Ranbaxy Pharmaceuticals Ukraine LLC

Financial Statements
for the Year Ended December 31, 2024

RANBAXY PHARMACEUTICALS UKRAINE LLC

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RANBAXY PHARMACEUTICALS UKRAINE LLC

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

Management is responsible for the preparation of the financial statements that present fairly the financial position of Limited Liability Company "Ranbaxy Pharmaceuticals Ukraine" (hereinafter, the "Company") as at December 31, 2024, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with International Financial Reporting Standards ("IFRS").

In preparing the financial statements, management is responsible for:

- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance;
- Making an assessment of the Company's ability to continue as a going concern.

Management is also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls, throughout the Company;
- Maintaining adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- Maintaining statutory accounting records in compliance with Ukrainian legislation and accounting standards;
- Taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- Preventing and detecting fraud and other irregularities.

On behalf of the Company's Management:

______________________________	______________________________
Alok Batra, General Manager	Kateryna Kotlyarova, Chief Accountant

Ref. No. 14-3
as of 20.02.2025

INDEPENDENT AUDITOR'S REPORT

To: Owners and Management of
Ranbaxy Pharmaceuticals Ukraine LLC

Opinion

We have audited financial statements of Ranbaxy Pharmaceuticals Ukraine LLC (further – the Company), which comprise the Statement of financial position as at December 31, 2024, Statement of profit and loss, and other comprehensive income, Statement of changes in equity, Statement of cash flows for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements reflect fairly, in all material respects, the financial position of the Company as at December 31, 2024, its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) and meet the requirements of the Law of Ukraine "On Financial Accounting and Financial Reporting in Ukraine" as of 16.07.1999 No. 996-XIV (Law of Ukraine No. 996-XIV) on the preparation of financial statements.

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 Financial Statements* section of our report.

We are independent from the Company in accordance with the Code of Ethics of Professional Accountants of the International Ethics Standards Board for Accountants and published by the International Federation of Accountants (including the International Standards on Independence) (IESBA Code) and with the ethical requirements relating to audit of financial statements in Ukraine, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Material Uncertainty Related to Going Concern

We draw your attention to Note 2 to the financial statements, which describes that the Company suffered negative impact from the economic crisis in Ukraine, caused by the military aggression of the Russian Federation that started on February 24, 2022 and is continuing in its active phase from February 24, 2022 and as at the date of the approval of the Report. These conditions demonstrate that there exists material uncertainty that may cast doubt onto the ability of the Company to continue as a going concern. Our opinion was not modified on this matter.

Emphasis-of-matter paragraph – Concentration of related parties' transactions

We draw your attention to Note 7 to the financial statements, which discloses a material concentration of transactions with the related parties of the Company. Our opinion was not modified on this matter.

Information that is not financial statements or the auditor's report thereon

Management is responsible for the other information. The other information consists of information that is included in the Management Report in accordance with Law No. 996-XIV, but does not constitute the financial statements for 2024 and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance on that other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on our work, we come to the conclusion that the other information is materially misstated, we are required to communicate that fact. We did not identify any such facts that should have been included in the report.

The financial information in the Management Report for 2024 is consistent with the financial statements for the reporting period and with other information obtained during our audit.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures 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;
- 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 Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to

events or conditions that may cast significant doubt on the Company'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 Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with the statement that we have met the relevant ethical requirements for independence, and we notify them of all relationships and other issues that might reasonably be considered to affect our independence and, where applicable, regarding appropriate precautionary measures.

Report on Additional Financial Information

Our audit was conducted with the purpose of expressing an opinion on the financial statements on the whole. The regulatory forms of financial reporting attached to the financial statements, are given as additional financial information and presented in accordance with the regulatory requirements on financial statements. We have conducted audit procedures regarding the presented additional financial information in frames of the audit of the financial statements and, in our opinion, the additional financial information was prepared properly, in all material respects, in accordance with the financial statements of the Company on the whole.

The engagement partner on the audit resulting in this independent auditor's report is Nataliia Bobylova.

Engagement partner on the audit Nataliia BOBYLOVA

HLB UKRAINE LIMITED LIABILITY COMPANY
Registration number in the Register of auditors and subjects
of audit activity Section *Subjects of audit activity* – 0283

11/11 Gusovskogo Street, office 3, Kyiv, Ukraine

February 20, 2025

RANBAXY PHARMACEUTICALS UKRAINE LLC

STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2024
In thousands of Ukrainian Hryvnias

	Notes	December 31, 2024	December 31, 2023
Assets			
Non-current assets			
Property and equipment and capital investments	8	436	244
Intangible assets	8	69	31
Lease asset right	9	18,394	21,909
Deferred tax asset	22	3,138	3,115
Non-current receivables	11	188	2
Total non-current assets		**22,225**	**25,301**
Current assets			
Inventories	10	123,667	91,345
Trade and other receivables	11	89,130	56,991
Cash and cash equivalents	12	64,032	116,736
Total current assets		**276,829**	**265,072**
Total assets		**299,054**	**290,373**
Equity			
Authorised capital	13	39,950	39,950
Other capital		15	15
Retained earnings	14	215,550	177,753
Total equity		**255,515**	**217,718**
Liabilities			
Non-current liabilities			
Long-term lease liabilities	16	10,389	14,417
Total non- current liabilities		**10,389**	**14,417**
Current liabilities			
Lease liabilities	16	9,030	10,150
Trade and other payables	17	533	28,975
Provisions for liabilities and charges	15	20,204	18,924
Current income tax	22	3,383	189
Total current liabilities		**33,150**	**58,238**
Total liabilities		**43,539**	**72,655**
Total liabilities and equity		**299,054**	**290,373**

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Alok Batra,
Managing Director

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Kateryna Kotlyarova,
Chief Accountant

RANBAXY PHARMACEUTICALS UKRAINE LLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024
In thousands of Ukrainian Hryvnias

	Notes	2024	2023
Revenue	18	456,588	394,782
Cost of sales	19	(235,162)	(203,775)
Gross profit		**221,426**	**191,007**
Distribution costs	21	(136,881)	(125,618)
General and administrative expenses	21	(33,604)	(29,364)
Other operating income	20	20,615	13,833
Other operating expenses	21	(19,258)	(13,495)
Foreign currency exchange gain/(loss)		(3,722)	(5,672)
Profit/(loss) from operations		**48,576**	**30,691**
Financial expenses from lease operations		(1,625)	(1,970)
Profit/(loss) before income tax		**46,951**	**28,721**
Income tax benefit/(expense)	22	(8,802)	(5,069)
Profit/(loss) for the year		**38,149**	**23,652**
Other comprehensive income		**-**	**-**
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**38,149**	**23,652**

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Alok Batra,
Managing Director

Kateryna Kotlyarova,
Chief Accountant

RANBAXY PHARMACEUTICALS UKRAINE LLC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024
In thousands of Ukrainian Hryvnias

	Notes	Authorised capital	Other capital	Retained earnings	Total equity
Balance as at January 1, 2023		**39,950**	**15**	**154,101**	**194,066**
Profit for the year		**0**	0	23,652	**23,652**
Balance as at December 31, 2023		**39,950**	**15**	**177,753**	**217,718**
Correction	14			(352)	**(352)**
Balance as at December 31, 2023 corrected		**39,950**	**15**	**177,401**	**217,366**
Profit for the year				38,149	**38,149**
Balance as at December 31, 2024		**39,950**	**15**	**215,550**	**255,515**

