

# **Company “Rafarma Pharmaceuticals Inc.”**

Combined Financial statements

for the year ended,

December 31, 2022

**Company Rafarma Pharmaceuticals Inc.**  
**BALANCE SHEETS**

	Notes	December 31,2022	December 31,2021
		USD ('000)	USD ('000)
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents		18,048	13,596
Accounts receivables		15,464	20,268
Short-term investments		781	27
VAT Recoverable		(11)	50
Inventories		19,689	21,302
Other current assets		-	-
<b>Total current assets</b>		<b>53,970</b>	<b>55,243</b>
Research and Development		1,214	881
Property, plant, and equipment		40,216	28,468
Medical equipment for lease		-	-
Long-term investments		712	2,396
Deferred tax assets		611	403
Other non-current assets		1,598	1,953
<b>Total assets</b>		<b>98,321</b>	<b>89,344</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
Current liabilities:			
Accounts payables		17,179	17,224
Short-term borrowings		360	1,612
Other liabilities		246	219
<b>Total current liabilities</b>		<b>17,785</b>	<b>19,054</b>
Long-term borrowings		549	89
Deferred Tax Liabilities		2,093	696
Other long-term liabilities		0	0
<b>Total liabilities</b>		<b>2,642</b>	<b>784</b>
Stockholders' equity:			
Common stock, \$0.001 par value per share; 975,000,000 shares authorized; 87,766,999 shares issued and outstanding	4	87	87
Preference share capital; \$0.001 par value per share; 11,600,000 shares issued and outstanding		12	12
Retained earnings		54,673	47,509
Other Stockholder equity		23,122	21,900
<b>Total stockholders' equity</b>		<b>77,895</b>	<b>69,506</b>
<b>Total liabilities and stockholders' equity</b>		<b>98,321</b>	<b>70,634</b>

The accompanying notes are an integral part of these financial statements.

**Company Rafarma Pharmaceuticals Inc.**  
**STATEMENTS OF INCOME**  
(Un-audited)

	Notes	Year ended December 31, 2022 USD ('000)	Year ended December 31, 2021 USD ('000)
Sales revenue		64,314	77,411
Cost of sales		-41,500	(50,140)
<b>Gross profit</b>		<b>22,813</b>	<b>27,271</b>
Selling and marketing expenses		-5,418	(5,357)
Operating expenses		-10,246	(7,189)
<b>Operating income</b>		<b>7,149</b>	<b>14,724</b>
Net gain from interest		0,599	98
Net (loss) / gain from other sources		-1,523	(236)
Income before taxes		<b>6,225</b>	<b>14,587</b>
Provision for income taxes		-1,264	(3,014)
Net income (loss)		<b>4,961</b>	<b>11,573</b>
Net income per share – basic	4	<b>0.0565</b>	<b>0.1319</b>
Net income per share – diluted	4	<b>0.0565</b>	<b>0.1319</b>
Weighted average shares outstanding used in per common share computations:			
Basic		87,766,999	87,766,999
Diluted		87,766,999	87,766,999

The accompanying notes are an integral part of these financial statements.

**Company Rafarma Pharmaceuticals Inc.**  
**STATEMENTS OF STOCKHOLDERS' EQUITY**

	Share capital	Preference share capital	Other Stockholder Equity			Retained earnings	Total equity	
			Other Equity	Revaluation of non-current assets	Additional Capital			Capital reserves
Amount in USD ('000)								
<b>As of 31 December, 2020</b>	<b>88</b>	<b>12</b>	<b>8,857</b>	<b>665</b>	<b>12,198</b>	<b>315</b>	<b>29,961</b>	<b>52,095</b>
Net income							11,573	11,573
Currency revaluation reserve			(50)	(19)	(68)	(2)	9,395	9,255
Contributions to the reserves	-	-	-	-	-	-	-	-
Dividends							(3,420)	(3,420)
<b>As of 31 December, 2021 (Un-audited)</b>	<b>88</b>	<b>12</b>	<b>8,807</b>	<b>645</b>	<b>12,130</b>	<b>313</b>	<b>47,509</b>	<b>69,503</b>
Net income							4,961	4,961
Currency revaluation reserve			495	31	682	18	5,687	6,913
Contributions to the reserves	-	-	-	-	-	-	-	-
Dividends							(3,483)	(3,483)
<b>As of 31 December, 2022 (Un-audited)</b>	<b>87</b>	<b>12</b>	<b>9,302</b>	<b>677</b>	<b>12,812</b>	<b>331</b>	<b>54,673</b>	<b>77,895</b>

The accompanying notes are an integral part of these financial statements.

