

**RANBAXY (POLAND) SP. Z O.O.**

**FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED  
31 MARCH 2021**

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**Ranbaxy (Poland) Sp. z o.o.**

**Financial statements for the year ended 31 March 2021**

## **STATEMENT OF THE MANAGEMENT BOARD**

In accordance with Art. 52, paragraph 1 of the Accounting Act of 29 September 1994 (Official Journal 2021 item 217 with amendments), the Management Board of Ranbaxy (Poland) Sp. z o.o. ("the Company") presents the financial statements, which consist of:

- 1) the introduction to the financial statements;
- 2) the balance sheet as at 31 March 2021 with total assets and total liabilities and equity of PLN 19,440,6 thousand;
- 3) the profit and loss account for the period from 1 April 2020 to 31 March 2021 with a net profit of PLN 1,139.6 thousands;
- 4) the statement of changes in equity for the period from 1 April 2020 to 31 March 2021 with an equity increase of PLN 1,139.6 thousand;
- 5) the statement of cash flows for the period from 1 April 2020 to 31 March 2021 with a net cash decrease of PLN 1,774,8 thousand;
- 6) supplementary information and explanations.

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Arora Hemant

*Member of the Management Board*

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Przemysław Chromiec

*Member of the Management Board*

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Małgorzata Czarnecka

*Person responsible for Financial Accounting*

*Warsaw, 10 May 2021*

**Ranbaxy (Poland) Sp. z o.o.**  
**Introduction to the financial statements**

(All amounts are stated in PLN thousand)

**1. General information on the Company**

**1. 1 Company name**

Ranbaxy (Poland) Sp. z o.o. ("the Company")

**1. 2 Registered office**

ul. Kubickiego 11  
02-954 Warszawa

**1. 3 Registration in the National Court Register**

Seat of the court: District Court for the Capital City of Warsaw in Warsaw,  
XIII Commercial Department of National Court Register

Date: 27 November 2001

Registration number: 0000066017

**1. 4 Primary business activities and the period of the Company's activities**

The Company's core business is marketing.

The Company's scope of business activities listed in its Deed include also the following:

- advertisement
- wholesale trade of imported pharmaceutical materials,
- marker research
- production of pharmaceutical materials and finished products,
- marketing services,
- distribution services,
- wholesale trade of imported consumer merchandises, especially finished drug products,
- technological research.

The Company was established for an indefinite period.

**1. 5 Reporting period**

The Financial Statements were prepared for the period from 1 April 2020 to 31 March 2021 and the comparative information is prepared for the period from 1 April 2019 to 31 March 2020

**Ranbaxy (Poland) Sp. z o.o.**  
**Introduction to the financial statements**

(All amounts are stated in PLN thousand)

**1. 6    *Going concern assumption***

The financial statements were prepared under the assumption that the Company will continue to operate as a going concern for the foreseeable future.

There is no evidence indicating that the Company will not be able to continue its activities as a going concern.

**2.       *Significant accounting policies***

The significant accounting policies which have been followed in the preparation of these

**2. 1    *Basis of financial statements preparation***

The financial statements have been prepared in accordance with the practice followed by enterprises in Poland, based on accounting standards promulgated in the Accounting Act dated from 29 September 1994 (Official Journal 2021 item 217 with amendments) and respective bylaws and regulations.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

**2. 2    *Revenue and expenses***

Revenue and expenses are recognized on the accrual basis in the period to which they relate, regardless of the period in which related payments are made or received.

The Company records expenses by type of expenditure and prepares its profit and loss account by type of expenditure.

*Sales revenue*

Revenue from sales of finished goods, merchandise and raw materials is recognized in the profit and loss account when the rewards of ownership have been transferred to the buyer. Revenue from sales of services with an execution period shorter than 6 months is recognized upon completion of service.

**Ranbaxy (Poland) Sp. z o.o.**  
**Introduction to the financial statements**

(All amounts are stated in PLN thousand)

**2. 3 Interest**

Interest received are recognized based on accrual basis (using the effective interest rate method).

**2. 4 Statement of cash flows**

The statement of cash flows is presented using the indirect method.

**2. 5 Intangible fixed assets**

Intangible fixed assets are recognized at cost i.e. either at acquisition price or directly attributable expenditures and are depreciated using the straight line method applying the following depreciation rates:

Goodwill	20 %
Software	20 %

Depreciation period and depreciation rates are subject to analysis at the end of each financial year causing respective adjustment of future depreciation.

**2. 6 Tangible fixed assets**

Tangible fixed assets are initially recognized at cost i.e. either at acquisition price or construction cost less accumulated depreciation and any impairment.

The acquisition price or construction cost includes all costs incurred in the construction, assembly, installation and improvement process up to the date when the asset was brought into use. The cost includes borrowing costs and related foreign exchange gains and losses, net of related investment income.

Subsequent expenditure on improvements such as re-construction, extension or modernization is capitalized and increases the initially recognized cost of an asset. Subsequent expenditure is capitalized only if it increases the economic benefit embodied in the asset.

Tangible fixed assets are depreciated using a straight-line method. Depreciation commences in the next month after the asset was brought into use.

**Ranbaxy (Poland) Sp. z o.o.**  
**Introduction to the financial statements**

(All amounts are stated in PLN thousand)

The example depreciation rates are as follows:

Computers	30 %
Technical equipment and machinery	14 %
Other tangible assets	20 %

Depreciation periods and depreciation rates are subject to analysis at the end of each financial year causing respective adjustment of future depreciation.

**2. 7 *Impairment of assets***

At each balance sheet date, it is assessed whether there is any objective evidence that an asset or a group of assets is impaired. If such evidence exists, the estimated, recoverable amount of the asset is determined and an impairment loss is recognized in the amount of the difference between the recoverable amount and the carrying amount. The loss resulting from the impairment is recognized in the profit and loss account. If the effects of the previous revaluation of assets are recognized as revaluation reserve, the loss reduces the amount of this capital, and the remaining loss is charged to the profit and loss account.

**2. 8 *Fixed assets in leasing***

Fixed assets used under a leasing contract for tax purposes are operational for accounting purposes are of a financial nature. All external fixed assets used by the entity under contracts, which are so-called financial leasing, are entered into the fixed assets register and depreciated in accordance with the principles adopted for own fixed assets. The internal IRR method is used to divide the basic charge into interest and capital parts.

Depreciation rates of fixed assets in leasing

<i>Cars</i>	33-50 %
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**2. 9 *Receivables, claims and liabilities other than classified as financial assets and liabilities***

Receivables are shown in the amount due, in line with the principle of prudent valuation. The value of receivables is updated taking into account the degree of probability of their payment by making a write-down, classified as other operating costs or financial costs, respectively - depending on the type of receivable to which the write-down relates.

Liabilities are recognized in the accounting books in the amount due.

**Ranbaxy (Poland) Sp. z o.o.**  
**Introduction to the financial statements**

(All amounts are stated in PLN thousand)

Receivables and liabilities denominated in foreign currencies are recognized on the day they arise at the average exchange rate of the National Bank of Poland announced for a given currency on the day preceding that day.

As at the balance sheet date, receivables and liabilities expressed in foreign currencies are measured at the average exchange rate announced for a given currency by the National Bank of Poland on that date.