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Alok Batra,
Managing Director

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Kateryna Kotlyarova,
Chief Accountant

RANBAXY PHARMACEUTICALS UKRAINE LLC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024
In thousands of Ukrainian Hryvnias

	Notes	2024	2023
Cash flows from operating activities			
Profit/(loss) for the year		**38,149**	**23,652**
Income tax (benefit)/expense	22	8,802	5,069
Profit/(loss) before income tax		**46,951**	**28,721**
Adjustments for:			
Amortisation of intangible assets	8	42	100
Depreciation of fixed assets	8	193	357
Depreciation of lease assets	9	9,945	9,887
Financial expenses		1,625	1,970
Changes in provisions	15	1,437	(1,901)
Foreign currency exchange (gain)/loss unrealised		-	1,028
Other non-cash operating costs		(2,310)	532
Operating cash flows before working capital changes		**57,883**	**40,694**
Working capital adjustments:			
Decrease/(increase) in inventories	10	(32,322)	(19,557)
Decrease/(increase) in trade receivables	11	(31,152)	(3,890)
Decrease/(increase) in other receivables	11	(987)	904
Increase/(decrease) in trade payables	17	(28,584)	27,559
Increase/(decrease) in other payables	16	(47)	(3)
Net working capital changes:		**(93,092)**	**5,013**
Interests received		4,075	4,583
Income tax payed (benefit)		5,984	7,266
Net cash provided by/(used in) operating activities		**(37,117)**	**43,025**
Cash flows from investing activities			
Proceeds from sale of property and equipment		-	0
Purchase of property and equipment		(462)	(38)
Income tax from investments activities		69	6

Net cash used in investing activities		**(393)**	**(32)**
Cash flows from financial activities			
Lease payments	16	(16,902)	(16,193)
Other interest paid	16	(1,625)	(1,970)
Income tax from financial activities		3,335	3,269
Net cash used in* financial *activities		**(15,192)**	**(14,894)**
Net increase/(decrease) in cash and cash equivalents		**(52,704)**	**28,098**
Cash and cash equivalents at the beginning of the year	12	**116,736**	**88,638**
Cash and cash equivalents at the end of the year	12	**64,032**	**116,736**

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Alok Batra,
Managing Director

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Kateryna Kotlyarova,
Chief Accountant

1. RANBAXY PHARMACEUTICALS UKRAINE LLC AND ITS OPERATIONS

The Company was incorporated and is domiciled in Ukraine. The Company is a Limited Liability Company and was set up in accordance with Ukrainian regulations.

As at December 31, 2024, December 31, 2023 the Company's immediate parent as Sun Pharmaceutical Industries Limited registrated in India and listed on the Bombay Stock Exchange and the National Stock Exchange of India. No private individuals has control over the Company and its Parent Company.

Principal activity

The Company`s principal business activity is wholesale of imported pharmaceutical goods produced by Sun Pharma Group within Ukraine.

Registered address and place of business

The Company's registered address is 175 Kharkivske shosse avenue, 02121, Kyiv, Ukraine.

Presentation currency

These financial statements are presented in Ukrainian hryvnias ("UAH" or "Hryvnia"), unless otherwise stated. All figures shown are rounded, so minor discrepancies may arise from adding together these amount.

2. GOING CONCERN

Management prepared these financial statements on a going concern basis. In making this judgement management considered the Company's financial position, current intentions, profitability of operations and access to financial resources, and analysed the impact of the situation in the financial markets on the operations of the Company.

The Company was adversely affected by the continuing economic crisis caused by the military aggression of the Russian Federation, which began in 2014 and continues in an active phase from February 24, 2022 and on the day of the adoption of the report in the form of active military operations on a wide front, attacks on civilian infrastructure throughout the territory of Ukraine, annexation of part of the territories of Ukraine. The Company's operating results in 2024 were negatively affected by changes in the Ukrainian market due to the annexation of territories, destructions in large cities, destructions of civil infrastructure, migration of the population abroad and within the country, a low level of purchasing power and a decrease in the exchange rate of the national currency against major currencies. Management undertakes measures to increase demand to the products imported by the Company in order to stabilize sales volumes and believes it will be able to retain its market share. In addition, during subsequent periods, management is planning to implement changes in the way of conducting business operations by the Company, for which reason it is intending to reorganize business processes applied within the Company at the cost of increased labor productivity and optimized business processes aimed at realizing the strategy of reducing costs.

The Company is engaged in significant purchases with its related parties (Note 7 BALANCES AND TRANSACTIONS WITH RELATED PARTIES). Management believes that the Company benefits from those transactions, since, in combination with the related parties that ensure the stable supplies of goods and are involved in further distribution of products, they form together a vertically integrated operation, which significantly improves the Company's general market position.

Based on own assessment, the Company's management reasonably expects that the Company will continue as a going concern in the foreseeable future and, correspondingly, these financial statements have been prepared based on a going concern assumption, which considers the realization of assets and settlement of liabilities in the normal course of business.

However, since the military aggression of the Russian Federation against Ukraine has a significant impact on the economy of Ukraine as a whole, there is significant uncertainty regarding the continuity of operations.

3. OPERATING ENVIRONMENT OF THE COMPANY

In recent years, Ukraine has been in a state of political and economic upheaval. Crimea, an autonomous republic within Ukraine, was actually annexed by the Russian Federation. In 2021, the armed conflict continued in some areas of Luhansk and Donetsk regions.
On February 24, 2022, Russia's large-scale aggression against Ukraine began with the expansion of active hostilities to the northern, eastern, and southern regions of Ukraine and the blocking of all Ukrainian ports in the Black and Azov seas. Martial law has been introduced in Ukraine, which includes, in particular, military mobilization and a ban on conscripts going abroad. The aggression caused massive destruction of civil infrastructure, including in large cities, victims among the population, internal and external migration. Part of the territory of Ukraine is annexed.
The exchange rate to the US dollar is regulated by the National Bank of Ukraine. In January 2016, the agreement on the free trade area between Ukraine and the EU came into force. As a result, the Russian Federation implemented a trade embargo on import duties on key Ukrainian export products. In response, Ukraine implemented similar measures against Russian products.
In 2022, Great Britain, Canada, the EU introduced temporary trade preferences and suspended the application of customs payments for Ukraine. The USA temporarily canceled import duties on some groups of goods from Ukraine. In 2022, actions to nationalize all assets of the Russian Federation and its citizens in Ukraine were initiated and are ongoing.

In 2024, average expected inflation amounted to 10.7% comparing to 5.1% in 2023.

The GDP of Ukraine will increase on 3.6 % in 2024 according to previous assessment (increase 5.3% шт 2023, decline 29.1% in 2022). The budget of Ukraine was in deficit and was covered by external financial aid. The share of military spending is key in Ukraine's budget.

Further stabilization of the economic and political situation depends, to a large extent, on the success of the efforts of the Ukrainian government to defense and liberation of the occupied territories , while the further development of the economic and political situation is currently difficult to predict.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared for RANBAXY PHARMACEUTICALS UKRAINE LLC (the "Company") as single entity in accordance with International Financial Reporting Standards ("IFRS") for the year ended December 31, 2024. Previous reporting period lasted from January, 1 to December, 31, 2023. The financial statement are presented in Ukrainian Hryvna, rounded to the nearest thousand, unless otherwise indicated.

