	-
Fixed assets transferred to conservation	5285	-	-	-
Other use of fixed assets (collateral, etc.)	5286	-	-	-
	5287	-	-	-

Director _____ (signature) _____ **Artur Valiev** (print name)

31 March 2023 _____

3. Financial investments
3.1. Existence and movements of financial investments

Narrative	Code	Period	At the beginning of the year				Changes over the period				At the end of the period	
			Historical cost	Accumulated adjustment	Additions	Disposed of (repaid)		Accrual of interest (including to bring historical cost to par value)	Current market value (impairment loss)	Historical cost	Accumulated adjustment	
						Historical cost	Accumulated adjustment					
Long-term - total	5301 5311	For 2022 For 2021	1 005 000 550 000	- -	575 000 955 000	(50 000) (500 000)	- -	- -	- -	1 530 000 1 005 000	- -	
including: Loans issued	5302 5312	For 2022 For 2021	1 005 000 550 000	- -	575 000 955 000	(50 000) (500 000)	- -	- -	- -	1 530 000 1 005 000	- -	
Short-term - total	5305 5315	For 2022 For 2021	30 000 -	- -	30 000 -	(30 000) -	- -	- -	- -	30 000 -	- -	
including: Loans issued	5306 5316	For 2022 For 2021	30 000 -	- -	30 000 -	(30 000) -	- -	- -	- -	30 000 -	- -	
Bank deposits	5307 5317	For 2022 For 2021	- -	- -	- -	- -	- -	- -	- -	- -	- -	
Total financial investments	5300 5310	For 2022 For 2021	1 035 000 550 000	- -	575 000 985 000	(80 000) (500 000)	- -	- -	- -	1 530 000 1 035 000	- -	

3.2. Other use of financial investments

Narrative	Code	As at 31 December 2022	As at 31 December 2021	As at 31 December 2020
Pledged financial investments — total	5320	-	-	-
including:				
Financial investments transferred to third parties (except sale) — total	5321	-	-	-
including:				
Financial investments transferred to third parties (except sale) — total	5325	-	-	-
including:				
Other use of financial investments	5326	-	-	-
	5329	-	-	-

Director _____ (signature) _____ Artur Valiev _____ (print name)

31 March 2023 _____

4. Inventories
4.1. Existence and movements of inventories

Narrative	Code	Period	At the beginning of the year			Changes over the period					At the end of the period		
			Cost	Provision for impairment	Carrying amount	Receipts and costs	Disposal		Impairment losses	Inventory turnover between groups (types)	Cost	Provision for impairment	Carrying amount
							Costs and other expenses	Provision for impairment					
Total inventories	5400	For 2022	1 107 784	(68 385)	1 039 399	5 213 587	(4 678 696)	60 640	(71 992)	X	1 642 676	(79 737)	1 562 939
	5420	For 2021	1 656 088	(471 381)	1 184 707	4 140 978	(4 689 281)	705 161	(302 165)	X	1 107 784	(68 385)	1 039 399
including:	5401	For 2022	3	-	3	50 446	(45 708)	-	-	-	4 741	-	4 741
Raw materials, supplies and other similar assets	5421	For 2021	29	-	29	33 866	(33 891)	-	-	-	3	-	3
Finished products	5402	For 2022	-	-	-	-	-	-	-	-	-	-	-
	5422	For 2021	-	-	-	-	-	-	-	-	-	-	-
Goods for resale	5403	For 2022	1 103 028	(68 385)	1 034 643	5 148 436	(4 616 782)	60 640	(71 992)	-	1 632 682	(79 737)	1 552 945
	5423	For 2021	1 647 348	(471 381)	1 175 967	4 093 560	(4 637 879)	705 161	(302 165)	-	1 103 028	(68 385)	1 034 643
Goods and finished products shipped	5404	For 2022	-	-	-	-	-	-	-	-	-	-	-
	5424	For 2021	-	-	-	-	-	-	-	-	-	-	-
Work in progress costs	5405	For 2022	-	-	-	-	-	-	-	-	-	-	-
	5425	For 2021	-	-	-	-	-	-	-	-	-	-	-
Other inventories and costs (allocated expenses, including cargo services at customs, transportation expenses etc.)	5406	For 2022	4 753	-	4 753	16 706	(16 206)	-	-	-	5 253	-	5 253
	5426	For 2021	8 712	-	8 712	13 552	(17 511)	-	-	-	4 753	-	4 753
	5507	For 2022	-	-	-	-	-	-	-	-	-	-	-
	5527	For 2021	-	-	-	-	-	-	-	-	-	-	-

5. Receivables and payables
5.1. Existence and movements of receivables

Narrative	Code	Period	At the beginning of the year		At the end of the period	
			Accounted for under agreement	Provision for doubtful debts	Accounted for under agreement	Provision for doubtful debts
Total long-term receivables	5501	For 2022	-	-	-	-
	5521	For 2021	-	-	-	-
including:						
Settlements with buyers and customers	5502	For 2022	-	-	-	-
	5522	For 2021	-	-	-	-
Advances made	5503	For 2022	-	-	-	-
	5523	For 2021	-	-	-	-
Other	5504	For 2022	-	-	-	-
	5524	For 2021	-	-	-	-
	5505	For 2022	-	-	-	-
	5525	For 2021	-	-	-	-
Total short-term receivables	5510	For 2022	3 379 991	(106 578)	4 441 532	(106 578)
	5530	For 2021	3 132 659	(106 578)	3 379 991	(106 578)
including:						
Settlements with buyers and customers	5511	For 2022	3 243 887	(105 530)	4 200 671	(105 530)
	5531	For 2021	3 004 237	(105 530)	3 243 887	(105 530)
Advances made	5512	For 2022	30 159	(1 048)	55 367	(1 048)
	5532	For 2021	32 330	(1 048)	30 159	(1 048)
Other	5513	For 2022	105 945	-	185 494	-
	5533	For 2021	96 092	-	105 945	-
	5514	For 2022	-	-	-	-
	5534	For 2021	-	-	-	-
Total	5500	For 2022	3 379 991	(106 578)	4 441 532	(106 578)
	5520	For 2021	3 132 659	(106 578)	3 379 991	(106 578)

5.2. Overdue receivables

Narrative	Code	As at 31 December 2022		As at 31 December 2021		As at 31 December 2020	
		Accounted for under agreement	Carrying amount	Accounted for under agreement	Carrying amount	Accounted for under agreement	Carrying amount
Total	5540	106 578	-	106 578	-	106 578	-
including:							
Settlements with buyers and customers	5541	105 530	-	105 530	-	105 530	-
Settlements with suppliers and customers (on advance payments, prepayments)	5542	1 048	-	1 048	-	1 048	-
Other	5543	-	-	-	-	-	-
	5544	-	-	-	-	-	-