**Ranbaxy (Poland) Sp. z o.o.**  
**Introduction to the financial statements**

(All amounts are stated in PLN thousand)

**2. 10 Accruals**

The Company makes deferred charges of costs if they relate to future reporting periods. Accruals are made in the amount of probable liabilities for the current reporting period. Examples of deferred charges are: car insurance, prepayments for services, or costs that relate to the company's future revenues.

**2. 11 Provision for liabilities**

Provisions are raised for liabilities whose timing or amount are uncertain.

**2. 12 Income tax**

Corporate income tax, as presented in the profit and loss account, comprises of current and deferred income tax.

Current income tax is determined in accordance with the relevant tax regulations. Deferred tax presented in the profit and loss account amounts to the difference between deferred tax liabilities and deferred tax assets as at the beginning and the end of the financial period.

Deferred tax assets and liabilities relating to equity transactions are charged or credited to equity.

Deferred tax assets are recognized only to the amount that it is expected to reduce taxable profits in the future with respect to tax deductible temporary differences and tax losses carryforwards calculated under the prudence principle.

Deferred tax liabilities are recorded at the amount of corporate income tax payable in the future and are created based on taxable temporary differences that will increase taxable profits in the future.

Deferred tax assets and liabilities are determined based on the enacted tax rate binding for the year in which the tax obligation arises.

Deferred tax assets and liabilities are presented separately in the balance sheet.

**Ranbaxy (Poland) Sp. z o.o.**  
**Introduction to the financial statements**

(All amounts are stated in PLN thousand)

**2. 13 Foreign exchange differences**

Foreign exchange differences resulting from periodic revaluation and settlement of monetary assets and liabilities denominated in foreign currencies, excluding long-term investments, and from the sale of foreign currencies are recorded as financial revenue or expense. Eligible foreign exchange differences are capitalised to finished goods and merchandise, tangible fixed assets, construction in progress or intangible fixed assets.

The following exchange rates were used for the valuation of monetary items denominated in foreign currencies [PLN]:

	<b>31.03.2020</b>	<b>31.03.2021</b>
<b>EUR</b>	4,5523	4,6603
<b>USD</b>	4,1466	3,9676
<b>GBP</b>	5,1052	5,4679

**2. 14 Financial instruments**

Financial instruments are accounted for in accordance with the Decree of the Ministry of Finance dated 12 December 2001 on specific rules concerning recognition, valuation methods, scope of disclosure and manner of presentation of financial instruments in financial statements. The valuation and disclosure principles described in the note below do not apply to assets and liabilities excluded from the scope of the Decree, in particular: shares in subordinated entities, rights and obligations pursuant to leasing and insurance agreements, trade receivables and payables and financial instruments issued by the Company that represent its own equity instruments.

**Ranbaxy (Poland) Sp. z o.o.**

**Introduction to the financial statements**

(All amounts are stated in PLN thousand)

Classification of financial assets: financial assets held for trading, loans and receivables originated by the enterprise, financial assets held to maturity and financial assets available for sale.

Classification of financial liabilities: financial liabilities held for trading and other financial liabilities.

During the year and at the balance sheet day the Company does not have any significant financial instruments except for bank deposits classified as loans and receivables.

Arora Hemant  
*Member of the Management Board*

Przemysław Chromiec  
*Member of the Management Board*

Małgorzata Czarnecka  
*Person responsible for Financial Accounting*

*Warsaw, 10 May 2021*

**Ranbaxy (Poland) Sp. z o.o.****Balance Sheet**

(All amounts are stated in PLN thousand)

ASSETS	Note	31.03.2021	31.03.2020
<b>Fixed assets</b>	##	2 831,4	2 339,6
<b>Intangible fixed assets</b>	1	10,8	0,0
<b>Tangible fixed assets</b>	2		
Fixed assets		1 744,7	1 468,1
land (including perpetual usufruct of land)		-	-
buildings, premises and civil and water engineering structures		-	-
technical equipment and machinery		153,3	87,1
vehicles		1 591,4	1 381,0
other tangible fixed assets		-	-
Fixed assets under construction		-	-
Prepayments for tangible fixed assets		-	-
		<u>1 744,7</u>	<u>1 468,1</u>
<b>Prepayments and deferred expenses</b>			
Deferred tax asset	12.3	1 075,9	871,5
	##	<u>1 075,9</u>	<u>871,5</u>
<b>Current assets</b>		16 609,2	15 058,2
<b>Short-term receivables</b>			
Receivables from related parties		10 531,7	7 166,6
trade receivables	3.1	10 531,7	7 166,6
other		-	-
Receivables from third parties		1 253,3	1 174,4
trade receivables	3.2	152,0	-
taxation and social security debtors		920,2	976,8
other		181,1	197,6
		<u>11 785,0</u>	<u>8 341,0</u>
<b>Short-term investments</b>			
Short-term financial assets		4 759,9	6 534,7
cash and cash equivalents	4.1	4 759,9	6 534,7
Other short-term investments		-	-
		<u>4 759,9</u>	<u>6 534,7</u>
<b>Short-term prepayments and deferred expenses</b>	5	64,3	182,5
<b>TOTAL ASSETS</b>	##	<u>19 440,6</u>	<u>17 397,8</u>

Balance sheet should be analyzed together with the supplementary information and explanations which are an integral part of the financial statements.

**Ranbaxy (Poland) Sp. z o.o.****Balance Sheet**

(All amounts are stated in PLN thousand)

<b>EQUITY AND LIABILITIES</b>	<b>Note</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
<b>Equity</b>			
Share capital	6.1	4 291,0	4 291,0
Outstanding share capital contributions		-	-
Reserve capital		7 959,8	6 950,7
Revaluation reserve		-	-
Other capital reserves		-	-
Accumulated loss from previous years		(96,0)	(96,0)
Net profit		1 139,6	1 009,1
		<u>13 294,4</u>	<u>12 154,8</u>
<b>Liabilities and provisions for liabilities</b>			
		6 146,2	5 243,0
<b>Provisions for liabilities</b>			
Deferred tax liability	12.3	302,4	262,4
Provision for retirement and similar benefits	7.1	180,9	148,2
- long-term		180,9	148,2
Other provisions		3 533,4	2 952,8
- long-term		-	-
- short-term	7.2	3 533,4	2 952,8
		<u>4 016,7</u>	<u>3 363,4</u>
<b>Long-term liabilities</b>			
Related party liabilities		-	-
Liabilities due to third parties		771,6	571,7
credits and loans		-	-
debt securities		-	-
other financial liabilities		771,6	571,7
other		-	-
		<u>771,6</u>	<u>571,7</u>
<b>Short-term liabilities</b>			
Related party liabilities		-	-
trade liabilities		-	-
other		-	-
Liabilities due to third parties		1 304,8	1 307,9
credits and loans		-	-
debt securities		-	-
other financial liabilities		874,1	913,9
trade liabilities	8.1	-	-
advance payments received		-	-
bills of exchange payable		-	-
taxation and social security creditors		430,7	394,0
payroll liabilities		-	-
other		-	-
Special funds		53,1	-
		<u>1 357,9</u>	<u>1 307,9</u>
<b>Accruals and deferred income</b>			

Balance sheet should be analyzed together with the supplementary information and explanations which are an integral part of the financial statements.