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") under the historical cost basis, modified by the initial recognition of financial instruments at fair value. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Property and equipment

Property, plant and equipment are stated at cost, in Hryvnia less accumulated depreciation and provision for impairment, if required.

Buildings are subject to revaluation with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Increases in the carrying amount arising on revaluation are credited to other comprehensive income and increase the revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised in other comprehensive income and decrease the previously recognised revaluation surplus in equity; all other decreases are charged to profit or loss for the year. The revaluation reserve for buildings included in equity is transferred directly to retained earnings (accumulated deficit) when the revaluation surplus is realised on the retirement or disposal of the asset (or as the asset is used by the company; in the latter case, the amount of the surplus realised is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost).

Costs of minor repairs and day-to-day maintenance are expensed when incurred. Cost of replacing major parts or components of property, plant and equipment items is capitalised and the replaced part is retired.

At each end of each reporting period management assesses whether there is any indication of impairment of property, plant and equipment. If any such indication exists, management estimates the recoverable amount, which is determined as the higher of an asset's fair value less costs to sell and its value in use. The carrying amount is reduced to the recoverable amount and the impairment loss is recognised in profit or loss for the year (to the extent it exceeds the previous revaluation surplus in equity). An impairment loss recognised for an asset in prior years is reversed where appropriate if there has been a change in the estimates used to determine the asset's value in use or fair value less costs to sell.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised in profit or loss for the year (within other operating income or costs).

Depreciation

Depreciation on items of property, plant and equipment is calculated using the straight-line method to allocate their cost (or revalued amounts) to their residual values over their estimated useful lives:

	Useful lives in years
Office equipment, furniture and fixture	till 10
Vehicles	5
Leasehold improvements	Shorter of useful life and the term of the underlying lease

The residual value of an asset is the estimated amount that the company would currently obtain from disposal of the asset less the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Useful lives of property, plant and equipment

The estimation of the useful lives of items of property, plant and equipment is a matter of judgment based on the experience with similar assets. The future economic benefits embodied in the assets are consumed principally through use. However, other factors, such as technical or commercial obsolescence and wear and tear, often result in the diminution of the economic benefits embodied in the assets. Management assesses the remaining useful lives in accordance with the current technical conditions of the assets and estimated period during which the assets are expected to earn benefits for the Company. The following primary factors are considered: (a) the expected usage of the assets; (b) the expected physical wear and tear, which depends on operational factors and maintenance programme; and (c) the technical or commercial obsolescence arising from changes in market conditions.

Intangible assets

The Company's intangible assets have definite useful lives and primarily include capitalised computer software, licences and other rights. Acquired intangible assets are capitalised on the basis of the costs incurred to acquire and bring them to use.

Intangible assets are amortised using the straight-line method over their useful lives:

	Useful lives in years
Software licences	2 to 5
Patents and trademarks	1 to 5

If impaired, the carrying amount of intangible assets is written down to the higher of value in use and fair value less costs to sell.

Impairment of non-financial assets

Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

Inventories

Inventories are recorded at the lower of cost and net realisable value. Cost of inventory is determined on weighted average cost method. The cost of goods comprises cost of acquisition, other direct costs such as transport costs and custom clearance cost and related overheads but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

Financial instruments – Key measurement terms

Depending on their classification financial instruments are carried at fair value or amortised cost as described below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is the price in an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Valuation techniques such as discounted cash flow models or models based on recent arm's length transactions or consideration of financial data of the investees are used to measure fair value of certain financial instruments for which external market pricing information is not available. Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on solely observable market data (that is, the measurement requires significant unobservable inputs). Transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period. Refer to Note 26 FAIR VALUE DISCLOSURES.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition and includes *transaction costs*. Measurement at cost is only applicable to investments in equity instruments that do not have a quoted market price and whose fair value cannot be reliably measured.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. An incremental cost is one that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

Amortised cost is the amount at which the financial instrument was recognised at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any write-down for incurred impairment losses. Accrued interest includes amortisation of transaction costs deferred at initial recognition and of any premium or discount to maturity amount using the effective interest method.

Accrued interest income and accrued interest expense, including both accrued coupon and amortised discount or premium (including fees deferred at origination, if any), are not presented separately and are included in the carrying values of related items in the statement of financial position.

The effective interest method is a method of allocating interest income or interest expense over the relevant period, so as to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (excluding future credit losses) through the expected life of the financial instrument or a shorter period, if appropriate, to the net carrying amount of the financial instrument. The effective interest rate discounts cash flows of variable interest instruments to the next interest re-pricing date, except for the premium or discount which reflects the credit spread over the floating rate specified in the instrument, or other variables that are not reset to market rates. Such premiums or discounts are amortised over the expected life of the instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate.

Classification of financial assets

The Company classifies its financial assets as receivables. Receivables are unquoted non-derivative financial assets with fixed or determinable payments other than those that the Company intends to sell in the near future. Receivables are accounted for at amortized cost using the effective interest method, net of provision for impairment after their initial evaluation. Receivables that mature more than 12 months after the statement of financial position date are included into non-current assets. The Company's financial assets are term deposits, trade and other accounts receivable, cash and cash equivalents.

Classification of financial liabilities

The Company determines the classification of its financial liabilities at initial recognition. The Company's financial liabilities include trade and other accounts payable, and operating lease. Financial liabilities are carried at amortised cost.

Initial recognition of financial instruments

Financial instruments are initially recorded at fair value plus transaction costs. Fair value at initial recognition is best evidenced by the price in an active market. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Derecognition of financial assets

The Company derecognises financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expire or (b) the Company has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement while (i) also transferring substantially all risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all risks and rewards of ownership but not retaining control. Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose additional restrictions on the sale.

Trade and other receivables

Trade and other receivables are carried at amortised cost using the effective interest method, less provision for impairment. Trade and other receivables are measured at the transaction price at an initial recognition, unless such receivables contain a significant financing component in accordance with IFRS 15 Revenue from Contracts with Customers. After initial recognition, trade and other receivables are stated at amortized cost using the effective interest rate method, less an allowance for impairment losses.

Impairment of financial assets carried at amortised cost

Impairment losses are recognised in profit or loss when incurred as a result of one or more events ("loss events") that occurred after the initial recognition of the financial asset and which have an impact on the amount or timing of the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. If the Company determines that no objective evidence exists that impairment was incurred for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics, and collectively assesses them for impairment. The primary factors that the Company considers in determining whether a financial asset is impaired are its overdue status and realisability of related collateral, if any. The following other principal criteria are also used to determine whether there is objective evidence that an impairment loss has occurred:

- Any portion or instalment is overdue and the late payment cannot be attributed to a delay caused by the settlement systems;
- The counterparty experiences a significant financial difficulty as evidenced by its financial information that the Company obtains;
- The counterparty considers bankruptcy or a financial reorganisation;
- There is adverse change in the payment status of the counterparty as a result of changes in the national or local economic conditions that impact the counterparty.