5.3. Existence and movements of payables

Narrative	Code	Period	Balance at the beginning of the year	Balance at the end of the period
Total long-term payables	5551	For 2022	-	-
	5571	For 2021	433 885	-
including:				
Credits	5552	For 2022	-	-
	5572	For 2021	-	-
Loans	5553	For 2022	-	-
	5573	For 2021	433 885	-
Other	5554	For 2022	-	-
	5574	For 2021	-	-
	5555	For 2022	-	-
	5575	For 2021	-	-
Total short-term payables	5560	For 2022	3 983 582	5 733 127
	5580	For 2021	3 935 337	3 983 582
including:				
Settlements with suppliers and contractors	5561	For 2022	3 847 251	5 616 483
	5581	For 2021	3 817 968	3 847 251
Advances received	5562	For 2022	204	230
	5582	For 2021	237	204
Settlements on taxes and levies	5563	For 2022	124 129	68 719
	5583	For 2021	102 430	124 129
Credits	5564	For 2022	-	-
	5584	For 2021	-	-
Loans	5565	For 2022	-	-
	5585	For 2021	3 185	-
Other	5566	For 2022	11 998	47 695

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	5586	For 2021	11,518	11,998
	5567	For 2022	-	-
	5587	For 2021	-	-
Total	5550	For 2022	3,983,582	5,733,127
	5570	For 2021	4,369,222	3,983,582

6. Cost of production

Narrative	Code	For 2022	For 2021
Material expenses	5610	4 597 109	3 985 350
Labour costs	5620	929 714	858 453
Social security contributions	5630	243 409	218 019
Depreciation	5640	59 241	10 370
Other costs	5650	1 696 721	568 527
Total	5660	7 526 194	5 640 719
Change in balances (increase [-]): of work in progress, finished goods, etc.	5670	-	-
Change in balances (decrease [+]): of work in progress, finished goods, etc.	5680	-	-
Total expenses from ordinary activities	5600	7 526 194	5 640 719

Director _____
(signature)

Artur Valiev

(print name)

31 March 2023 _____

7. Estimated liabilities

Narrative	Code	Balance at the beginning of the year	Recognized	Reversed	Written off as excess	Balance at the end of the period
Estimated liabilities --- total	5700	248 066	504 047	(445 499)	(7 661)	298 954
including:						
Provision for use of fuel and lubricants	5701	-	351	(351)	-	-
#Provision for returned goods	5702	806	8 059	-	(7 661)	1 204
Provision for vacation pay	5703	20 470	92 645	(97 576)	-	15 539
Provision for payment of annual bonuses to employees	5704	15 298	47 544	(45 154)	-	17 688
Bonuses to buyers Cash Discount /01.04.14	5706	41 041	61 932	(37 988)	-	64 985
Provision for payment of quarterly bonuses to employees	5707	10 625	(4 124)	-	-	6 501
Provision for use of advances to employees	5708	4 256	162	-	-	4 418
Bonuses to buyers Volume Discount /01.04.14	5709	155 569	297 478	(264 430)	-	188 617

Director _____
(signature)

Artur Valev _____
(print name)

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8. Security of obligations

Narrative	Code	As at 31 December 2022	As at 31 December 2021	As at 31 December 2020
Received — total	5800	4 832 000	4 625 000	3 355 000
including:				
Bank guarantee	5801	3 172 000	2 965 000	2 295 000
Surety agreement	5802	1 660 000	1 660 000	1 060 000
Issued — total	5810	-	-	-
including:				
	5811	-	-	-

Director _____ **Artur Valiev**
(signature) (print name)

31 March 2023

NOTES TO THE FINANCIAL STATEMENTS OF JSC RANBAXY FOR 2022

1. GENERAL

Joint-Stock Company RANBAXY (hereinafter — JSC RANBAXY, the Company) was established in 2004 (state registration certificate No. 1047796353846 dated 20 May 2004). The abbreviated name of the Company is JSC RANBAXY.

Registered and actual address: 27 Elektrozavodskaya ul., bldg. 8, room 14/1, Moscow, 107023, Russia.

The Company has no branches or representative offices.

The Company has the following autonomous subdivisions:

- On 19 December 2008, a standalone subdivision "Warehouse for wholesaling medicinal products" was established and registered at its location (address: 2, let. B, B2 Dachnaya Street, Village of Davydovskoye, Luchinskoye Rural Settlement, Istra District, Moscow Region, 143521, Russian Federation) with the Inspectorate of the Federal Tax Service of Russia for the town of Istra, Moscow Region.
- On 02 April 2019 the location of the subdivision was changed (new address: Room VII, No. 63, 73, 86, 89, 90, 91, 92, 1 floor, bldg 16B, Block 0060339, Village of Davydovskoye, Istra District, Moscow Region, 143521, Russian Federation).

The controlling beneficial owner of the Company is Dilip Shantilal Shanghvi, who is the head of the parent company of SUN PHARMACEUTICAL INDUSTRIES LIMITED group of companies and owns more than 25% of shares of the said company.

The main business activity of JSC RANBAXY is wholesaling of pharmaceutical products.

The Company operates under the following licences:

No.	Type of activity	Licence number	Issued by	Date of issue	Expiration
1	Pharmaceutical business	FS-99-02-007542	Federal Service for Supervision of Healthcare	28/11/2019	For an unlimited term

The Company's business activities are subject to Russian laws.

The headcount of the Company as at 31 December 2022 and 2021 was 490 and 465 people, respectively.

2. BASIS OF ACCOUNTING

The Company's financial statements have been prepared in accordance with the accounting and reporting rules that are effective in the Russian Federation.

The accounting function is organised at the Company as required by the Russian accounting legislation, regulations of the Russian Ministry of Finance and other agencies authorised by the federal laws to regulate accounting principles and practice.

In 2022, accounting records were maintained in the manner envisaged by the Company's accounting policies approved as per the General Director's Order dated 30 December 2021 No. 01-УП-2021.

Financial and tax accounting records were maintained using 1C: Industrial Enterprise Management, specialised accounting software.

Going concern assumption

The financial statements have been prepared by the Company's management assuming that the Company will continue its business in the foreseeable future, does not intend or need to be liquidated or significantly reduce its operations and, therefore, will duly discharge its obligations.

Chart of accounts

The Company has developed and applied an operating chart of accounts based on the standard chart of accounts for financial and economic activities of entities as approved by Order No. 94n of the Russian Ministry of Finance dated 31 October 2000, using certain subaccounts, which enable preparation of financial statements that comply with Russian accounting and tax legislation, and separate cost accounting requirements.

Stocktaking

The terms and procedure for stocktaking are defined by the head of the entity, with the exception of mandatory stocktaking. Stocktaking of fixed assets is carried out once a year. Stocktaking of all other assets and liabilities was carried out as at 31 December 2022, except for stocktaking of inventories, which was carried out as at 27 December 2022.

Assets and liabilities denominated in foreign currencies

When accounting for business transactions in foreign currencies, the Company uses the Central Bank of Russia's (the "CBR") official exchange rates of the Russian rouble ("RUB") against such currencies as at the transaction dates. Assets and liabilities with the value denominated in foreign currencies are disclosed in the financial statements in the amounts calculated on the basis of the official rouble exchange rate set by the CBR as at 31 December 2022, 2021 and 2020, respectively.