**Ranbaxy (Poland) Sp. z o.o.**  
**Balance Sheet**

(All amounts are stated in PLN thousand)

<b>EQUITY AND LIABILITIES</b>	<u>Note</u>	<u>31.03.2021</u>	<u>31.03.2020</u>
		-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>19 440,6</u>	<u>17 397,8</u>

Arora Hemant  
*Member of the Management Board*

Przemysław Chromiec  
*Member of the Management Board*

Małgorzata Czarnecka  
*Person responsible for Financial  
Accounting*

Warsaw, 10 May 2021

**Ranbaxy (Poland) Sp. z o.o.**  
**Profit and Loss Account**

(All amounts are stated in PLN thousand)

	<u>Note</u>	<u>01.04.2020 - 31.03.2021</u>	<u>01.04.2019 - 31.03.2020</u>
<b>Net revenues and net revenue equivalents, including:</b>			
- from related parties		30 533,8	30 350,7
Net revenues from the sale of finished products and services	14	31 308,3	30 980,5
		<u>31 308,3</u>	<u>30 980,5</u>
<b>Operating expenses</b>			
Depreciation		(1 086,2)	(1 154,8)
Materials and energy		(3 253,5)	(3 518,5)
External services		(13 035,0)	(12 591,3)
Taxes and charges including:		(277,5)	(277,8)
- excise tax		-	-
Payroll		(9 706,7)	(9 495,6)
Social security and other benefits		(1 958,0)	(1 903,0)
Other expenditures		(233,4)	(312,9)
		<u>(29 550,3)</u>	<u>(29 253,9)</u>
<b>Profit on sales</b>		1 758,0	1 726,6
<b>Other operating revenues</b>			
Other operating revenues		8,5	0,5
		<u>8,5</u>	<u>0,5</u>
<b>Other operating expenses</b>			
Other operating expenses		(0,1)	-
		<u>(0,1)</u>	<u>-</u>
<b>Operating profit</b>		1 766,4	1 727,1
<b>Finance income</b>			
Interest	10	0,5	35,3
- from related parties			
Profit on the disposal of investments		-	-
Revaluation of investments		-	-
Other		5,2	5,2
		<u>0,5</u>	<u>40,5</u>
<b>Finance cost</b>			
Interest	11	(261,5)	(315,0)
Other		(3,7)	(3,7)
		<u>(265,2)</u>	<u>(318,7)</u>
<b>Business profit</b>		1 501,7	1 448,9
<b>Gross profit</b>		1 501,7	1 448,9
<b>Income tax</b>	12	(362,1)	(439,8)
<b>Net profit</b>		<u>1 139,6</u>	<u>1 009,1</u>

Profit and loss account should be analyzed together with the supplementary information and explanations which are an integral part of the financial statements.

**Ranbaxy (Poland) Sp. z o.o.**  
**Profit and Loss Account**

(All amounts are stated in PLN thousand)

<u>Note</u>	<u>01.04.2020 - 31.03.2021</u>	<u>01.04.2019 - 31.03.2020</u>
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Arora Hemant  
*Member of the Management Board*

Przemysław Chromiec  
*Member of the Management Board*

Warsaw, 10 May 2021

Małgorzata Czarnecka  
*Person responsible for Financial  
Accounting*



**Ranbaxy (Poland) Sp. z o.o.**  
**Statement of Changes in Equity**

(All amounts are stated in PLN thousand)

	Note	01.04.2020 - 31.03.2021	01.04.2019 - 31.03.2020
<b>Equity at the beginning of the period</b>		12 154,8	11 241,7
- correction of errors		-	-
- effect of changes in accounting policy		-	-
<b>Restated equity at the beginning of the period</b>		<u>12 154,8</u>	<u>11 241,7</u>
<b>Share capital at the beginning of the period</b>	6.1	4 291,0	4 291,0
<b>Share capital at the end of the period</b>		<u>4 291,0</u>	<u>4 291,0</u>
<b>Reserve capital at the beginning of the period</b>		6 950,7	5 905,8
Changes in reserve capital			
Additions relating to:		1 009,1	1 044,9
- shares issued above nominal value		-	-
- profit transfer		-	-
<b>Reserve capital at the end of the period</b>		<u>7 959,8</u>	<u>6 950,7</u>
<b>Revaluation reserve at the beginning of the period</b>		-	-
<b>Accumulated profit from previous years at the beginning of the period</b>		1 009,1	1 044,9
<b>Accumulated profit from previous years at the beginning of the period</b>		1 009,1	1 044,9
- correction of errors		-	-
- effect of changes in accounting policy		-	-
<b>Accumulated profit from previous years at the beginning of the period after restatement</b>		<u>1 009,1</u>	<u>1 044,9</u>
additions:		-	-
Deduction relating to:		(1 009,1)	(1 044,9)
- transfer to reserve capital		(1 009,1)	(1 044,9)
- payment of dividend		-	-
<b>Accumulated profit from previous years at the end of the period</b>		<u>-</u>	<u>-</u>
<b>Accumulated loss from previous years at the beginning of the period</b>		-	-
- effect of changes in accounting policy		(96,0)	(96,0)
<b>Accumulated loss from previous years at the beginning of the period after restatement</b>		<u>(96,0)</u>	<u>(96,0)</u>
<b>Accumulated loss from previous years at the end of the period</b>		<u>(96,0)</u>	<u>(96,0)</u>
<b>Accumulated loss from previous years at the end of the period</b>		<u>(96,0)</u>	<u>(96,0)</u>

Statement of changes in equity should be analyzed together with the supplementary information and explanations which are an integral part of the financial statements.

**Ranbaxy (Poland) Sp. z o.o.**  
**Statement of Changes in Equity**

(All amounts are stated in PLN thousand)

	<b>Note</b>	<b>01.04.2020 - 31.03.2021</b>	<b>01.04.2019 - 31.03.2020</b>
<b>Net profit after taxation for the financial year</b>			
net profit		1 139,6	1 009,1
net loss		-	-
appropriation of profit		-	-
<b>Equity at the end of the period</b>		<b>13 294,4</b>	<b>12 154,8</b>
<b>Equity after proposed profit distribution</b>	6.2	<b>13 294,4</b>	<b>12 154,8</b>

Arora Hemant  
*Member of the Management Board*

Przemysław Chromiec  
*Member of the Management Board*

*Warsaw, 10 May 2021*

Małgorzata Czarnecka  
*Person responsible for Financial  
Accounting*

Statement of changes in equity should be analyzed together with the supplementary information and explanations which are an integral part of the financial statements.