**Company Rafarma Pharmaceuticals Inc.**  
**STATEMENTS OF CASH FLOWS**  
(Unaudited)

	Year ended December 31, 2022 USD ('000)	Year ended December 31, 2021 USD ('000)
<b>Operating activities</b>		
Net income	4,961	11,573
Adjustments to net income:		
Unrealized foreign exchange rate differences	9,365	12,304
Income Tax	(1,264)	(3,014)
Changes in operating assets and liabilities (net of acquired assets and liabilities):		
Changes in inventories	1,613	(7,685)
Changes in trade and other receivables	4,804	3,413
Changes in short term investments	(754)	650
Changes in VAT	62	27
Changes in trade and other payables	(45)	(275)
Changes in short term borrowings	(1,252)	1,582
Changes in other current assets	-	217
Changes in other liabilities	27	219
<b>Net cash provided by operating activities</b>	<b>17,516</b>	<b>19,010</b>
<b>Investing Activities</b>		
Sale / purchase of property, plant, and equipment	(12,081)	(6,697)
Sale of asset subject finance lease	-	-
Disposal of other non-current assets	355	(264)
<b>Net cash used in investing activities</b>	<b>(11,725)</b>	<b>(6,960)</b>
<b>Financing Activities</b>		
Disposal / (acquisition) of long-term investment	1,684	(96)
Payment of long-term borrowings	461	(377)
Payment of dividends	(3,483)	(3,420)
<b>Net cash used in financing activities</b>	<b>(1,339)</b>	<b>(3,893)</b>
Increase (decrease) in cash and cash equivalents	4,452	8,156
Cash and cash equivalents at beginning of year	13,596	5,440
<b>Cash and cash equivalents at end of year</b>	<b>18,048</b>	<b>13,596</b>

The accompanying notes are an integral part of these financial statements.

**Company Rafarma Pharmaceuticals Inc.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED DECEMBER 31, 2022**

**1. NATURE OF OPERATIONS**

The Company "Rafarma Pharmaceuticals Inc. " (the "Company") is owned with an existing portfolio of companies that manufacture and distribute colloidal systems, fine chemistry, pharmaceutical substances, pharmaceutical development, new drugs, pharmaceutical packaging and other technologies in the field of biotechnology in biotechnology sector.

**2. Basis of Presentation**

The accompanying financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") and include all adjustments that, in the opinion of management, are necessary for a fair presentation of the results of the periods presented. All such adjustments are considered of a normal recurring nature. Quarterly results of operations are not necessarily indicative of annual results.

Certain footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") have been or omitted. The balance sheet as of December 31, 2022 was derived from the audited balance sheet at that date. These unaudited financial statements should be read in conjunction with the audited financial statements of the Company Rafarma Pharmaceuticals Inc. for the year ended December 31, 2022 and the notes thereto contained in the Company's Annual Report for the year ended December 31, 2022.

**3. RECENT ACCOUNTING PRONOUNCEMENTS**

***New Accounting Standards Adopted in 2020***

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13, Financial Instruments-Credit Losses, which requires the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. We adopted this guidance as of January 1, 2021. Adoption of the standard did not have a material impact on our financial statements.

***New Accounting Standards Yet to be Adopted***

We do not believe that any other recently issued but not yet effective accounting standards, if adopted, would have a material impact on our financial statements.

#### 4. Common Stock

As of December 31, 2022, the issued and fully paid-up share capital is presented as follows:

	<u>31 December 2022</u>
Number of ordinary shares	87,766,999
<i>Nominal value of 1 share, USD</i>	<i>0.001</i>
Nominal value of shares, USD	87,766
<b>Total share capital, USD</b>	<b><u>87,766</u></b>

#### Basic earnings per share

Basic earnings per share are calculated by dividing the profit attributable to shareholders holding ordinary shares of the Company by the weighted average number of ordinary shares outstanding during the period, net of own shares repurchased from shareholders. The company does not have its own repurchased shares, as well as ordinary shares, potentially diluting earnings per share. Thus, diluted earnings per share equal basic earnings per share.

	<u>31 December 2022</u>	<u>31 December 2021</u>
Profit for the year attributable to shareholders, USD ('000)	4,961	11,573
Weighted average number of ordinary shares outstanding, numbers	87,766,999	87,766,999
<b>Basic earnings per ordinary share, USD</b>	<b><u>0.0565</u></b>	<b><u>0.1319</u></b>

#### 5. COMMITMENTS AND CONTINGENCIES

From time to time, the Company is involved in routine litigation that arises in the ordinary course of business. Management does not believe it is reasonably possible that such matters will have a material adverse effect on the Company's financial statements.

#### 6. FAIR VALUE

FASB Codification topic, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value and expands financial statement disclosures about fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. The Codification topic does not require any new fair value measurements, but rather applies to all other accounting pronouncements that require or permit fair value measurements. The Codification topic requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

As of December 31, 2022, we did not have any instruments that require fair value measurement.

## Signatures

Pursuant to the requirements of Section 13 of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on March 31, 2023

**Company Rafarma  
Pharmaceuticals Inc.**

By:



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**Raivo Unt  
President**

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on [...].

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke at the end.

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**President**

A handwritten signature in blue ink, similar in style to the first one, with loops and a long horizontal stroke.