If the terms of an impaired financial asset held at amortised cost are renegotiated or otherwise modified because of financial difficulties of the counterparty, impairment is measured using the original effective interest rate before the modification of terms. The renegotiated asset is then derecognized and a new asset is recognized at its fair value only if the risks and rewards of the asset substantially changed. This is normally evidenced by a substantial difference between the present values of the original cash flows and the new expected cash flows.

Impairment losses are always recognised through an allowance account to write down the asset's carrying amount to the present value of expected cash flows (which exclude future credit losses that have not been incurred) discounted at the original effective interest rate of the asset. The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account through profit or loss.

Uncollectible assets are written off against the related impairment provision after all the necessary procedures to recover the asset have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off are credited to the impairment loss account within profit or loss.

The Company uses a simplified approach to calculate the provision for expected credit losses for receivables and contract assets. The company uses a reservation matrix with reservation rates.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts, and there is an intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Prepayments

Prepayments are carried at cost less provision for impairment. A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition. Prepayments to acquire assets are transferred to the carrying amount of the asset once the Company has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Company. Other prepayments are written off to profit or loss when the goods or services relating to the prepayments are received. If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognised in profit or loss for the year.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried at amortised cost using the effective interest method.

Income taxes

Income taxes have been provided for in the financial statements in accordance with legislation enacted or substantively enacted by the end of the reporting period. The income tax charge comprises current tax and deferred tax and is recognised in profit or loss for the year, except if it is recognised in other comprehensive income or directly in equity because it relates to transactions that are also recognised, in the same or a different period, in other comprehensive income or directly in equity.

Current tax is the amount expected to be paid to, or recovered from, the taxation authorities in respect of taxable profits or losses for the current and prior periods. Taxable profits or losses are based on estimates if financial statements are authorised prior to filing relevant tax returns. Taxes other than on income are recorded within operating expenses.

Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit. Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period, which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilised Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that future taxable profit will be available against which the deductions can be utilised.

Authorised capital

Authorised capital and accumulated reserves are classified as equity.

Dividends

Dividends are recorded as a liability and deducted from equity in the period in which they are declared and approved. Any dividends declared after the reporting period and before the financial statements are authorised for issue are disclosed in the subsequent events note.

Value added tax

Output value added tax related to sales is payable to tax authorities on the earlier of (a) collection of receivables from customers or (b) delivery of goods or services to customers. Input VAT is generally recoverable against output VAT upon receipt of the VAT invoice. The tax authorities permit the settlement of VAT on a net basis. VAT related to sales and purchases is recognised and disclosed in the statement of financial position on a net basis as an asset or liability. Where provision has been made for impairment of receivables, impairment loss is recorded for the gross amount of the debtor, including VAT.

Liabilities to participants

Liabilities to participants are accrued and deducted from equity in the period in which they are declared and approved. Liabilities to participants are carried at amortised cost using the effective interest method.

Trade and other payables

Trade payables are accrued when the counterparty performs its obligations under the contract and are carried at amortised cost using the effective interest method.

Provisions for liabilities and charges

Provisions for liabilities and charges are non-financial liabilities of uncertain timing or amount. They are accrued when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Operating leases

Where the company is a lessee in a lease which does not transfer substantially all the risks and rewards incidental to ownership from the lessor to the Company, the total lease payments are charged to profit or loss for the year on a straight-line basis over the lease term according to IFRS 16. The lease term is the non-cancellable period for which the lessee has contracted to lease the asset together with any further terms for which the lessee has the option to continue to lease the asset, with or without further payment, when at the inception of the lease it is reasonably certain that the lessee will exercise the option.
Company apply recognition exemption as to instead of applying the recognition requirement of IFRS 16 described below, a lessee may elect to account for lease payment as an expense on a straight-line basis over the lease term or another systematic basis for the following two types:

- Leases with a lease term of 12 month or less and containing no purchase options
- Leases were the underling asset has a low value when new

(Note 9,15)

Foreign currency translations

The functional currency of the Company is the currency of the primary economic environment in which the entity operates. The functional currency of the Company, is the national currency of the Ukraine hryvnia.

Monetary assets and liabilities are translated into entity's functional currency at the official exchange rate of the National Bank of the Ukraine ("NBU") at the respective end of the reporting period.
The exchange rates used for translating foreign currency balances were:

	As at December 31, 2024	As at December 31, 2023
EUR/UAH	43,93	42.21
USD/UAH	42,04	37.98

Foreign exchange gains and losses resulting from the settlement of the transactions and from the translation of monetary assets and liabilities into entity's functional currency at year-end official exchange rates of the NBU are recognised in profit or loss as other operating income or other operating expense for transactions and balances directly related to both operating and financing activity of the Company.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company's activities, as described below.

Revenues from sales of goods

Revenues from sales of goods are recognised at the point of transfer of risks and rewards of ownership of the goods, normally when the goods are shipped. If the Company agrees to transport goods to a specified location, revenue is recognised when the goods are passed to the customer at the destination point.

Revenues from sales of services

Revenues from sales of services are recognised in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

Employee benefits

Wages, salaries, social contributions to the Ukrainian state funds, paid annual leave and sick leave, bonuses, and non-monetary benefits (such as health services) are accrued in the year in which the associated services are rendered by the employees of the Company. The Company has no legal or constructive obligation to make pension or similar benefit payments beyond the unified social tax.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The preparation of the financial statements requires that management of the Company make judgments, estimates, and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the amounts of revenues and expenses reported during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are considered to be relevant under current circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In thousands of Ukrainian Hryvnias

(i) Useful lives of property, plant and equipment

The estimation of the useful life of an item of property, plant and equipment is a matter of management judgment based upon experience with similar assets. In determining the useful life of an asset, management considers the expected conditions of usage, estimated technical obsolescence, physical wear, tear, and the physical environment in which the asset is operated. Changes in any of these conditions or estimates may result in adjustments for future depreciation rates. During 2024, management determined that there were no changes in useful lives of the Company's property, plant and equipment.

(ii) Allowance for slow-moving inventories

Inventories, consisting primarily of goods for resale and raw materials, are valued at the lower of cost, determined on a weighted average-cost method, or market. Management performs periodic assessments to determine the existence of obsolete, slow moving, and non-saleable inventories, and records necessary write downs in cost of sales to reduce such inventories to net realizable value. Based upon the evaluation, provisions are made to reduce obsolete or slow-moving inventories to their estimated net realizable values. Once established, the original cost of the inventory less the related inventory write down represents the new cost basis of such products.

(iii) Allowance for sales return

Sales returns provision is created on the basis of the Company's assessment of statistics of data on the return of goods that have expired or have an expiration date of less than six months. At the same time in the same amount is created as a provision for the disposal of expired goods.

(iv) Allowance for impairment of accounts receivable

The allowance for impairment of accounts receivable is based on the Company's assessment of the collectability of accounts receivable from specific customers. If there is deterioration in a major customer's creditworthiness or actual defaults are higher than the estimates, the actual results could differ from these estimates (Note TRADE AND OTHER RECEIVABLES).

	0 days	from 31 to 60 days	from 61 to 90 days	from 91 to 120 days	from 121 to 180 days	from 181 to 360 days	> 360 days
Trade debts	0.50%	1%	5%	10%	20%	50%	100%

Accounts receivable due from related parties are analysed for impairment assessment separately from accounts receivable from third parties.