**Ranbaxy (Poland) Sp. z o.o.****Statement of Cash Flows**

(All amounts are stated in PLN thousand)

	<u>Note</u>	<u>01.04.2020 - 31.03.2021</u>	<u>01.04.2019 - 31.03.2020</u>
<b>Cash flow from operating activities</b>			
Net profit		1 139,6	1 009,1
Total adjustments:			
Depreciation and amortization		1 086,2	1 154,8
Foreign exchange losses (gains)			4,0
Interest and share in profits (dividend income)		261,5	349,9
Loss on investment activity			-
Change in provisions		653,3	654,7
Change in receivables		(3 444,0)	2 298,7
Change in short-term liabilities (excluding borrowings)	13,1	3,1	74,4
Change in prepayments, accruals and deferred income and expenses		(86,2)	(354,9)
Other adjustments		158,8	(45,1)
		<u>(1 367,3)</u>	<u>4 136,5</u>
<b>Net cash flow from operating activities</b>		<u>(227,7)</u>	<u>5 145,6</u>
<b>Cash flow from investing activities</b>			
Proceeds:	&!		
Disposal of tangible and intangible fixed assets		8,5	5,2
Disposal of investment property and intangible fixed assets		-	-
From financial assets, including:		8,5	5,2
of third parties		8,5	5,2
- other proceeds from financial assets		8,5	5,2
Other proceeds from investing activities		-	-
Disbursements:		(149,1)	(62,9)
Purchase of tangible and intangible fixed assets	13,2	(149,1)	(62,9)
Purchase of investment property and intangible fixed assets		-	-
For financial assets, including:		-	-
of related parties		-	-
of third parties		-	-
- purchase of financial assets		-	-
- long term loans provided		-	-
Other investment disbursements		-	-
<b>Net cash flow from investing activities</b>		<u>(140,6)</u>	<u>(57,7)</u>

Statement of cash flows should be analyzed together with the supplementary information and explanations which are an integral part of the financial statements.

**Ranbaxy (Poland) Sp. z o.o.****Statement of Cash Flows**

(All amounts are stated in PLN thousand)

	<b>Note</b>	<b>01.04.2020 - 31.03.2021</b>	<b>01.04.2019 - 31.03.2020</b>
<b>Cash flow from financing activities</b>			
Proceeds:		-	-
Net proceeds from the issue of shares and other equity instruments and additional shareholder payments		-	-
Credits and loans		-	-
Issue of debt securities		-	-
Other financial proceeds		-	-
Disbursements:		(1 406,5)	(1 416,3)
Other financial obligations		-	-
Payments relating to finance lease obligations		(1 144,8)	(1 101,3)
Interest		(261,5)	(314,6)
Other financial disbursements		(0,2)	(0,4)
<b>Net cash flow from financing activities</b>		<u>(1 406,5)</u>	<u>(1 416,3)</u>
<b>Net cash flow</b>		<u>(1 774,8)</u>	<u>3 671,6</u>
<b>Balance sheet change in cash, including:</b>		(1 774,8)	3 671,6
- change in cash from foreign exchange differences		-	-
<b>Cash at the beginning of the financial year</b>		6 534,7	2 863,1
<b>Cash at the end of the financial year, including:</b>	4.1	<u>4 759,9</u>	<u>6 534,7</u>
- restricted cash		<u>-</u>	<u>-</u>

Arora Hemant  
Member of the Management Board

Przemysław Chromiec  
Member of the Management Board

Małgorzata Czarnecka

Person responsible for Financial Accounting

Warsaw, 10 May 2021

**Ranbaxy (Poland) Sp. z o.o.**  
**Supplementary Information and Explanations**

(All amounts are stated in PLN thousand)

**1. Intangible fixed assets**

*Changes in intangible fixed assets*

	Other intangible fixed assets	Prepayments for intangible fixed assets	Total
<b>Gross book value</b>			
As at 01.04.2019	47,2	-	47,2
Additions		-	-
Reclassifications	-	-	-
Disposals	(3,1)	-	(3,1)
As at 31.03.2020	44,1	-	44,1
<b>Accumulated depreciation</b>			
As at 01.04.2019	(47,2)	-	(47,2)
Additions		-	-
Reclassifications		-	-
Disposals	3,1	-	3,1
As at 31.03.2020	(44,1)	-	(44,1)

*Changes in intangible fixed assets*

<b>Gross book value</b>			
As at 01.04.2020	44,1	-	44,1
Additions	18,5	-	18,5
Reclassifications	-	-	-
Disposals		-	-
As at 31.03.2021	62,6	-	62,6
<b>Accumulated depreciation</b>			
As at 01.04.2020	(44,1)	-	(44,1)
Additions		-	-
Reclassifications		-	-
Disposals	(7,7)	-	(7,7)
As at 31.03.2021	(51,8)	-	(51,8)
<b>Net book value</b>			

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As at 01.04.2020	-	-	-
As at 31.03.2021	10,8	-	10,8

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**2. Tangible fixed assets**

**2.1 Changes in tangible fixed assets**

	Technical equipment and machinery	Vehicles	Other tangible fixed assets	Total
<b>Gross value</b>				
As at 01.04.2019	499,0	-	83,2	582,2
Additions	62,9	3 927,1		3 990,0
Leasing reclassifications		3 176,6		
Leasing		750,5		
Internal displacement				-
Disposals	(37,6)	(690,3)		(727,9)
As at 31.03.2020	524,3	3 236,8	83,2	3 844,3
<b>Accumulated depreciation</b>				
As at 01.04.2019	(430,1)	-	(83,2)	(513,3)
Additions	(44,7)	(2 546,1)		(2 590,8)
Reclassifications		(1 436,0)		
Leasing remission				-
Amortization per year	(44,7)	(1 110,0)		(1 154,7)
Internal displacement				-
Disposals	37,6	690,3		727,9
Disposals(sale + liquidation)				-
<b>accumulated depreciation at the end of the period</b>				-
<b>31.03.2020</b>	(437,2)	(1 855,8)	(83,2)	(2 376,2)
	<b>equipment and</b>	<b>Vehicles</b>	<b>fixed assets</b>	<b>Total</b>
<b>Gross value</b>				
01.04.2020	524,3	3 236,8	83,2	3 844,3
Additions	126,9	1 225,2	3,7	1 355,8
leasing reclassification				-
leasing		1 225,2		
Reclassifications				-
Disposals	(81,3)	(1 008,3)	(5,6)	(1 095,2)
31.03.2021	569,9	3 453,7	81,3	4 104,9

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<b>Accumulated depreciation</b>				
01.04.2020	(437,2)	(1 855,8)	(83,2)	(2 376,2)
Additions	(60,7)	(1 140,7)	(3,0)	(1 204,4)
reclassification of leasing depreciation				
depreciation for the year				-
Internal displacement				-
Leasing remission				
depreciation for the year				
Internal displacement				
Disposals	81,3	1 134,2	4,9	1 220,4
Disposals(sale + liquidation)				
accumulated depreciation at the end of the period				
31.03.2021	<u>(416,6)</u>	<u>(1 862,3)</u>	<u>(81,3)</u>	<u>(2 360,2)</u>
<b>Net book value</b>				
As at 01.04.2020	87,1	1 381,0	-	1 468,1
As at 31.03.2021	<u>153,3</u>	<u>1 591,4</u>	<u>-</u>	<u>1 744,70</u>

In the financial year, the company has no non-financial fixed services under construction.

The company did not incur expenses or expenses on environmental protection.

**2. 2 Non-depreciated tangible fixed assets**

The value of non-depreciated tangible fixed assets used by the Company on the basis of lease, tenancy and other contracts for tax purposes are operational, while for accounting purposes they are financial. The change results from changes in accounting principles (policy) regarding the qualification of operating lease agreements from operating lease to financial lease due to the loss of the possibility of using the simplification arising from Article 3 (6) of the Act on accounting of September 29, 1994 (Journal of Laws of 2021, item 217 as amended) and implementing regulations issued on its basis.