Accounting for assets and liabilities denominated in foreign currencies is subject to RAR 3/2006. Under RAR 3/2006, assets and liabilities denominated in foreign currencies should be translated into roubles as at:

- the date of their recognition;
- the last day of the month, the reporting date and the transaction date;
- the date of the asset (liability) settlement.

Foreign currency gains and losses are presented in the statement of financial results on a net basis as part of other income or other expenses.

Current and non-current assets and liabilities

Assets classified in the financial statements as current are expected to be used in the Company's production and other activities within 12 months after the reporting date or mature within 12 months after the reporting date. Liabilities classified in the financial statements as current are expected to be settled within 12 months after the reporting date. All other assets and liabilities are presented as non-current.

Accounting for fixed assets

The historical cost of fixed assets is the total amount of capital investments associated with them, which comprises actual costs of acquisition, creation, improvement and/or reconstruction of the fixed assets less any refundable taxes and levies taking into account all discounts, rebates, deductions, bonuses and benefits provided to the Company by suppliers, contractors or sellers in any form.

Assets that have the characteristics of fixed assets but cost less than RUB 100 thousand are recognised as expenses of the period when related acquisition or creation costs were incurred.

Fixed assets are accounted for by items. If one item of fixed assets has several components with the values and useful lives substantially different from the value and useful life of the item on the whole, each component is recognised as a separate item. In particular, the Company's significant costs that exceed RUB 500 thousand and are incurred to perform repairs, technical inspection or technical maintenance of fixed assets less frequently than once in 12 months are recognised as separate items.

Subsequent to recognition, the Company's fixed assets, other than investment property, are measured at historical cost and reported in the balance sheet at carrying amount, i.e. their historical cost less any accumulated depreciation and impairment.

Fixed assets are depreciated on a straight-line basis starting from the date of their recognition, except when consumer properties of fixed assets change over time. The depreciation method is determined for each group of fixed assets so that it most accurately reflects the timing of the expected future economic benefits from the use of the group of fixed assets.

The useful life, the residual value and the depreciation method (depreciation elements) of fixed assets are determined when the assets are recognised. The depreciation elements of fixed assets are checked for compliance with the conditions for the use of these fixed assets at the end of each reporting year, and in case of circumstances indicating a possible change in the depreciation elements.

The useful lives of fixed assets (in months) used for depreciation accrual purposes:

Office equipment	35 months
Vehicles	60 months
Other fixed assets	37 months
Machinery and equipment (excluding office equipment)	61 months
Production and maintenance tools	61 months

The historical cost of fixed assets is increased by the amount of capital investments related to their improvement and/or reconstruction when such capital investments are completed.

The Company tests fixed assets and capital investments in them for impairment and recognises changes in their carrying amount as a result of impairment as required by IAS 36 *Impairment of Assets*.

Fixed assets that are disposed of or unable to bring future economic benefits to the Company are derecognised.

Accounting for intangible assets

Intangible assets are recognised at actual (historical) cost determined as at the recognition date:

- acquired for consideration — in the amount of actual acquisition expenses and additional expenses incurred to make them suitable for intended use less value-added tax and other refundable taxes (unless otherwise stipulated in the legislation of the Russian Federation);
- created by the Company — in the amount of actual creation expenses;
- received under a gift agreement (free of charge) — at market value as at the recognition date;
- received under agreements providing for the fulfilment of obligations (payment) by non-monetary assets — at the value of assets transferred or to be transferred by the Company.

The useful life is determined when assets are recognised based on:

- the validity period of the Company's rights to intellectual property or means of individualisation (including the term of the patent, certificate, licence (copyright) agreement for transferred exclusive rights);
- an expected period of using the asset during which the Company intends to gain economic benefits as determined by the competent structural subdivision.

Intangible assets are accounted for by items.

Intangible assets are amortised on a straight-line basis based on the historical cost of the intangible assets and the amortisation rate calculated based on their useful lives. Amortisation is accrued until the asset is fully amortised or derecognised.

Intangible assets are not revalued.

Accounting for financial investments

The historical cost of financial investments acquired for consideration is actual acquisition costs less value-added tax and other refundable taxes (unless otherwise stipulated in the tax legislation of the Russian Federation).

As at 31 December of each reporting year and if there are indications that financial investments may be impaired, assets with undeterminable market value are tested for impairment and, if necessary, a provision for impairment of financial investments is accrued in accordance with RAR 19/02. The provision is established only if the testing identifies a steady significant decrease in the value of financial investments.

Accounting for inventories

The actual cost of inventories, other than work in progress and finished goods, comprises actual costs incurred to acquire (create) the inventories, make them ready for, and delivery to the place of, consumption, sale or use, less value-added tax and other refundable taxes and incentives received from suppliers in any form (e.g. discounts, rebates etc.).

When shipped to customers and written off, inventories are measured using the FIFO method.

Non-current assets for sale

Non-current assets for sale are measured at the carrying amount of the respective fixed asset or another non-current asset when it is reclassified to non-current assets for sale. Subsequent measurement of non-current assets for sale is the same as subsequent measurement of inventories.

Accounting for cash and cash equivalents

Highly liquid financial investments with maturities of no more than three months, which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value, are reflected in the balance sheet within cash and cash equivalents.

Accounting for leases

Accounting by the lessee

The Company recognises an underlying asset as at the date on which it is made available for use as a right-of-use asset and at the same time recognises a lease liability for all leases, except for leases with the term up to 12 months as at the date on which the underlying asset is made available for use, and leases with the market value of the underlying asset without depreciation of no more than RUB 300 thousand. For such leases, lease payments are expensed on a straight-line basis over the lease term or using another systematic approach that reflects the pattern in which the lessee consumes economic benefits from use of the underlying asset.

A lease liability is initially measured as the present value of future lease payments. In most cases, discounting is based on the rate that the Company uses or would have to use to borrow over a similar term as it is impossible to determine the rate that causes the present value of the future lease payments and the unguaranteed residual value of the underlying asset to equal the fair value of the underlying asset.

Subsequently, the lease liability is increased by the amount of accrued interest and decreased by the amount of lease payments actually made.

The right-of-use asset is recognised at actual cost, which comprises a) the amount of the initial measurement of the lease liability, b) lease payments made at or before the date on which an underlying asset is made available for use, c) costs incurred by the Company with respect to the addition of the underlying asset and making it ready to be used for intended purposes, and d) an estimated liability (in dismantling, restoring the environment etc.) if the liability is incurred as a result of the receipt of the underlying asset.

Subsequently, the right-of-use asset is depreciated on a straight-line basis.

The right-of-use asset is reported within fixed assets.

In the statement of cash flows, lease payments are reported within cash flows from financing activities.

The actual cost of the right-of-use asset and the amount of the lease liability are revised if:

- there is any change in the lease terms and conditions;

- there is any change in the intention to extend or shorten the lease term that was earlier considered in calculating the lease term;
- there is any change in the amount of lease payments compared to how they were recognised at the initial measurement of the lease liability.

In the above cases, the change in the amount of the lease liability determined using the revised discount rate is charged to the value of the right-of-use asset.