6. NEW ACCOUNTING PRONOUNCEMENTS

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after January 1, 2024 or later, and which the Company has not early adopted.

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

New or amended standard or interpretation	**Effective date -** for annual periods beginning on or after
Amendments to IFRS 16 – Leases	January 1, 2024
Amendment to IAS 1 – Non-current liabilities with covenants	January 1, 2024

Amendment to IAS 7 and IFRS 7 Supplier finance	January 1, 2024
IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information	January 1, 2024
IFRS S2 – Climate-related Disclosures	January 1, 2024
Amendments to IAS 21 - Lack of Exchangeability	January 1, 2025

Amendments to IFRS 16

The amendments requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

Amendment to IAS 1 – Non-current liabilities with covenants

These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions..

Amendment to IAS 7 and IFRS 7 Supplier finance

These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis..

Amendments to IAS 21 - Lack of Exchangeability

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information

Provides a framework for companies to report on all sustainability topics related to governance, strategy, risk management, and related metrics and targets.

IFRS S2 – Climate-related Disclosures

Contains more detailed guidance on how to communicate climate change risks and opportunities.

7. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Parties are generally considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the

In thousands of Ukrainian Hryvnias

other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.
As at December 31, 2024 and December 31, 2023, the outstanding balances with related parties (entities under common control) were as follows:

	December 31, 2024	December 31, 2023
Trade and other payables Sun Pharmaceutical Industries Limited	-	-
Total trade and other payables	-	28,132

The income and expense items with related parties (entities under common control) for the years ended December 31, 2024 and December 31, 2023 were as follows:

Purchase of goods	**2024**	**2023**
Sun Pharmaceutical Industries Limited	(43,428)	(86,166)
S.C. Terapia S.A.	(237,505)	(143,972)
Total purchase of goods	(280,933)	(230,138)

Key management personnel compensation

Key management personnel consist of 3 top executives (2023: 3 top executive). In 2024 total compensation to key management personnel included in administrative expenses amounted to UAH 16,403 thousand (2023: UAH 13,374 thousand). Compensation to the key management personnel consists of salary and bonus payments.

In thousands of Ukrainian Hryvnias

8. INTANGIBLES, PROPERTY AND EQUIPMENT

Movements in property and equipment for the year ended December 31, 2024 were as follows:

	Office equipment, furniture and fixture, low value assets	Vehicles	Total fixed assets	Intangibles
Cost				
Balance as at December 31, 2023	**3,302**	**118**	**3,421**	**576**
Additions	385	-	**385**	80
Transfer	-	-	**-**	-
Disposals	(5)	-	**(5)**	(362)
Balance as at December 31, 2024	**3,683**	**118**	**3,801**	**294**
Accumulated depreciation				
Balance as at December 31, 2023	**(3,060)**	**(117)**	**(3,177)**	**(544)**
Depreciation charge	(193)	-	**(193)**	(42)
Transfer	-	-	**-**	-
Disposals	5	-	**5**	362
Balance as at December 31, 2024	**(3,248)**	**(117)**	**(3,365)**	**(225)**
Net book value as at				
December 31, 2023	**243**	**1**	**244**	**31**
December 31, 2024	**435**	**1**	**436**	**69**

Movements in property and equipment for the year ended December 31, 2023 were as follows:

	Office equipment, furniture and fixture, low value assets	Vehicles	Total fixed assets	Intangibles
Cost				
Balance as at December 31, 2022	**3,317**	**118**	**3,435**	**576**
Additions	11	-	**11**	-
Transfer	-	-	**-**	-
Disposals	(25)	-	**(25)**	-
Balance as at December 31, 2023	**3,302**	**118**	**3,421**	**576**
Accumulated depreciation				
Balance as at December 31, 2022	**(2,728)**	**(117)**	**(2,845)**	**(445)**

In thousands of Ukrainian Hryvnias

Depreciation charge	(357)	-	**(357)**	(100)
Transfer	-	-	**-**	-
Disposals	25	-	**25**	0
Balance as at December 31, 2023	**(3,060)**	**(117)**	**(3,177)**	**(544)**
Net book value as at				
December 31, 2022	**589**	**1**	**590**	**131**
December 31, 2023	**243**	**1**	**244**	**31**

9. LEASE ASSETS' RIGHTS OF USAGE

Lease assets` rights of usage are recognized as follows

during 2021 with rates

- Warehouse – rate of refinancing of National bank of Ukraine – 7,5 percent
  Inflation rate 1,0095
- Office premises – rate of refinancing of National bank of Ukraine – 8,5 percent
  Inflation rate 1,0095
- Vehicles – rate of refinancing of National bank of Ukraine – 7,5 percent
  Inflation rate 1,0103
  and rate of refinancing of National bank of Ukraine – 8,0 percent
  Inflation rate 1,0109

during 2022 with rates

- Office premises – rate of refinancing of National bank of Ukraine – 8,5 percent
  Inflation rate 1,0095
- Vehicles – rate of refinancing of National bank of Ukraine – 7,5 percent
  Inflation rate 1,0103
  and rate of refinancing of National bank of Ukraine – 8,0 percent
  Inflation rate 1,0109

during 2024 with rates

- Warehouse – rate of refinancing of National bank of Ukraine – 13,5 percent
  Inflation rate 1,006

	Premises	**Vehicles**	**Total**
Cost			
Balance as at December 31, 2023	**10,322**	**31,577**	**41,899**
Additions	4,972	-	**4,972**
Modification/Variable payment	(228)	1,778	**1,550**
Covid- 19 Related Rent Concession Right	-	-	**-**
Disposals	(9,956)	(276)	**(10,232)**
Balance as at December 31, 2024	**5,110**	**33,079**	**38,189**

In thousands of Ukrainian Hryvnias

Accumulated amortisation			
Balance as at December 31, 2023	**(7,880)**	**(12,110)**	**(19,990)**
Depreciation charge	(2,970)	(6,975)	**(9,945)**
Transfer	(111)	20	**(91)**
Disposals	9,956	276	**10,232**
Balance as at December 31, 2024	**(1,006)**	**(18,789)**	**(19,795)**
Net book value as at			
December 31, 2023	**2,442**	**19,467**	**21,909**
December 31, 2024	**4,104**	**14,290**	**18,394**

	Premises	**Vehicles**	**Total**
Cost			
Balance as at December 31, 2022	**11,062**	**32,991**	**44,053**
Additions	-	-	**-**
Modification/Variable payment	(740)	140	**(600)**
Covid- 19 Related Rent Concession Right	-	-	**-**
Disposals	-	(1,552)	**(1,552)**
Balance as at December 31, 2023	**10,322**	**31,577**	**41,899**
Accumulated amortisation			
Balance as at December 31, 2022	**(4,616)**	**(7,070)**	**(11,686)**
Depreciation charge	(3,264)	(6,623)	**(9,887)**
Transfer	-	66	**66**
Disposals	-	1,517	**1,517**
Balance as at December 31, 2023	**(7,880)**	**(12,110)**	**(19,990)**
Net book value as at			
December 31, 2022	**6,446**	**25,921**	**32,367**
December 31, 2023	**2,442**	**19,467**	**21,909**

10. INVENTORIES

As at December 31, 2024 and 2023 inventories were as follows:

In thousands of Ukrainian Hryvnias

	December 31, 2024	December 31, 2023
Goods for sale	123,135	61,654
Goods in transit	0	29,259
Other goods	50	85
Asset returns	482	348
Total inventories	**123,667**	**91,345**

The cost of inventories wrote down to net realisable value during the year ended December 31, 2024 amounted to UAH 1,421 thousand (2023: 1,755 null thousand).
Write-offs UAH 8,983 thousand due to expired shelf life and quality forbiddance.