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**3. Short-term receivables**

**3. 1 Ageing of short-term trade receivables from related parties**

	<u>31.03.2021</u>	<u>31.03.2020</u>
<i>Remaining term</i>		
Due within 12 months	10 531,7	7 166,6
	<u>10 531,7</u>	<u>7 166,6</u>
Gross trade receivables	10 531,7	7 166,6
Net trade receivables	<u>10 531,7</u>	<u>7 166,6</u>

**3. 2 Ageing of short-term trade receivables from other parties**

	<u>31.03.2021</u>	<u>31.03.2020</u>
<i>Remaining term</i>		
Due within 12 months	152,0	-
	<u>152,0</u>	<u>-</u>
Gross trade receivables	152,0	-
Net trade receivables	<u>152,0</u>	<u>-</u>

**4. Short-term investments**

**4. 1 Cash and cash equivalents**

	<u>31.03.2021</u>	<u>31.03.2020</u>
Cash on hand and in bank	4 759,9	6 505,6
- including VAT bank account	-	29,1
	<u>4 759,9</u>	<u>6 534,7</u>

**5. Short-term prepayments and deferred expenses**

	<u>31.03.2021</u>	<u>31.03.2020</u>
Other	64,3	182,5
	<u>64,3</u>	<u>182,5</u>

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**6. Share capital**

**6. 1 Ownership structure of share capital**

Shareholders	Number of shares held	value of shares	% held
Sun Pharma (Netherlands) B.V	8 580	4 290,0	99,98%
Ranbaxy (Holding) UK LTD	2	1,0	0,02%
	<u>8 582</u>	<u>4 291,0</u>	<u>100,0%</u>

There were no changes in the capital structure compared to the previous year

**6. 2 Proposals for profit distribution or coverage of losses**

The decision on the distribution of profit for the financial year ended March 31, 2021 will be made by the General Assembly.

**7. Provisions**

**7. 1 Provision for retirement and similar benefits**

	Retirement awards	Total
As at 01.04.2019		
Disposals	126,6	126,6
Used	21,6	21,6
Released	-	-
As at 31.03.2020	<u>148,2</u>	<u>148,2</u>
<i>including:</i>		
long-term	148,2	148,2
short-term	-	-

	Retirement awards	Total
As at 01.04.2020		
Disposals	148,2	148,2
Used	32,7	32,7
Released	-	-
As at 31.03.2021	<u>180,9</u>	<u>180,9</u>
<i>including:</i>		
long-term	180,9	180,9
short-term	-	-

**7. 2 Short-term provisions**

	Costs	Total
As at 01.04.2019		
Raised	2 582,1	2 582,1
Used	3 079,4	3 079,4
Released	(1 687,7)	(1 687,7)
As at 31.03.2020	<u>(1 021,0)</u>	<u>(1 021,0)</u>
	<u>2 952,8</u>	<u>2 952,8</u>

	Costs	Total
As at 01.04.2020		
Raised	2 952,8	2 952,8
Used	3 944,0	3 944,0
Released	(1 948,1)	(1 948,1)
As at 31.03.2021	<u>(1 415,3)</u>	<u>(1 415,3)</u>
	<u>3 533,4</u>	<u>3 533,4</u>

**8. Short-term liabilities**

**8. 1** Short-term trade liabilities to third parties do not occur.

**8. 2** Short - term liabilities due to leasing

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	As at the beginning of	As at the end of the financial year						Total at the end of the financial year
		unexpired	less than 1 month	1 - 3 months	3 - 6 months	6 months - 1 year	over 1 year	
<b>1. To related parties</b>	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
a) for supplies and services	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
less than 12 months	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
over 12 months	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
b) others	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>2. To other entities</b>	913,9		97,1	195,2	247,3	334,5		874,10
a) credits and loans	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
b) due to issue of debt securities	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
c) other financial liabilities	913,9	-	97,1	195,2	247,3	334,5	-	874,1

**8. 3 Long - term liabilities due to leasing**

	1. To related parties	2. To other entities, including:					Total
		Total	a) from loans and advances	b) from the issue of debt securities	c) other liabilities	d) other	
<b>payment period</b>							
less than 1 year							
beginning of the period	0,00	0,00	0,00	0,00	0,00	0,00	0,00
end of the period	0,00	0,00	0,00	0,00	0,00	0,00	0,00
1 - 3 years	-	-	-	-	-	-	-
beginning of the period	0,00	0,00	0,00	0,00	571,70	0,00	571,70
end of the period	0,00	0,00	0,00	0,00	771,60	0,00	771,60
3 - 5 years							
beginning of the period	0,00	0,00	0,00	0,00	0,00	0,00	0,00
end of the period	0,00	0,00	0,00	0,00	0,00	0,00	0,00
over 5 years							
beginning of the period	0,00	0,00	0,00	0,00	0,00	0,00	0,00
end of the period	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>Total</b>	-	-	-	-	771,6	-	771,6
beginning of the period	0,00	0,00	0,00	0,00	0,00	0,00	0,00
end of the period	0,00	0,00	0,00	0,00	0,00	0,00	0,00

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**9. Structure of revenues from sales**

	<u>01.04.2020 - 31.03.2021</u>	<u>01.04.2019 - 31.03.2020</u>
<i>Geographical structure</i>		
<b>Revenues from the sale of finished products and services</b>		
Domestic	774,4	629,8
Export	<u>30 533,9</u>	<u>30 350,7</u>
	<u>31 308,3</u>	<u>30 980,5</u>

**10. Interest received**

*(including on debt financial instruments, loans granted and the receivables originated by the company)*

*in the period from 1 April 2019 to 31 March 2020*

	Interest realised	Interest unrealised, allocated by period of payment term			Total
		< 3 months	3-12 months	>12 months	
Debt financial instruments	-	-	-	-	-
Loans and receivables originated by the enterprise	-	-	-	-	-
Other financial assets	35,3	-	-	-	35,3
	<u>35,3</u>	-	-	-	<u>35,3</u>

*in the period from 1 April 2020 to 31 March 2021*

	Interest realised	Interest unrealised, allocated by period of payment term			Total
		< 3 months	3-12 months	>12 months	
Debt financial instruments	-	-	-	-	-
Loans and receivables originated by the enterprise	-	-	-	-	-
Other financial assets	0,5	-	-	-	0,5
	<u>0,5</u>	-	-	-	<u>0,5</u>

**11. Interest payable**

*(including interest on financial liabilities)*

*in the period from 1 April 2019 to 31 March 2020*

	Interest realised	Interest unrealised, allocated by period of payment term			Total
		< 3 months	3-12 months	>12 months	
Financial liabilities held for trading	-	-	-	-	-
Other short-term financial liabilities	-	-	-	-	-
Long-term financial liabilities	-	-	-	-	-
Other non-financial liabilities	315,0	-	-	-	315,0
	<u>315,0</u>	-	-	-	<u>315,0</u>

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*In the period from 1 April 2020 to 31 March 2021*

	Interest realised	Interest unrealised, allocated by period of payment term			Total
		< 3 months	3-12 months	>12 months	
Financial liabilities held for trading	-	-	-	-	-
Other short-term financial liabilities	-	-	-	-	-
Long-term financial liabilities	-	-	-	-	-
Other non-financial liabilities	261,5	-	-	-	261,5
	<u>261,5</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>261,5</u>