The Company tests the right-of-use asset for impairment and recognises a change in its carrying amount as a result of impairment as required by IAS 36 *Impairment of Assets*.

Accounting for income

Revenue from ordinary activities is recognised for accounting purposes if:

- The Company has the right to receive the revenue that arises from a contractual arrangement or is otherwise appropriately ensured.
- The amount of the revenue can be measured reliably.
- There is certainty that economic benefits will flow to the Company as a result of a particular transaction. There is certainty that economic benefits will flow to the Company as a result of a particular transaction when in the future the Company will receive an asset as settlement or there is no uncertainty regarding the receipt of the asset.
- The legal title (right of ownership, use and disposal) for the products (goods) has been transferred from the Company to the buyer or work has been accepted by the buyer (a service has been rendered).
- Expenses that have been or will be incurred in connection with the transaction are measurable.

Revenue is determined considering all discounts (return of cash, free-of-charge provision of goods, rebates and other incentives) provided to buyers (customers) under contracts. If the contract provides for a discount to the buyer (customer) for the observance of certain contractual conditions, revenue under such contract is recognised less the discount provided for by the contract.

Income other than income from ordinary activities is classified as other receipts and reflected within other income.

Accounting for expenses

Expenses are recognised regardless of whether there is an intention to generate revenue or other income and the form of expenses.

Expenses are recognised when incurred regardless of the time of actual payment of cash and other type of settlement.

Expenses from ordinary activities comprise:

- expenses associated with purchasing raw materials, consumables, goods and other inventories;
- expenses incurred during processing (improvement) of inventories to manufacture products, perform works and provide services;
- selling expenses;
- administrative expenses.

Selling and administrative expenses are fully recognised in the reporting period of their recognition as expenses from ordinary activities.

Expenses from ordinary activities, including expenses to purchase inventories, are reduced by the amount of incentives from suppliers, such as discounts, rebates etc. Discounts received are allocated to the value of the respective purchased inventories and the cost of sales.

Accounting for loans and borrowings

Expenses related to the discharge of obligations under received loans and borrowings are:

- interest on a loan payable to the lender (creditor) under the terms and in the amounts set out in the loan agreement;
- additional borrowing expenses.

Additional borrowing expenses are:

- amounts paid for information and consulting services;
- amounts paid for examination of the loan agreement;
- other expenses directly related to borrowing.

Additional expenses directly related to borrowing are included in other expenses at once.

Interest payable to the lender (creditor) directly related to the acquisition, erection and/or production of an investment asset is included in the cost of the investment asset evenly irrespective of payment terms under loan agreements.

Accounting for provisions

The Company accrues the following types of provisions:

- for doubtful debts;
- for impairment of inventories;

Provisions are created as follows:

Provision for doubtful debts is created for:

- doubtful debts of buyers and customers for products, goods, works and services;
- other doubtful debtors.

A doubtful debt is the Company's accounts receivable that are not repaid within the contractual term and are not secured by applicable guarantees.

The provision is established on a quarterly basis after verification of settlements with buyers and customers for products, goods, works, services for each doubtful debt as follows:

- 100% of doubtful debts aged over 90 days are included in the provision;
- 50% of doubtful debts aged from 45 to 90 days (inclusively) are included in the provision;
- no provision is established for doubtful debts aged less than 45 days (inclusively).

Provision for impairment of inventories is established (adjusted) at the end of each month:

- for illiquid inventories, namely inventories (goods) not suitable for use for the intended purpose due to defects, damages, goods past their expiration dates;
- for inventories with the shelf life of less than 6 months;
- for inventories in stock without movement (sale) within 12 months or longer.
- The provision is established separately by product type and inventory series in the amount of 100% of its value. Impairment of inventories is recognised in expenses in the period in which the respective impairment provision is established and is reflected according to analytical features that correspond to the expected disposal of the inventories (sale — account 90 “Cost of sales” or write-off — account 91 “Other income and expenses”).

Accounting for estimated liabilities

The Company recognises estimated liabilities related to the following:

- Payment of bonuses based on quarterly and annual performance.
- Payment for unused vacations;
- Payment of bonuses to customers;
- Other estimated liabilities that meet the criteria in clauses 4 and 5 of RAR 8/2010.

Estimated liabilities related to payments to employees include liabilities to pay insurance contributions and make other related mandatory payments.

Accounting for prepaid expenses

Prepaid expenses are carried on account 97 “Prepaid Expenses” at actual costs. Prepaid expenses are written off on a monthly basis by debiting related expense accounts during the period specified in the respective documents (licenses, contracts, etc.). If it is impossible to determine the period from the relevant documents, it is determined by a committee whose members are appointed by the Company's General Director.

Prepaid expenses include:

- As advances made:
 - Insurance expenses;
 - Passes;
 - Advertising.
- As other current assets:
 - Licensing expenses;
 - Expenses on purchase of computer software and databases;
 - Certification expenses;
 - Fixed assets repair expenses;
 - Expenses on customs services;
 - Permits to employ foreign nationals.

Prepaid expenses are amortised:

- on a straight-line basis, according to the validity term of a license; a copyright agreement or a contract on the right of access to websites owned by the granting party, or on a straight-line basis during 5 years — in the cases where the validity term is not set by the agreement/contract;
- on a straight-line basis, from the commencement of an insurance contract until its expiration.

Prepaid expenses are presented in the balance sheet within other current assets and other non-current assets depending on the expected amortisation date.

Accounting for income tax

Income tax expense (benefit) is determined as current income tax plus deferred income tax.

Current income tax is determined based on accounting records. The amount of current income tax corresponds to the amount of assessed income tax indicated in the income tax return.

Deferred income tax is determined as the overall change in deferred tax assets and deferred tax liabilities for the period, excluding the results of transactions not included in the accounting profit (loss).

Deferred tax liabilities are recognised in the reporting period in which taxable temporary differences arise, and deferred tax assets are recognised in the reporting period in which deductible temporary differences arise provided that it is probable (i.e. more likely than not) that the Company will receive taxable profit in subsequent reporting periods.

Provisional income tax expense is the product of the accounting profit and the income tax rate.

In analytical accounting records, permanent differences are broken down by types of income and expenses, temporary differences are broken down by types of assets and liabilities to which they relate and are recorded separately.

3. CHANGES IN CLASSIFICATION, CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF ERRORS

Changes in accounting policies

First-time adoption of RFAS 6/2020 "Fixed Assets" and RFAS 26/2020 "Capital Investments"

Starting from these financial statements, the Company applies RFAS 6/2020 "Fixed Assets" and RFAS 26/2020 "Capital Investments".

With respect to RFAS 6/2020, the Company decided to reflect the effect of the change in the accounting policies without restating comparative figures for the periods preceding the reporting one by making a one-off adjustment of the carrying amount of fixed assets as at 31 December 2021. For the purposes of that adjustment, the carrying amount of fixed assets is their historical cost recognised before the first-time adoption of RFAS 6/2020 under the accounting policies applied earlier, less any accumulated depreciation. Accumulated depreciation was calculated based on the historical cost mentioned above, the residual value and the ratio of the useful life passed and remaining as determined in accordance with RFAS 6/2020. Changes in the carrying amount of fixed assets due to the first-time adoption of RFAS 6/2020 were written off to retained earnings.