11. TRADE AND OTHER RECEIVABLES

As at December 31**,** 2024 and 2023 trade and other receivables were as follows:

	December 31, 2024	December 31, 2023
Trade receivables from Ukrainian counterparties	85,626	54,318
Accounts receivable with budget (VAT)	9,922	8,879
Advances to Ukrainian counterparties current	1,360	1,463
Advances to Ukrainian counterparties non current	188	2
Prepared expenses	187	147
Prepared taxes	126	119
Other receivables	4	4
	97,413	**64,932**
Less:		
Expected credit loses	(428)	(272)
Receivables impairment reserve	(7,667)	(7,667)
Total trade and other receivables	**89,318**	**56,993**
Non-current	188	2
Current	89,130	56,991
	89,318	**56,993**

The following table represents accounts receivable by currency:

	December 31, 2024	December 31, 2023
UAH	89,318	56,993

In thousands of Ukrainian Hryvnias

Total trade and other receivables	**89,318**	**56,993**

Ageing of trade and other receivables was as follows:

	December 31, 2024	**December 31, 2023**
Not overdue (impaired)	89,318	56,993
Overdue for less than 60 days (impaired)	-	-
Overdue for 61-90 days (impaired)	-	-
Overdue for 91-180 days (impaired)	-	-
Overdue for 181-360 days (impaired)	-	-
Overdue for more than 360 days (impaired)	-	-
Total trade and other receivables	**89,318**	**56,993**

The movement in the receivables impairment reserve фтв expected credit loses for the years ended December 31, 2024 and 2023 was as follows:

	2024	**2023**
Balance at the beginning of the year	**7,938**	**7,919**
Recognised in the statement of profit or loss	157	19
Balance at the end of the year	**8,095**	**7,938**

12. CASH AND CASH EQUIVALENTS

As on December 31, cash and cash equivalents were as follows:

	December 31, 2024	**December 31, 2023**
Bank balances payable on demand	24,032	36,736
Short-term deposit	40,000	80,000
Total cash and cash equivalents	**64,032**	**116,736**

As on December 31, 2024, there were cash and cash equivalents null thousand were denominated in EUR (December 31, 2023: UAH null thousand), UAH null thousand were denominated in USD (December 31, 2023: UAH null thousand).
Short term deposit in Credit Agricole Bank are made for varying periods of between one day to three months, depending on the immediate cash requirements of the Company, and earned interest in amount UAH **4.076** thousand for 2024 at the respective short-term deposits rates – 2.5% and 10% (2023: UAH **4.584** thousand, deposits rates – 2,5%)

In thousands of Ukrainian Hryvnias

13. AUTHORISED CAPITAL

Dividends were not declared and paid during the year. During the year, the share of the minority shareholder was alienated in favour of the majority shareholder.

14. RETAINED EARNINGS

There was the correction in amount of UAH 352 thousand as corporate profit tax related to 2023 based on transfer price correction.

15. PROVISIONS FOR LIABILITIES AND CHARGES

Movements in other provisions for liabilities and charges were as follows:

	Provision for leave encashment	Incentives of personnel	Provision for uninvoiced expenditures	Ensuring when returning goods and write offs	Total
Other Provisions for Liabilities and Charges (current)					
Carrying amount at January 1, 2023	**3,993**	**4,295**	**9,756**	**2,800**	**20,844**
Additions charged to profit or loss	5,700	6,637	6,378	695	**19,410**
Unused amounts reversed	-	(407)	(1,863)	(1,062)	**(3,332)**
Utilisation of provision	(5,017)	(3,888)	(7,355)	(1,738)	**(17,998)**
Carrying amount at December 31, 2023	**4,676**	**6,637**	**6,916**	**695**	**18,924**
Carrying amount at January 1, 2024	**4,676**	**6,637**	**6,916**	**695**	**18,924**
Additions charged to profit or loss	5,768	6,900	6,664	964	**20,296**
Unused amounts reversed	-	(1,955)	(607)	(248)	**(2,810)**
Utilisation of provision	(5,055)	(4,682)	(6,021)	(448)	**(16,206)**
Carrying amount at December 31, 2024	**5,389**	**6,900**	**6,952**	**964**	**20,204**

In thousands of Ukrainian Hryvnias

16. LEASE LIABILITIES

As at December 31, 2024 lease liabilities non-current were presented in UAH in amount UAH 10,389 thousand (December 31, 2023: UAH 14,417 thousand), current debt on lease liabilities were presented in UAH in amount UAH 9,030 thousand (December 31, 2023: UAH 10,150 thousand).

	Premises	Vehicles	Total
Liabilities			
Balance as at December 31, 2023	**3,330**	**21,237**	**24,567**
Additions	4,972	-	**4,972**
Modification/Variable payment	(228)	1,778	**1,550**
Covid- 19 Related Rent Concession Right	-	-	-
Interest	273	1,352	**1,625**
Payment	(4,869)	(9,217)	**(14,086)**
Forex/Disposals/PL effect	895	(104)	**791**
	-	-	**-**
Balance as at December 31, 2024	**4,373**	**15,046**	**19,419**

	Premises	Vehicles	Total
Liabilities			
Balance as at December 31, 2022	**7,173**	**26,416**	**33,589**
Additions	-	-	-
Modification/Variable payment	(740)	140	**(600)**
Covid- 19 Related Rent Concession Right	-	-	**-**
Interest	254	1,716	**1,970**
Payment	(4,902)	(8,592)	**(13,494)**
Forex	143	2,929	**3,072**
Disposals/PL effect	1,401	(1,371)	**30**
Balance as at December 31, 2023	**3,330**	**21,237**	**24,567**

Management believes that future minimum lease payments amounted as follows

Assets taken under lease- Minimum Leased Payments	**December 31, 2024**	**December 31, 2023**

Year 1	8,515	9,902
Year 2	7,974	6,544
Year 3	865	5,924
Year 4	0	11
Year 5	-	-
	17,354	**22,381**

Assets taken under lease-Present Value Minimum Leased Payments	**December 31, 2024**	**December 31, 2023**
Year 1	9,030	10,150
Year 2	9,212	7,374
Year 3	1,177	6,693
Year 4	0	350
Year 5	-	-
	19,419	**24,567**

Lease agreements related to property leases and vehicles leases and expires on 2024-2027 respectively.

17. TRADE AND OTHER PAYABLES

As at December 31, 2024 and 2023 trade and other payables were as follows:

	December 31, 2024	**December 31, 2023**
Trade payables	391	28,975
Advances from customers	-	-
VAT settlement	0	-
Other	142	0
Total trade and other payables	**533**	**28,975**

	December 31, 2024	**December 31, 2023**

The following table represents trade and other accounts payable by currency:

	December 31, 2024	**December 31, 2023**
EUR	-	-
USD	0	28,132
UAH	533	843
Total trade and other payables	**533**	**28,975**

In thousands of Ukrainian Hryvnias

As at December 31, 2024 the Company had not outstanding balance of trade payables due to related party. As at December 31, 2023 the Company had outstanding balance of trade payables due to related party USD 741 thousand.