**12. Corporate income tax**

**12. 1 Structure of corporate income tax**

	01.04.2020 - 31.03.2021	01.04.2019 - 31.03.2020
Current tax	526,5	534,2
Change in deferred tax	(164,4)	(94,4)
	<u>362,1</u>	<u>439,8</u>

**12. 2 Calculation of corporate income tax**

	01.04.2020 - 31.03.2021	01.04.2019 - 31.03.2020
Profit before tax	1 501,7	1 448,9
Amounts increasing the tax base		
Rent of cars	573,8	712,2
Representation	59,0	102,9
PFRON	135,0	130,9
Provisions for services	1 955,8	1 842,9
Provisions for untaken holiday	656,5	504,0
Provisions for bonuses	1 102,0	754,1
Other	1 033,2	24,6
	<u>5 515,3</u>	<u>4 071,6</u>
Amounts reducing the tax base		
Realised provision from previous year	1 568,2	1 337,2
Realised provision for bonuses	379,9	350,5
Released provision for untaken holidays	504,0	461,5
Released provision for costs	274,7	259,4
Released provision for bonuses	374,1	300,1
Leasing tax differences	1 144,8	
	<u>4 245,7</u>	<u>2 708,7</u>

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	Tax base	2 771,3	2 811,8
	Investment tax relief	-	-
	Donations	-	-
	Losses from prior years	-	-
	Taxable profit	<u>2 771,3</u>	<u>2 811,8</u>
	Current tax	<u>526,5</u>	<u>534,2</u>
<b>12. 3</b>	<b><i>Deferred tax assets and liabilities</i></b>		
		<u><b>31.03.2021</b></u>	<u><b>31.03.2020</b></u>
	Deductible temporary differences:		
	Provisions as at 31.03.2021	4 016,7	3 101,1
	Temporary difference 31.03.2021	<u>1 645,7</u>	<u>1 485,6</u>
		<u>5 662,4</u>	<u>4 586,7</u>
	Sum of tax losses to be settled in subsequent periods	<u>1 075,9</u>	<u>871,5</u>
	Gross value of deferred tax asset		-
	<b>Net value of deferred tax asset</b>	<u>1 075,9</u>	<u>871,5</u>
	Value of the provision for deferred income tax	<u>302,4</u>	<u>262,4</u>
	Compensation	-	-
	<b>Deferred tax asset presented in the balance sheet</b>	<u>1 075,9</u>	<u>871,5</u>
	<b>Deferred tax liability presented in the balance sheet</b>	<u>302,4</u>	<u>262,4</u>
		<u><b>01.04.2020 -</b></u>	<u><b>01.04.2019 -</b></u>
		<u><b>31.03.2021</b></u>	<u><b>31.03.2020</b></u>
	<b>Net change of deferred tax asset / liability</b>	<u>164,4</u>	<u>94,4</u>
	<b>Change in deferred tax recognised in the income statement</b>	<u>164,4</u>	<u>94,4</u>

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**13. Cash and cash equivalents structure for the cash flows statement**

**13. 1 Change in short-term liabilities (excluding loans and bank credits)**

	<u>01.04.2020 - 31.03.2021</u>	<u>01.04.2019 - 31.03.2020</u>
Change in short-term liabilities	3,1	74,4
	<u>3,1</u>	<u>74,4</u>

**13. 2 Purchase of intangible fixed assets and tangible fixed assets**

	<u>01.04.2020 - 31.03.2021</u>	<u>01.04.2019 - 31.03.2020</u>
Increase in intangible fixed assets	18,5	
Increase in tangible fixed assets	1 355,8	(813,4)
	<u>1 374,3</u>	<u>(813,4)</u>

**14. Related party transactions**

**14. 1 Balances outstanding as at balance sheet date**

	<u>31.03.2020</u>	
	<u>Receivables</u>	<u>Liabilities</u>
SC Terapia S.A. (Ranbaxy Rumunia)	7 164,6	
Sun Pharmaceutical Ltd. (Ranbaxy Sun)	2,0	
	<u>7 166,6</u>	<u>-</u>

	<u>31.03.2021</u>	
	<u>Receivables</u>	<u>Liabilities</u>
SC Terapia S.A. (Ranbaxy Rumunia)	10 529,7	
Sun Pharmaceutical Ltd. (Ranbaxy Sun)	2,0	
	<u>10 531,7</u>	<u>-</u>

**14. 2 Revenues from related party transactions for the year**

	<u>01.04.2019 - 31.03.2020</u>	<u>Sales revenue</u>
SC Terapia S.A. (Ranbaxy Rumunia)		30 334,7
Sun Pharmaceutical Ltd. (Ranbaxy Sun)		16,0
		<u>30 350,7</u>

	<u>01.04.2020 - 31.03.2021</u>	<u>Sales revenue</u>
SC Terapia S.A. (Ranbaxy Rumunia)		30 509,9
Sun Pharmaceutical Ltd. (Ranbaxy Sun)		24,0
		<u>30 533,9</u>

Transactions with related parties as set out in the international accounting standards adopted by the Commission in accordance with Regulation (EC) No 1606/2002 of the European Parliament were not concluded on other than market conditions.

**15. Employment**

Average level of employment during the period from 1.04.2019-31.03.2020	
Average level of employment during the year by group of employees:	92
Employees on non-worker positions	92

Average level of employment during the period from 1.04.2020-31.03.2021	
Average level of employment during the year by group of employees:	90
Employees on non-worker positions	90

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**16. Remuneration, loans and related benefits provided to members of the management and supervisory boards or administrative bodies**

The gross remuneration of the members of the Management Board, including profit-based remuneration, amounted to PLN 639,3 thousand (2020: PLN 624,7 thousand).

**17. Information about the consolidated financial statements**

Consolidated financial statements at the ultimate parent level and at the lowest level in the group, which includes the Company as a subsidiary are prepared by Sun Pharmaceutical Industries Limited seated in Mumbai, India.

**18. Contingent liabilities**

	<u>31.03.2021</u>
Guarantees and warranties granted by the Company to related parties	-
Guarantees and warranties granted by the Company to third parties	-

Regulations regarding VAT, corporate profits tax, personal income tax and social security contributions are subject to frequent changes. These changes result in there being little point of reference and few established precedents that may be followed. The binding regulations also contain uncertainties, resulting in differences in opinion regarding the legal interpretation of tax regulations both between government bodies, and between government bodies and companies. Tax and other settlements (e.g. customs or foreign currency settlements) may be subject to inspection by administrative bodies authorised to impose significant penalties and fines, and any additional taxation liabilities calculated as a result must be paid together with interest. The above circumstances mean that tax exposure is significantly greater in Poland than in countries that have a more established taxation system.

Tax settlements may become subject to inspection by the tax authorities for a period of five years from the end of the calendar year in which tax payment was due. Accordingly, the amounts shown in the financial statements may change at a later date as a result of the final decision of the tax authorities.



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**19. Financial instruments**

**19. 1 Objectives and principles of risk management**

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

**Primary policies for managing risk**

Management has overall responsibility for the establishment and oversight of the Company's risk management framework, including identification and analysis of the risks faced by the Company, setting appropriate limits and controls, and monitoring the risks and their adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

**Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. According to credit policy the Management Board monitors credit risk on an ongoing basis. No additional security is required by the Company from its clients in relation to financial assets.