The effect of the first-time adoption of RFAS 6/2020 was reflected in the financial statements as at 31 December 2021 and presented as follows:

Indicators	(RUB'000)
	01/01/2022
Fixed assets, other than investment property	8,668
Effect on retained earnings	8,668

First-time adoption RFAS 25/2018 "Accounting for Leases"

Starting from these financial statements, the Company applies RFAS 25/2018 "Accounting for Leases".

Company as the lessee

Where the Company is the lessee, the Company decided to reflect the effect of the change in the accounting policies by recognising a right-of-use asset and a lease liability as at 31 December 2021, the difference being charged to retained earnings. Retrospective effect on other accounting items was not recognised, comparative data was not restated.

The right-of-use asset was taken as equal to the fair value and the lease liability was taken as equal to the present value of outstanding lease payments discounted at the rate that the Company uses or would have to use to borrow over a similar term.

The effect of the recognition of the right-of-use asset and the lease liability as at 1 January 2022:

	(RUB'000)
Fair value of the right-of-use asset	88,993
Lease liability	88,993
Effect on retained earnings	0

4. ADJUSTMENT OF INDICATORS, OPENING AND COMPARATIVE DATA

Items of the financial statements for the previous periods were restated in these financial statements as follows

Balance Sheet as at 31 December 2021:

B/S item	Line code	As at 31/12/2021 in the financial statements for the previous year	Restated figure as at 31/12/2021 in the current financial statements	Restatement amount	Reason for restatement
fixed assets in the entity	1151	13,867	5,199	-8,668	Restatement due to the enactment of RFAS 6/2020
Retained earnings (uncovered loss)	1370	1,206,199	1,197,531	-8,668	
right-of-use asset	1153	0	88,993	+88,993	

Other liabilities	1450	0	85,084	+85,084	Restatement due to the enactment of RFAS 25/2018
other creditors	1526	3,979,673	3,983,582	+3,909	
Deferred tax assets	1180	65,516	86,988	+21,472	
Deferred tax liabilities	1420	6,807	28,279	+21,472	
Financial investments (excluding cash equivalents)	1240	180,000	30,000	-150,000	Restatements due to changes in accounting policies. Highly liquid financial investments with maturities of no more than three months are reported in the balance sheet within cash and cash equivalents.
Cash and cash equivalents	1250	54,193	204,193	+150,000	

Balance Sheet as at 31 December 2020:

B/S item	Line code	As at 31/12/2020 in the financial statements for the previous year	Restated figure as at 31/12/2020 in the current financial statements	Restatement amount	Reason for restatement
Financial investments (excluding cash equivalents)	1240	525,000	-	-525,000	Restatements due to changes in accounting policies. Highly liquid financial investments with maturities of no more than three months are reported in the balance sheet within cash and cash equivalents
Cash and cash equivalents	1250	200,662	725,662	+525,000	

Statement of Cash Flows for 2021

Item	Line code	For 2021 in the financial statements for the previous year	Restated figure for 2021 in the current financial statements	Restatement amount	Reason for restatement
Total receipts, including	4110	6,069,070	6,079,214	10,144	Due to changes in accounting policies — highly liquid financial investments with maturities of no more than three months are reported within cash and
Lease payments, license fees, royalties, commissions, fees	4112	-	325	325	
Other receipts	4119	53,413	63,232	9,819	

Total payments, including	4120	(5,730,783)	(5,651,363)	79,419	cash equivalents and due to RFAS 25/2018
To suppliers (contractors) for materials, supplies, works and services	4121	(4,296,948)	(4,217,528)	79,419	
Net cash flows from operating activities	4100	338,287	427,851	89,563	
Total receipts, including	4210	936,129	550,985	(385,144)	Due to changes in accounting policies — highly liquid financial investments with maturities of no more than three months are reported within cash and cash equivalents
Loans repayments, sale of debt securities (monetary claims against other persons)	4213	875,000	500,000	(375,000)	
Dividends, interest on financial debt investments and similar receipts from equity participation in other organizations	4214	44,898	34,754	(10,144)	
Net cash flows from investing activities	4200	(53,968)	(439,112)	(385,144)	
Total payments, including	4320	(426,675)	(506,094)	(79,419)	
Other payments	4329	-	(79,419)	(79,419)	
Net cash flows from financing activities	4300	(426,675)	(506,094)	(79,419)	
Net cash flows for the reporting period	4400	(142,356)	(517,355)	(375,000)	Due to changes in accounting policies — highly liquid financial investments with maturities of no more than three months are reported within cash and cash equivalents
Cash and cash equivalents at the beginning of the reporting period	4450	200,662	725,662	525,000	
Cash and cash equivalents as at the end of the reporting period	4500	54,193	204,193	150,000	

5. INTANGIBLE ASSETS

Movements in historical cost by major groups of intangible assets and the amount of accumulated amortisation by major groups of intangible assets as at 31 December 2022, 2021 and 2020, respectively:

See Section 1. Notes to the Balance Sheet and Statement of Financial Results in table form.

6. FIXED ASSETS

The Company's fixed assets as at 31 December 2022, 2021 and 2020:

See Section 2. Notes to the Balance Sheet and Statement of Financial Results in table form.

Investment property

None.

7. FINANCIAL INVESTMENTS

Financial investments as at 31 December 2022, 2021 and 2020:

See Section 3. Notes to the Balance Sheet and Statement of Financial Results in table form.

Information about the existence and movements of financial investments is presented below:

(RUB'000)					
Borrower	Loan term	Annual interest rate	As at 31/12/2022	As at 31/12/2021	As at 31/12/2020
PJSC Biosintez	31/12/2024	Refinancing rate x 0.75	1,530,000	1,005,000	550,000
Sun Pharmaceutical Industries LLC	07/07/2022	Refinancing rate x 1.25	-	30,000	-
Total			1,530,000	1,035,000	550,000

8. INVENTORIES

The carrying amount of the Company's inventories, balances of inventories with breakdown by actual cost and impairment as at 31 December 2022, 2021 and 2020 and movements in inventories by types of inventories for 2022 and 2021:

See Section 4. Notes to the Balance Sheet and Statement of Financial Results in table form.

As at 31 December 2022, 2021 and 2020 there are no inventories with restricted property rights, including pledged inventories.