18. REVENUE

Revenue for the years ended December 31, 2024 and 2023 was as follows:

	2024	2023
Proceeds from sales of medicines in Ukraine	456,588	394,782
Total revenue	**456,588**	**394,782**

19. COST OF SALES

The cost of sales for the years ended December 31, 2024 and 2023 was as follows:

	2024	2023
Cost of goods purchased from Sun Pharma Group	(235,162)	(203,775)
Total cost of sales	**(235,162)**	**(203,775)**

20. OTHER OPERATING INCOME

Other operating income for the years ended December 31, 2024 and 2023 were as follows:

	2024	2023
Free of charge received	12,076	2,799
Provision unused amounts released	4,436	6,450
Interest from cash and cash equivalents	4,076	4,584
Insurance reimbursement	27	-
Gain on Sale of Fixed Assets	-	-
Other	-	-
Total	**20,615**	**13,833**

21. OPERATING EXPENSES BY NATURE

Operating expenses for the years ended December 31, 2024 and 2023 were as follows:

	2024	2023
Payroll and social contribution	(83,658)	(74,237)
Social contributions	(13,108)	(11,423)

In thousands of Ukrainian Hryvnias

Advertising and marketing costs	(41,358)	(39,787)
Depreciation of lease assets rights	(9,945)	(10,534)
Maintenance of buildings and office expenses	(1,928)	(2,228)
Revaluation of goods and write offs	(11,070)	(4,046)
Fuel	(4,266)	(4,219)
Warehouse expenses	(7,730)	(6,043)
Other taxes	(1,922)	(1,789)
Consulting and professional service	(1,945)	(1,663)
Employee insurance	(749)	(647)
Travel expenses	(242)	(228)
Amortisation and depreciation	(235)	(479)
Communication expenses	(606)	(596)
Insurance expenses	(744)	(310)
Bank charges	(366)	(315)
Transport costs	(436)	(502)
Utilities	(218)	(162)
Credit risk of receivables	(157)	(19)
Short term rent	(815)	(148)
Donation and charity	(5,441)	(7,097)
Quality control	(2,804)	(2,003)
Other	-	(2)
Total	**(189,743)**	**(168,477)**
Classified as:		
- Distribution costs	(136,881)	(125,618)
- General and administrative expenses	(33,604)	(29,364)
- Other operating expenses	(19,258)	(13,495)

22. INCOME TAXES

(a) Components of income tax expense

Components of income tax expense for the years ended December 31, 2024 and 2023 were as follows:

In thousands of Ukrainian Hryvnias

	2024	**2023**
Current tax	8,478	3,988
Deferred tax	(23)	1,025
Other provision	347	56
Income tax expense for the year	**8,802**	**5,069**

(b) Reconciliation between the tax expense and profit or loss multiplied by applicable tax rate

Reconciliation between profit before tax multiplied by the statutory tax rate and the tax expense for the years ended December 31, 2024 and 2023 was as follows:

	2024	**2023**
Profit/(loss) before tax	**46,951**	**28,721**
Theoretical tax charge at statutory rate of 18%	8,451	5,170
Tax charge at statutory rate of 18%	8,478	3,988
Deferred tax	23	(1,025)
Tax effect of permanent differences	(4)	101
Other	347	56
Income tax expense/(credit) for the year	**8,802**	**5,069**

(c) Deferred taxes analysed by type of temporary difference

Differences between IFRS and statutory taxation regulations in Ukraine give rise to temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases. The tax effect of the movements in these temporary differences is detailed below and is recorded at the rate of 18%.

	January 1, 2024	**Charged/ (credited) to profit or loss**	**December 31, 2024**
Tax effect of deductible/(taxable) temporary (differences and tax loss carry forwards)			
Account receivables impairment reserve	1,380	-	1,380
Accounts payable tax deductible in different period	112	3	115
Fair valuation of Inventories	316	(60)	256
Expected credit loses	48	28	76
Impairment of sales return write offs	63	24	87
Provisions for liabilities and charges	1,196	28	1,224

In thousands of Ukrainian Hryvnias

Net deferred tax asset/(liability)	**3,115**	**23**	**3,138**
Recognised deferred tax asset	3,115	23	3,138
Recognised deferred tax liability	-	-	-
Net deferred tax asset/(liability) recognised	**3,115**	**23**	**3,138**

Management estimates that deferred tax assets of UAH 3,138 thousand (2023: UAH 3,115 thousand) are recoverable after less than twelve months after the end of the reporting period.

The tax effect of the movements in the temporary differences for the year ended December 31, 2023 are:

	January 1, 2023	**Charged/ (credited) to profit or loss**	**December 31, 2023**
Tax effect of deductible/(taxable) temporary (differences and tax loss carry forwards)			
Account receivables impairment reserve	1,380	-	1,380
Accounts payable tax deductible in different period	236	(124)	112
Fair valuation of Inventories	626	(310)	316
Expected credit loses	(45)	93	48
Impairment of sales return write offs	252	(189)	63
Provisions for liabilities and charges	1,691	(495)	1,196
Net deferred tax asset/(liability)	**4,140**	**(1,025)**	**3,115**
Recognised deferred tax asset	4,140	(1,025)	3,115
Recognised deferred tax liability	-	-	-
Net deferred tax asset/(liability) recognised	**4,140**	**(1,025)**	**3,115**

(d) Reconciliation of tax balances

Balance carried forward Desember 31, 2022	**2,822**
Corporate income tax paid during the year	7,266
Corporate income tax liability for the year	4,633
Balance carried forward Desember 31, 2023	**189**
Corporate income tax paid during the year	5,984

In thousands of Ukrainian Hryvnias

Corporate income tax liability for the year	9,178
Balance carried forward Desember 31, 2024	**3,383**

23. CONTINGENCIES AND COMMITMENTS

Legal proceedings

From time to time and in the normal course of business claims against the Company may be received. On the basis of its own estimates and both internal and external professional advice management is of the opinion that no material losses will be incurred in respect of claims in excess of provisions that have been made in these financial statements.

Tax legislation

Ukrainian tax and customs legislation is subject to varying interpretations and changes, which can occur frequently. Management's interpretation of such legislation as applied to the transactions and activities of the Company may be challenged by the relevant authorities. Recent events within Ukraine suggest that the tax authorities may be taking a more assertive position in their interpretation of the legislation and it is possible that transactions and activities that have not been challenged in the past may be challenged. As a result, significant additional taxes, penalties and interest may be assessed. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year of review (for arm length operations under the transfer pricing rules - seven years). Under certain circumstances reviews may cover longer periods.

Given that implementation of the new transfer pricing rules in Ukraine are not yet well developed, the impact of any challenge of the Company's transfer prices cannot be reliably estimated; however, it may eventually be significant to the financial position and/or the overall operations of the Company depending on how the local tax authorities implement the final rules.

Management believes that its pricing policy is arm's length and it has implemented internal controls to be in compliance with the new transfer pricing legislation.