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial instrument. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses, or risking damage to the Company's reputation. For this purpose, the Company monitors its cash flows, maintains lines of credit and keeps cash in amount sufficient to cover anticipated operating expenses and expected cash outflows on current financial liabilities, and maintains anticipated liquidity ratios.

**Market risk**

Market risk is the risk that changes in market prices, such as exchange rates, interest rates and equity prices will affect the Company's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

**a) Foreign exchange risk**

The Company bears the currency fluctuations risk which has influence on the financial results and the cash flow. The risk is connected with the fact that part of revenues and costs of the Company is denominated in foreign currency. The Company does not apply any hedges against the change in foreign exchange rates.

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*b) Interest rate risk*

As at 31 March 2021, except from cash in bank, practically there were no instruments bearing interest rate risk and therefore the Company did not apply hedges. The Management Board considers the possible impact of interest rate risk on the financial statements as not significant.

**19. 2** *Classification of financial instruments*

<u>Financial instrument</u>	<u>Description</u>	<u>Carrying value</u>	<u>Terms and conditions affecting future cash flows</u>
Loans and trade receivables		10 531,7	non-interest bearing
Cash on hand and in bank		4 759,9	non-interest bearing

**20. 1** *Remuneration for the statutory auditor or entity entitled to audit financial statements*

The auditor's fee for the audit of the Company's financial statements for the financial year has been agreed at PLN 31 thousand.

**21.** *Going concern and significant events during the balance sheet year*

In connection with the ongoing global coronavirus COVID-19 pandemic, the Management Board of the Company has implemented special procedures related to ensuring the continuity of the Company's operations and anti-virus prevention. By the decision of the Management Board, remote work was introduced in all possible areas, both in terms of operational and support tasks.

The main Company's activity is the promotion and advertising of drugs produced by the Sunpharma concern. As the pharmaceutical industry has not been particularly affected by the global pandemic, the consumption of drugs has not decreased significantly, and therefore Ranbaxy Poland has not experienced a major decrease in revenues from services provided.

The pandemic situation did not affect the valuation of assets and liabilities, therefore the Company did not have to make revaluation write-offs or create provisions for this.

At the moment, i.e. as of 31 March 2021, the situation has improved significantly and is back to normal. The anti-Covid vaccination campaign is underway, which involves an increasing number of people, medical representatives work normally, access to doctors and pharmacies is again possible without significant disruptions.

The company operates normally, fulfilling both the sales plan and all its obligations in a timely manner. As the situation continues to improve, management sees no significant threats to the ongoing pandemic on the company.

The Management Board will be making assessments in 2021 as the situation develops. The Company's activity is mainly related to servicing companies in a capital group that has a stable financial situation. At present, the Management Board does not see any significant uncertainty as to the going concern in the foreseeable future. The prospects are good.

**22.** *Information on significant events that occurred after the balance-sheet date and were not included in the financial statements.*

After the balance sheet date there were no subsequent events relating to the financial year 2020/2021.

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**23. *Changes in accounting principles***

There were no changes to the accounting principles in the financial year.

Arora Hemant  
*Member of the Management Board*

Przemysław Chromiec  
*Member of the Management Board*

Warsaw, 10 May 2021

Małgorzata Czarnecka  
*Person responsible for Financial Accounting*

**THE MANAGEMENT REPORT ON THE COMPANY'S ACTIVITY  
 RANBAXY (POLAND) Sp. z o.o.  
 FOR THE PERIOD 01.04.2020-31.03.2021**

Ranbaxy (Poland) Sp. z o.o. based in Warsaw, J. Kubickiego 11 Street. The Company operates on the territory of Poland.

The Company's share capital amounts to PLN 4,291 thousand and is divided into 8,582 equal and indivisible shares with a nominal value of PLN 0.5 thousand each.

The main shareholder of the Company in the period 01.04.2020-31.03.2021 was Sun Pharma (Netherlands) B.V., holding 99.98% of its shares.

Within 2020/2021 the Management Board was comprised of the following members:

- Przemysław Chromiec                      Member of the Management Board (the whole financial year)
- Hemant Arora                                Member of the Management Board (the whole financial year)

In the period 01.04.2020-31.03.2021 the Company did not issue own shares and did not acquire other shares.

The core activity of the Company in 2020/2021 was providing marketing and advertising services for Ranbaxy Terapia (Romanian company belonging to SunPharma capital group) relating to all activities and transactions necessary for trading products in Poland.

In the period 01.04.2020-31.03.2021 the Company also realized a contract signed in 2008 with Imed Poland Sp. z o.o. for marketing services of Lacidar and provided promotional services for several other external polish companies.

As at 31.03.2021 the Company employed 87 full-time employees, including 70 people responsible for maintaining relationships with the medical, pharmacist and wholesale sector.

In the period 01.04.2020 - 31.03.2021 the Company generated net profit of PLN 1.139,6 thousand. Decision on the distribution of the profit will be made by the General Assembly. Net revenue for the period 01.04.2020-31.03.2021 amounted to PLN 31.308,32 thousand.

Ratios comparison of the Company Ranbaxy (Poland) Sp. z o.o.

	<u>Year ended</u> <u>31.03.2021</u>	<u>Year ended</u> <u>31.03.2020</u>	<u>Year ended</u> <u>31.03.2019</u>
<b>Return on assets</b>			
$\frac{\text{Net financial result}}{\text{Total assets}}$	5,86%	5,80%	7,32%
<b>Return on equity</b>			
$\frac{\text{Net financial result}}{\text{Equity}}$	8,57%	8,30%	9,29%

<b>Return on sales</b>			
$\frac{\text{Net financial result}}{\text{Revenues from the sale of products, goods and materials}}$	3,64%	3,26%	3,51%
<b>Liquidity ratio I</b>			
$\frac{\text{Total current assets}}{\text{Short-term liabilities}}$	12,23	11,51	42,71
<b>Liquidity ratio II</b>			
$\frac{\text{Current assets - Inventory}}{\text{Short-term liabilities}}$	12,23	11,51	42,71
<b>Repayment rate in days</b>			
$\frac{\text{Average quantity of trade receivables *360 days}}{\text{Revenues from the sale of products, goods and materials}}$	103,00	99,00	104,00

The financial year covers the period from April 1, 2020 till March 31, 2021.

After the balance sheet date there were no subsequent events relating to the financial year 2020/2021.

The Company intends to continue its activities in 2021 and 2022 including special care about financial condition of the Company.

## COVID

In connection with the ongoing global coronavirus COVID-19 pandemic, the Management Board of the Company has implemented special procedures related to ensuring the continuity of the Company's operations and anti-virus prevention. By the decision of the Management Board, remote work was introduced in all possible areas, both in terms of operational and support tasks.

The main Company's activity is the promotion and advertising of drugs produced by the Sunpharma concern. As the pharmaceutical industry has not been particularly affected by the global pandemic, the consumption of drugs has not decreased significantly, and therefore Ranbaxy Poland has not experienced a major decrease in revenues from services provided.

The pandemic situation did not affect the valuation of assets and liabilities, therefore the Company did not have to make revaluation write-offs or create any provisions in this regard.

At the moment, i.e. as of 31 March 2021, the situation has improved significantly and is back to normal. The anti-Covid vaccination campaign is underway, which involves an increasing number of people, medical representatives work normally, access to doctors and pharmacies is again possible without significant disruptions.