9. ACCOUNTS RECEIVABLE

Accounts receivable as at 31 December 2022, 2021 and 2020:

See Section 5. Notes to the Balance Sheet and Statement of Financial Results in table form

Movements in provisions for doubtful receivables:

(RUB'000)		
Indicators	Buyers and customers	Advances made
Balance as at 31 December 2020	105,530	1,048
Increase in provisions	-	-
Use of provisions	-	-
Balance as at 31 December 2021	105,530	1,048
Increase in provisions	-	-
Use of provisions	-	-
Balance as at 31 December 2022	105,530	1,048

10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at 31 December 2022, 2021 and 2020:

(RUB'000)

Indicators	31/12/2022	31/12/2021	31/12/2020
Cash on hand	6	14	10
Cash on bank accounts in RUB	403,846	54,179	180,958
Cash on bank accounts in foreign currencies	-	-	19,695
Deposits	-	150,000	525,000
Total Balance Sheet line 1250	403,852	204,193	725,662
Balance of cash in the Statement of Cash Flows (lines 4450, 4500)	403,852	204,193	725,662

Breakdown of other receipts and other payments in the Statement of Cash Flows as at 31/12/2022:

Type	Line code	For 2022	For 2021
Cash flows from operating activities			
Other receipts	4119	285,739	63,232
Interest on deposits (for up to 3 months)	41191	26,104	10,144
Interest under bank account contracts	41192	1,296	2,565
Return of cash to the bank account (inaccurate details)	41193	252,786	989
Refund of income tax	41194		33,681
Insurance coverage payment under Law No. 255-FZ	41195	17	7,197
Compensation under insurance policies	41196	725	3,699
Other	41198	4,811	4,957
Other payments	4129	(438,602)	(237,668)
Advances to employees for current needs	41291	(39,373)	(37,417)
Customs payments	41292	(265,761)	(156,599)
Fines and damages paid	41293	(479)	(390)
Payments to lecturers	41294	(18,035)	
State duty	41295	(45)	(13)
Taxes (except for personal income tax and corporate income tax)	41296	(302)	(741)
Bank services for cash transactions (bank fees)	41297	(501)	(527)
Insurance services	41298	(35,661)	(29,891)
Payment of bonuses to customers	41299	(59,140)	0
Payments under writs of execution (alimony, overdue loan payments)	412991	(3,968)	(5,034)
Loans to the Company's employees	412992	(15,337)	(7,056)
Cash flows from financing activities			
Other payments	4329	(79,343)	(79,419)
Lease payments	43291	(79,343)	(79,419)

Cash equivalents are represented by bank deposits with maturities of less than three months in Russian roubles at the following rates:

- as at 31 December 2021: 7.5%;

- as at 31 December 2020: 3.8%.

As at 31 December 2022 deposits were not placed.

Presentation of value-added tax in the Statement of Cash Flows.

To present VAT in the Statement of Cash Flows on a net basis, the direct method is used.

11. OTHER CURRENT ASSETS

Other current assets as at 31 December 2022, 2021 and 2020:

(RUB'000)

Indicators	31/12/2022	31/12/2021	31/12/2020
Prepaid expenses	3,294	3,116	5,929
Other	21	19	32
Total	3,315	3,135	5,961

12. AUTHORIZED CAPITAL

The Company's authorized capital as at 31 December 2022, 2021 and 2020:

Share category	Par value	Quantity, pcs		
	RUB	2022	2021	2020
Ordinary, fully paid	1000	163,000	163,000	163,000
Total		163,000	163,000	163,000

The shareholding structure as at 31 December 2022 and 2021:

Shareholder	Ownership interest	
	2022	2021
SUN PHARMA (NETHERLANDS) B.V.	99	99
Ranbaxy Holdings (UK) Limited	1	1
Total	100	100

13. BORROWINGS

Borrowings as at 31 December 2022, 2021 and 2020:

See Section 5. Notes to the Balance Sheet and Statement of Financial Results in table form.

14. ACCOUNTS PAYABLE

Accounts payable as at 31 December 2022, 2021 and 2020:

See Section 5. Notes to the Balance Sheet and Statement of Financial Results in table form.

15. ESTIMATED LIABILITIES

Movements in estimated liabilities for 2022 and 2021: See Section 7. Notes to the Balance Sheet and Statement of Financial Results in table form.

16. REVENUE

Revenue by ordinary activities for 2022 and 2021:

Indicators	(RUB'000)	
	2022	2021
Revenue from sales of goods	8,616,179	6,622,419
Financial discount (customer bonus)	(359,410)	(411,208)
Total	8,256,769	6,211,211

17. COST OF SALES

Cost of sales by ordinary activities for 2022 and 2021:

Indicators	(RUB'000)	
	2022	2021
Cost of sales of goods	4,522,537	4,014,186
Financial discount (supplier bonus)	-	92,338
Total	4,522,537	3,921,848

Costs, by cost elements, for 2022 and 2021:

See Section 6. Notes to the Balance Sheet and Statement of Financial Results in table form.

18. SELLING EXPENSES

Selling expenses, by cost elements, for 2022 and 2021:

(RUB'000)

Expense	2022	2021
Payroll	820,608	789,536
Allocations to funds	216,449	200,989
Advertising	665,810	276,476
Marketing	801,572	21,804
Processing of goods	48,360	44,710
Certification	7,451	5,051
Maintenance and repair of motor vehicles	29,464	23,732
Insurance	35,549	31,153
Lease	15,264	84,262
Depreciation	59,241	10,370
Travel expenses	53,324	39,181
Hospitality expenses	1,962	806
Audit	2,130	2,130
Software products	21,309	21,024

Other material costs	8,472	10,235
Provision for vacation pay	92,645	71,744
Provision for bonus payment	43,421	14,202
Other expenses	80,626	71,466
Total expenses:	3,003,657	1,718,871

19. OTHER INCOME

Other income for 2022 and 2021:

	(RUB'000)	
	2022	2021
Income		
Exchange differences (netted)	-	5,676
Bonuses from suppliers	35,146	82,329
Adjustments of customs duties	18,929	
Return of goods from customers for the previous tax period	8,511	14,108
Insurance indemnity / expenses for insured events	725	3,644
Write-off of accounts receivable / payable	-	5,000
Sales and write-offs of fixed assets	23	16,285
Other	3,979	2,874
Reversal of provision for payment of annual bonuses to employees	-	10,800
Total	67,312	140,717

20. OTHER EXPENSES

Other expenses for 2022 and 2021:

	(RUB'000)	
Expense	2022	2021
Income (expenses) related to sale (purchase) of foreign currency	-	159
Provision for impairment of inventory	67,591	208,330
Provision for returned goods	398	230
Destruction of pharmaceutical products	29,147	10,636
Write-off of accounts receivable / payable	-	60
Sales and write-offs of fixed assets	23	37
Bank services	636	651
Debt (loan) forgiveness	31,565	-
Financial assistance to the family of a deceased employee		9,304
Return of goods from customers for the previous tax period	12,843	18,192
Other	5,372	5,444
Total	147,575	253,043

21. INCOME TAX

The relation between income tax expenses for 2022 and 2021 and profit before tax:

	(RUB'000)	
Indicators	2022	2021
Profit before tax	788,106	503,035
including:		
Profit taxable at 20%	788,106	503,035
Provisional income tax expense	(157,621)	(100,607)
Permanent tax expenses:	(53,480)	(8,771)
non-deductible expenses	(10,967)	(8,771)

limited expenses	(42,513)	
Income tax expense (benefit)	(211,101)	(109,378)
Deferred income tax	73,881	(70,768)
Income tax	(284,983)	(38,611)

Deferred income tax as a result of origination and reversal of temporary differences:

Indicators	2022	2021
Increase / (decrease) in deferred tax assets:		
fixed assets	(58)	(56)
estimated liabilities	66,263	3,161
IA	41	3
Lease liabilities	(5,854)	21,472
Goods	2,270	(80,599)
Total	62,662	(56,019)
(Increase) / decrease in deferred tax liabilities:		
fixed assets	(11,832)	(18,345)
Interest on liabilities	(2,342)	(3,673)
Goods	3,921	7,269
Lease liabilities	21,472	
Total	11,219	(14,749)
Deferred income tax benefit /(expense)	73,881	(70,768)

The income tax rate in 2022 and 2021 was 20%, taxation rules were not changed.