The Company has an unresolved case of illegal write-off of funds from the special account in the system of electronic reimbursement of VAT for the total amount of UAH 7,667 thousand.
The Company has an unresolved case of tax fee for corporate profit tax Amounted at 184 TUAH. The provision is created in financial statement for the year ended December 31, 2022 and adjusted in in financial statement for the year ended December 31, 2023. Management has assessment of resolving to the benefit of the company as high.

Management believes that as at the reporting dates its interpretation of and compliance with relevant tax legislation is appropriate and the Company companies' tax positions will be sustained.

24. FINANCIAL RISK MANAGEMENT

The risk management function within the Company is carried out in respect of financial risks, operational risks and legal risks. Financial risk comprises market risk (including currency risk and other price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures, in order to minimise operational and legal risks.

Credit risk

The Company takes on exposure to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Exposure to credit risk arises as a result of the Company's sales of products on credit terms and other transactions with counterparties giving rise to financial assets.

In thousands of Ukrainian Hryvnias

The Company's maximum exposure to credit risk by class of assets is reflected in the carrying amounts of financial assets in the statement of financial position is as follows:

	December 31, 2024	December 31, 2023
Trade and other receivables (Note TRADE AND OTHER RECEIVABLES)	89,318	56,993
Cash and cash equivalents (Note CASH AND CASH EQUIVALENTS)	64,032	116,736
Total maximum exposure to credit risk	**153,350**	**173,729**

The Company structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to counterparties. Limits on the level of credit risk are approved regularly by management. Such risks are monitored on a revolving basis and are subject to an annual, or more frequent, review.

The Company's management reviews ageing analysis of outstanding trade receivables and follows up on past due balances. Management therefore considers it appropriate to provide ageing and other information about credit risk as disclosed in Note 11

Credit risks concentration

The Company is exposed to concentrations of credit risk. Management monitors and discloses concentrations of credit risk by obtaining reports listing exposures to counterparties with outstanding balances of trade receivables (net of receivable impairment reserve) in excess of 1% of the Company's net assets. The table below summarises the Company's exposure of credit risk concentration as at the end of the reporting period:

	December 31, 2024	December 31, 2023
Number of counterparties with balances excessed 1% of Company's net assets	2	2
Trade receivable from counterparties with balances excessed 1% of Company's net assets (net of receivable impairment reserve), UAH	89,130	56,993
Total trade receivables (net of receivable impairment reserve), UAH	89,130	56,993
% of counterparties with balance excessed 1% of Company's net assets	100%	100%

The total amount expected credit loses was UAH 428 thousand (December 31, 2023: UAH 272 thousand) or less than 1% of the gross amount of trade and other receivables.

The Company's cash and cash equivalents are held with one major reputable banks (2023: 1 bank) located in Ukraine according to San Pharma Group policy. Management carries out continuous monitoring of the financial position in respect of the financial institutions where the Company's cash and cash equivalents are placed. The credit risk to the Company relates to the default of the bank on their obligations and is limited to the balance of cash and cash equivalents placed with the bank.

In thousands of Ukrainian Hryvnias

Currency risk

In respect of currency risk, management sets limits on the level of exposure by currency and in total. The positions are monitored monthly. The table below summarises the Company's exposure to foreign currency exchange rate risk at the end of the reporting period:

	December 31, 2024		
	UAH	**EUR**	**USD**
Monetary financial assets	153,350	-	-
Monetary financial liabilities	(40,156)	-	-
Net balance sheet position	**113,194**	-	-

	December 31, 2023		
	UAH	**EUR**	**USD**
Monetary financial assets	173,729	-	-
Monetary financial liabilities	(44,334)	-	(28,132)
Net balance sheet position	**129,395**	-	**(28,132)**

The table below details the Company's sensitivity to weakening of the Ukrainian Hryvnia against EUR and USD by 15% for 2024 and by 15% for 2023. These sensitivity rates represent management's assessment as at the reporting dates of the reasonably possible change in foreign exchange rates.

The analysis was applied to monetary items at the reporting dates denominated in the respective currencies:

Impact on profit or loss and equity	**December 31, 2024**	**December 31, 2023**
Euro strengthening by 15% (2023: strengthening by 15%)	-	-
Euro weakening by 15% (2023: weakening by 15%)	-	-
USD strengthening by 15% (2023: strengthening by 15%)	-	(4,220)
USD weakening by 15% (2023: weakening by 15%)	-	4,220

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with liabilities. The Company is exposed to daily calls on its available cash resources. Liquidity risk is managed by management of the Company. Management monitors monthly rolling forecasts of the Company's cash flows.

The Company seeks to maintain a stable funding base primarily consisting of trade and other payables.

In thousands of Ukrainian Hryvnias

The liquidity position is monitored and regular liquidity stress testing under a variety of scenarios covering both normal and more severe market conditions is performed by the Financial Department. The table below shows liabilities at December 31, 2024 by their remaining contractual maturity. The amounts disclosed in the maturity table are the contractual discounted cash flows respectively.

Liabilities	Less than 1 year	1-5 years	Total
Trade and other payables	533	-	533
Lease liabilities	19,419	-	19,419
Provisions related to liabilities	20,204	-	20,204
Total contractual future payments, including future principal and interest payments	**40,156**	-	**40,156**

The table below shows liabilities at December 31, 2023 by their remaining contractual maturity. The amounts disclosed in the maturity table are the contractual undiscounted cash flows.

Liabilities	Less than 1 year	1-5 years	Total
Trade and other payables	28,975	-	28,975
Lease liabilities	24,567	-	24,567
Provisions related to liabilities	18,924	-	18,924
Total contractual future payments, including future principal and interest payments	**72,466**	-	**72,466**

25. MANAGEMENT OF CAPITAL

The Company’s objectives when managing capital are to safeguard the Company’s ability to continue as a going concern in order to provide returns for owners and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure the Company may adjust the amount of dividends paid to participants, return authorised capital to participants and receive contributions to capital from owners.

26. FAIR VALUE DISCLOSURES

Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

Financial assets carried at amortised cost

The fair value of floating rate instruments is normally their carrying amount. The estimated fair value of fixed interest rate instruments is based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risk and remaining maturity. Discount rates used depend on credit risk of the counterparty. Carrying amounts of all financial accounts receivable approximate fair values. Cash and cash equivalents are carried at amortised cost which approximates current fair value.

Liabilities carried at amortised cost

The fair value is based on quoted market prices, if available. The estimated fair value of fixed interest rate instruments with stated maturity, for which a quoted market price is not available, was estimated based on expected cash flows discounted at current interest rates for new instruments with similar credit risk and remaining maturity. The fair value of liabilities repayable on demand or after a notice period ("demandable liabilities") is estimated as the amount payable on demand, discounted from the first date that the amount could be required to be paid. Carrying amounts of all financial accounts payable approximate their fair values.

27. EVENTS AFTER THE END OF REPORTING PERIOD

Ukrainian Hryvnia devaluation

As at February 19, 2025 the official NBU exchange rate was 43.47 UAH per EUR, compared to 43.93 per EUR as at December 31, 2024 and 41.57 UAH per USD compared to 42.04 as at December 31, 2024. The exchange rate UAH to the US dollar is regulated by the National Bank of Ukraine. The exchange rate UAH to the EUR is defined on the basis of cross rate EUR/USD. Management of the Company expect that unpredictable UAH fluctuation will have negative impact on Company's operations and as result profitability.
There were no significant subsequent events which affect financial statements.