The company operates normally, fulfilling both the sales plan and all its obligations in a timely manner. As the situation continues to improve, management sees no significant threats to the ongoing pandemic on the company.

The Management Board will be making assessments in 2021 as the situation develops. The Company's activity is mainly related to servicing companies in a capital group that has a stable financial situation. At present, the Management Board does not see any significant uncertainty as to the going concern in the foreseeable future. The prospects are good.

Other information on financial instruments and risk related to them is describe in note 19 to the financial statements.

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Hemant Arora  
Member of the Management Board

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Przemysław Chromiec  
Member of the Management Board

Warsaw, 10<sup>th</sup> May 2021



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*This document is a translation.*

*The Polish original should be referred to in matters of interpretation.*

**Independent Auditor's Report  
to the Shareholders of Ranbaxy (Poland) Sp. z o.o.**

**Report on the Audit of the Year-end Financial Statements**

**Opinion**

We have audited the year-end financial statements of Ranbaxy (Poland) Sp. z o.o. ("the Company"), comprising the introduction to the financial statements, a balance sheet as at March 31, 2021, the profit and loss account, the statement of changes in equity and the statement of cash flows for the financial year from 1 April 2020 to 31 March 2021, as well as additional information and explanations ("the financial statements").

In our opinion, the accompanying financial statements:

- give a true and fair view of the Company's financial position as at March 31, 2021, as well as of its financial result and cash flows for the financial year then ended, in accordance with the applicable provisions of the Accounting Act of 29 September 1994 ("the Accounting Act" - 2021 Journal of Laws, item 217) and the adopted accounting methods (policies);
- are consistent, in content and in form, with the applicable laws and regulations and with the Company's Articles of Association;
- have been prepared on the basis of properly kept books of account in accordance with Chapter 2 of the Accounting Act.

**Basis for Opinion**

We conducted our audit in accordance with National Standards on Auditing in the wording of International Standards on Auditing adopted by resolution of the National Council of Certified Auditors ("NSA"), and in compliance with the Act of 11 May 2017 on Certified Auditors, Audit Firms and on Public Oversight ("the Certified Auditors Act" - 2020 Journal of Laws, item 1415). Our responsibilities under those standards are further described in the *Responsibilities of the Auditor for the Audit of the Financial Statements section* of this report.

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Standards of Independence) of the International Ethics Standards Board for Accountants ("IESBA Code") adopted by resolution of the National Council of Certified Auditors,

BDO spółka z ograniczoną odpowiedzialnością spółka komandytowa [limited partnership], District Court for the capital city of Warsaw, XIII Business Division, KRS: 0000729684, REGON: 141222257, NIP: 108-000-42-12. The value of the capital contribution is PLN 10,037,500. Regional offices in Poland: Katowice 40-007, ul. Uniwersytecka 13, tel.: +48 32 661 06 00, [katowice@bdo.pl](mailto:katowice@bdo.pl); Kraków 31-548, al. Pokoju 1, tel.: +48 12 378 69 00, [krakow@bdo.pl](mailto:krakow@bdo.pl); Poznań 60-650, ul. Piątkowska 165, tel.: +48 61 622 57 00, [poznan@bdo.pl](mailto:poznan@bdo.pl); Wrocław 53-332, ul. Powstańców Śląskich 7a, tel.: +48 71 734 28 00, [wroclaw@bdo.pl](mailto:wroclaw@bdo.pl)

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as well as with other ethical requirements relevant to the audit of financial statements in Poland. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. During the audit, the auditor in charge and the audit firm remained independent of the Company in accordance with the independence requirements laid down in the Certified Auditors Act.

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

#### **Emphasis of Matter**

We draw your attention to note 21 to the financial statements, in which the Management Board described the impact of the pandemic on the Company and on the business risks resulting from the Covid-19 pandemic. Our opinion has not been modified with respect to this matter.

#### **Responsibilities of the Company's Management for the Financial Statements**

The Company's Management is responsible for the preparation, based on properly kept books of account, of the financial statements that give a true and fair view of the Company's financial position and financial result in accordance with the provisions of the Accounting Act, the adopted accounting methods (policies), the applicable binding regulations and the Company's Articles of Association. The Company's Management is also responsible for such internal controls as it considers necessary to ensure that the financial statements are free from material misstatements resulting from fraud or error.

In preparing the financial statements the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, any matters related to going concern and using the going concern basis of accounting, except in situations where the Management intends to either liquidate the Company or discontinue its operations, or has no realistic alternative but to do so.

The Company's Management is required to ensure that the financial statements meet the requirements of the Accounting Act.

#### **Responsibilities of the Auditor 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 misstatements due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with NSA will always detect an existing material misstatement. Misstatements can arise from fraud or error and are considered material if it could be reasonably expected that they, individually or in the aggregate, could influence the economic decisions of users made on the basis of these financial statements.

The scope of the audit does not include an assurance regarding the Company's future profitability, or regarding the Management's effectiveness in the handling of the Company's affairs now or in the future.

Throughout an audit in accordance with NSA, we exercise professional judgement and maintain professional skepticism, as well as:



- identify and assess the risks of a material misstatement of the financial statements resulting from fraud or error, design and perform audit procedures in response to such 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 the risk of not detecting a material misstatement resulting from error, because fraud may involve collusion, forgery, deliberate omission, misrepresentation or override of internal controls;
- obtain an understanding of the internal controls relevant to the audit in order to plan our audit procedures, but not to express an opinion on the effectiveness of the Company's internal controls;
- evaluate the appropriateness of the accounting policies used and the reasonableness of the estimates and related disclosures made by the Company's Management;
- conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether 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 contents 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.

#### **Other Information, Including Report on Activities**

Other information comprises the report on the Company's activities for the financial year ended 31 March 2021 ("the Report on Activities").

#### **Responsibilities of the Company's Management**

The Company's Management is responsible for the preparation of the Report on Activities in accordance with binding regulations.

The Company's Management is required to ensure that the Report on Activities meets the requirements of the Accounting Act.

#### **Responsibilities of the Auditor**

Our opinion on the financial statements does not cover the Report on Activities. In connection with our audit of the financial statements, our responsibility is to read the Report on Activities and, in doing so, consider whether it is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If based on the work we have performed, we find a material misstatement of the Report on Activities, we are required to state this fact on our auditor's report. In accordance with the requirements of the Certified Auditors Act, it is also our responsibility to issue an opinion whether the Report on Activities has been prepared in accordance

with binding regulations, and whether it is consistent with the information presented in the financial statements.

#### **Opinion on the Report on Activities**

Based on the work we have performed during the audit, in our opinion the Report on Activities:

- has been prepared in accordance with Article 49 of the Accounting Act;
- is consistent with the information presented in the financial statements.

Furthermore, based on our knowledge obtained during the audit about the Company and its environment, we have identified no material misstatements in the Report on Activities.

The auditor in charge of the audit resulting in this independent auditor's report is Michał Włodarczyk.

**BDO spółka z ograniczoną odpowiedzialnością sp.k. with its registered office in Warsaw**  
entered on the list of audit firms in number **3355**

**on behalf of which the audit was performed by the auditor in charge**

*/Signed with a qualified electronic signature on the Polish original/*

**Michał Włodarczyk**  
Certified Auditor  
Registration No. 12436

Poznań, 10th May, 2021