22. LEASE

Company as the lessee

The Company's leases are mainly leases of the following:

1. Leased premises
2. Movable property

Reconciliation of balances of the right-of-use asset by groups with breakdown by historical cost, accumulated depreciation and accumulated impairment and its movements:

Indicators	Leased premises	Movable property	Total
Useful life, years	1-5	4	
Historical cost			
As at 31 December 2021 (effect of the first-time adoption of RFAS 25/2018)	29,760	59,233	88,993
Addition	-	30,074	30,074
Value revision	-	-	-
As at 31 December 2022	29,760	89,307	119,067
Accumulated depreciation and accumulated impairment			
As at 31 December 2021	-	-	-

Including accumulated impairment	-	-	-
Depreciation	20,786	31,900	52,686
As at 31 December 2022	20,786	31,900	52,686
<i>Including accumulated impairment</i>	-	-	-
Carrying amount			
As at 31 December 2021	29,760	59,233	88,993
As at 31 December 2022	8,974	57,407	66,381

Movements in the lease liability:

As at 31 December 2021	Added	Interest accrued	Lease payments made	Value revision	As at 31 December 2022
(96,761)	(30,074)	(8,103)	63,257	-	(71,681)

Maturities of the lease liability as at 31 December 2022:

	(RUB'000)
Up to 1 year	27,834
From 1 to 2 years	12,485
From 2 to 3 years	21,669
From 3 to 4 years	16,104
From 4 to 5 years	-
Over 5 years	-
Total	78,092
Discounting effect	(6,411)
Total lease liability	71,681.00
<i>including:</i>	
<i>Long-term</i>	44,905.00
<i>Short-term</i>	26,776.00

As at 31 December 2022 the Company's lease contracts did not provide for any restrictions and there were no right-of-use assets pledged under loan contracts.

23. RELATED PARTIES

The main related parties of JSC RANBAXY:

- **Immediate shareholders:**
 - SUN PHARMA (NETHERLANDS) B.V. (Private limited liability company) (99% interest);
 - Ranbaxy Holdings (UK) Ltd. (1% interest);
- **Parent company of the group** to which the Company belongs: Sun Pharmaceutical Industries Ltd.

- **Companies under common control:** All companies under control or significant influence of the Company's controlling beneficial owner:
 BIOSINTEZ PJSC
 SC TERAPIA SA (Romania)
 Sun Pharmaceutical Industries LLC
 Representative office of Sun Pharmaceutical Industries Limited

The full list of related parties as at 31 March 2022 is presented in the consolidated financial statements of the group at the company's website:

<https://sunpharma.com/investors-annual-reports-presentations/>

- Key management personnel of JSC RANBAXY.

Transactions and balances by groups of related parties

Transactions with related parties during the reporting period:

(RUB'000)					
Related parties	Type of relation	Type of transactions	Applied pricing methods for each type of transactions	Volume of transactions in 2022	Volume of transactions in 2021
SUN PHARMACEUTICAL INDUSTRIES LTD (India)	Other related party (parent company of Sun Pharmaceutical Industries group)	Purchase of goods	According to the agreement (market price)	3,833,215	3,217,132
SUN PHARMACEUTICAL INDUSTRIES LTD (India)	Other related party (parent company of Sun Pharmaceutical Industries group)	Compensation for discount given to the buyer	According to the agreement	34,705	174,668
SC TERAPIA SA (Romania)	Other related party (a company from Sun Pharmaceutical Industries group)	Purchase of goods	According to the agreement (market price)	1,132,486	713,949
SC TERAPIA SA (Romania)	Other related party (a company from Sun Pharmaceutical Industries group)	Compensation for discount given to the buyer	According to the agreement	440	-
Sun Pharmaceutical Industries LLC	Other related party (a company from Sun Pharmaceutical Industries group)	Sublease agreement	According to the agreement	150	360
Sun Pharmaceutical Industries LLC	Other related party (a company from Sun Pharmaceutical Industries group)	Loan agreement	Issued loan		30,000

Sun Pharmaceutical Industries LLC	Other related party (a company from Sun Pharmaceutical Industries group)	Loan agreement	Loan forgiven	30,000	-
Sun Pharmaceutical Industries LLC	Other related party (a company from Sun Pharmaceutical Industries group)	Accrual of interest under the short-term loan agreement	According to the agreement	1,178	1,257
Representative office of Sun Pharmaceutical Industries Limited	Other related party (representative office of a company of Sun Pharmaceutical Industries group in Russia)	Agency agreement	According to the agreement	1,687	1,689
Representative office of Sun Pharmaceutical Industries Limited	Other related party (representative office of a company of Sun Pharmaceutical Industries group in Russia)	Sale and purchase agreement	According to the agreement	1,805	-
Sun Pharma (Netherlands) B.V. Private limited liability company	Principal shareholder (99 percent of stocks)	Repayment of a short-term / long-term loan			426,675 (USD 5,873 thousand)
Sun Pharma (Netherlands) B.V. Private limited liability company	Principal shareholder (99 percent of stocks)	Accrual of interest under the short-term loan agreement	3M Libor + 150 bp p.a.		8,574 (USD 120 thousand)
PJSC Biosintez	Other related party (a company from Sun Pharmaceutical Industries group)	Loan agreement	Issued loan	575,000	955,000
PJSC Biosintez	Other related party (a company from Sun Pharmaceutical Industries group)	Loan agreement	Repayment of the issued loan	50,000	500,000
PJSC Biosintez	Other related party (a company from Sun Pharmaceutical Industries group)	Accrual of interest under the short-term loan agreement	According to the agreement	117,319	36,620
PJSC Biosintez	Other related party (a company from Sun Pharmaceutical Industries group)	Under contracts for the sale of goods, works, services	According to the agreement		11

PJSC Biosintez	Other related party (a company from Sun Pharmaceutical Industries group)	Goods sale and purchase agreement	According to the agreement	124,990	19,573
PJSC Biosintez	Other related party (a company from Sun Pharmaceutical Industries group)	Agreement (for contract manufacturing)	According to the agreement	982	1,538

Accounts receivable from and payable to related parties of the Company

as at 31 December 2022:

(RUB'000)

Related party	Type of relation	Amount of accounts receivable (payable),	Amount of accounts receivable (payable),
		2022	2021
SUN PHARMACEUTICAL INDUSTRIES LTD (India)	Other related party (parent company of Sun Pharmaceutical Industries group)	(4,898,484)	(3,562,327)
SC TERAPIA SA (Romania)	Other related party (a company from Sun Pharmaceutical Industries group)	(386,415)	-266,813
PJSC Biosintez	Other related party (a company from Sun Pharmaceutical Industries group)	(3,703)	(1,006)
PJSC Biosintez (loans granted and related interest)	Other related party (a company from Sun Pharmaceutical Industries group)	1,553,938	1,013,381
Sun Pharmaceutical Industries LLC (loans granted and related interest)	Other related party (a company from Sun Pharmaceutical Industries group)	-	31,257

Cash flows with related parties:

(RUB'000)

Related parties	Type of relation	Type of transactions	Amount in 2022	Amount in 2021
SUN PHARMACEUTICAL INDUSTRIES LTD (India)	Other related party (parent company of Sun Pharmaceutical Industries group)	Payment of goods	2,468,590	2,871,903
SC TERAPIA SA (Romania)	Other related party (a company from Sun Pharmaceutical Industries group)	Payment of goods	1,010,444	857,664

Sun Pharmaceutical Industries LLC	Other related party (a company from Sun Pharmaceutical Industries group)	Issued loan		30,000
Sun Pharmaceutical Industries LLC	Other related party (a company from Sun Pharmaceutical Industries group)	Payment of interest on loan granted	870	-
Sun Pharmaceutical Industries LLC	Other related party (a company from Sun Pharmaceutical Industries group)	Payment under the sublease agreement	150	390
Representative office of Sun Pharmaceutical Industries Limited	Other related party (representative office of a company of Sun Pharmaceutical Industries group in Russia)	Payment under agreements	3,492	1,689
PJSC Biosintez	Other related party (a company from Sun Pharmaceutical Industries group)	Under contracts for the sale of goods, works, services		11
PJSC Biosintez	Other related party (a company from Sun Pharmaceutical Industries group)	Goods sale and purchase agreement	122,293	19,573
PJSC Biosintez	Other related party (a company from Sun Pharmaceutical Industries group)	Agreement (for contract manufacturing)	982	1,538
PJSC Biosintez	Other related party (a company from Sun Pharmaceutical Industries group)	Issued loan	575,000	955,000
PJSC Biosintez	Other related party (a company from Sun Pharmaceutical Industries group)	Repayment of the issued loan	50,000	500,000
PJSC Biosintez	Other related party (a company from Sun Pharmaceutical Industries group)	Payment of interest under the loan agreement	101,754	34,754
Sun Pharma (Netherlands) B.V. Private company limited by shares	Principal shareholder (99 percent of stocks)	Repayment of a short-term / long-term loan		426,675 (USD 5,873 thousand)
Sun Pharma (Netherlands) B.V. Private limited liability company	Principal shareholder (99 percent of stocks)	Payment of interest under the loan agreement		8,574 (USD 120 thousand)

Form of settlements with related parties — monetary (cash transfer).

Information about remuneration to key management personnel

In 2022 and 2021 the Company's key management personnel comprised:

Director of the Department
Head of the Commercial Department
Director of the Department
General Director
Field Force Effectiveness Manager
Senior pharmacist in charge of the warehouse for wholesaling medical products
Head of Pharmacy Division
Head of Commercial Sales
Head of the Legal Division
Senior Medical Advisor
Chief Accountant
National Sales Manager
Head of Proposals
Marketing Director
Director of the Department
Director for Regulatory and Government Affairs
HR Director
National Sales Manager
Head of the Trade Marketing Division

Total remuneration for 2022 paid to key management personnel amounted to RUB 132,761 thousand (2021: RUB 110,470 thousand). All payments were of short-term nature.

Information about members of the Company's executive and supervisory bodies

Members of the Board of Directors in 2022:

Name	Position	Period
Sergey Lepetan	Chairman of the Board of Directors	from 03/02/2022
Rakesh Sinha	Member of the Board of Directors	from 28/01/2022
Viswanathan Sethuraman	Member of the Board of Directors	from 28/01/2022
Yulia Khivantseva	Member of the Board of Directors	from 28/01/2022
Artur Valiev	Member of the Board of Directors	from 28/01/2022

24. EXCHANGE RATES AND EXCHANGE DIFFERENCES

Exchange rates of the Central Bank of Russia in effect on the date of the financial statements are as follows:

(RUB'000)

Currency	31 December 2022	31 December 2021	31 December 2020
USD	70.3375	74.2926	73.8757
EUR	75.6553	84.0695	90.6824

	2022	2021
Exchange differences arising on the translation of assets and liabilities denominated in foreign currencies and payable in foreign currencies	-	-
Exchange differences arising on the translation of assets and liabilities denominated in foreign currencies and payable in roubles	-	3,426
Total	-	3,426.00

25. BASIC EARNINGS

Basic and diluted earnings for 2022 and 2021:

Indicators	2022	2021
Basic earnings, RUB'000	577,005	393,656
The weighted average number of ordinary shares outstanding, pcs	163,000	163,000
Basic earnings per one share, RUB	3,540	2,415

26. GUARANTEES AND SURETYSHIPS RECEIVED

Guarantees and suretyships received by the Company as at 31 December 2022:

Buyer	Debt	Security	Guarantor / Surety
BSS OOO	1,168,345	10,000,000	VTB Bank OAO
Vita Line OOO	20,247,354	130,000,000	Rosbank PAO
Grand Capital FC OOO	575,608,848	250,000,000	Alfa-Bank AO
		200,000,000	VTB Bank OAO
GDP	9,617,692	15,000,000	Moscow Credit Bank PAO
Zdravservis OOO	1,026,792	10,000,000	Otkritie FK
InterLek OOO		132,000,000	Sberbank of Russia PAO
Katren NPK AO	969,938,720	1,500,000,000	Katren ZAO (Russia)
Magnit Pharma OOO	101,779,597	160,000,000	Tender AO
NEO-PHARM	27,933,500	40,000,000	Sberbank of Russia PAO
Protek TsV ZAO	1,146,135,268	1,315,000,000	Sberbank of Russia PAO
Pulse FC OOO	858,592,734	800,000,000	RaiffeisenBank OAO
		120,000,000	Sberbank of Russia PAO
Farmperspektiva JSC	248,401,997	150,000,000	RaiffeisenBank OAO
Total	4,008,395,111	4,832,000,000	

27. EVENTS AFTER THE BALANCE SHEET DATE

To settle a liability towards SUN PHARMACEUTICAL INDUSTRIES LTD (India) related to payment for goods supplied, a loan agreement was concluded with Sberbank in February 2022 to open a credit facility with the limit of RUB 1,000,000 thousand.

28. ADDITIONAL INFORMATION

We confirm that to the best of our knowledge and belief the special military operation in Ukraine and additional sanctions imposed by foreign countries do not cast significant doubt on our ability to continue as a going concern for at least 12 months after the reporting date and do not cause significant changes in the carrying amount or classification of assets and liabilities reflected in the financial statements.

General Director _____ Artur Valiev

31 March 2023