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**President**

## Alternative Reporting Standard: Pink® Basic Disclosure Guidelines

Federal securities laws, such as Rules 10b-5 and 15c2-11 of the Securities Exchange Act of 1934 (“Exchange Act”) as well as Rule 144 of the Securities Act of 1933 (“Securities Act”), and state Blue Sky laws, require issuers to provide *current information* to the public markets. With a view to facilitating compliance with these laws, OTC Markets Group has created these Pink Basic Disclosure Guidelines (“Guidelines”).<sup>1</sup> These Guidelines set forth the disclosure obligations that make up the “Alternative Reporting Standard” for Pink companies. These Guidelines have been designed to encompass the “Catch All” information required in Rule 15c2-11,<sup>2</sup> however they have not been reviewed by the U.S. Securities and Exchange Commission or any state securities regulator. We use information provided by companies under these Guidelines to designate the appropriate tier in the Pink Market: Current Information or Limited Information.<sup>3</sup>

These Guidelines may be amended from time to time, in the sole and absolute discretion of OTC Markets Group, with or without notice. The information provided by companies under these Guidelines is subject to our [Privacy Policy](#).

### Pink Current Information Tier

Companies that make the information described below publicly available on a timely basis may qualify for the Current Information Tier.

Qualification Process:

1. **Subscribe to the OTC Disclosure & News Service:** by submitting an application through [Gateway](#). Allow OTC Markets 2-4 weeks of application processing time.
2. **Upload Initial Disclosure:** Upload the following documents through OTCIQ:
  - **All Quarterly Reports** for Current Fiscal Year – must include Disclosure Statement and Financial Reports listed below
  - **Annual Report** for Most Recently Completed Fiscal Year– must include Disclosure Statement and Financial Reports listed below
  - **Annual Report** for Prior Completed Fiscal Year – must include Financial Reports listed below
  - **Disclosure Statements:** Disclosure information pursuant to these Guidelines for the applicable period. (see the fillable form starting on Page 4).
  - **Financial Statements:** Financial reports must be prepared according to U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited. Required financial statements include:
    - Audit Letter, if audited
    - Balance Sheet
    - Statement of Income
    - Statement of Cash Flows
    - Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
    - Notes to Financial Statements

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<sup>1</sup> This is not legal advice, and OTC Markets Group makes no assurance that compliance with our disclosure requirements will satisfy any legal requirements.

<sup>2</sup> Publication of information pursuant to these Guidelines does not guarantee or ensure that the Company will be designated as having “current information” or eligible for public quotations pursuant to Rule 15c2-11 or any other applicable regulation.

<sup>3</sup> OTC Markets Group may require companies with securities designated as Caveat Emptor to make additional disclosures in order to qualify for the Pink Current Information tier.

3. **Attorney Letter** (only required if not providing audited financials): If financial statements are not audited by a PCAOB registered firm, companies must retain U.S. counsel to review their disclosure and provide a letter to OTC Markets Group with respect to adequate current information by providing the following:
  - **Attorney Letter Agreement:** The attorney must submit a signed Attorney Letter Agreement according to the [Attorney Letter Agreement Instructions](#). The attorney is required to submit an Attorney Letter Agreement for each company that engages the attorney for the purpose of providing this Letter.
  - **Attorney Letter:** After a qualified attorney reviews the Disclosure Statement, upload the "Attorney Letter With Respect to Current Information" in accordance with the [Attorney Letter Guidelines](#) through OTCIQ. Attorney Letters must reference all required reports as set forth in Section 2 above.
4. **Verified Profile:** The Company must verify the Company Profile through OTCIQ, including, but not limited to, a complete list of officers, directors, and service providers; outstanding shares; a business description; contact information; and the name of all company insiders. Company insiders are defined as the beneficial owner of more than 10% of the outstanding units or shares of any class of any equity security of the issuer.
5. **OTC Markets Group Processing of Disclosure:** Allow OTC Markets Group to process the posted documents (typically three to five business days) and provide any comments. Companies will only be evaluated for Current Information once all required documentation has been submitted. A new Attorney Letter is required upon amendment of any referenced report.
6. **Ongoing Disclosure Requirements:** To qualify for Current Information on an ongoing basis, companies must:
  - Upload reports through OTCIQ on the following schedule:
    - Quarterly Report within **45 days** of the quarter end
    - Annual Report within **90 days** of the fiscal year end
    - Attorney Letter within **120 days** of the fiscal year end
  - Maintain a Verified Profile. At least once every six months, review and verify the Company's profile information through OTCIQ.

### **Pink Limited Information Tier**

Companies that make the information described below publicly available through OTCIQ may qualify for the Limited Information Tier.

7. **Annual Financial Statements:** Companies must upload the below financial statements for a completed Fiscal Year within the past 16 months. Financial reports must be prepared according to U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.
  - Audit Letter, if audited
  - Balance Sheet
  - Statement of Income
  - Statement of Cash Flows
  - Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
  - Notes to Financial Statements
8. **Verified Profile:** The Company must verify the Company Profile through OTCIQ, including, but not limited to, a complete list of officers, directors, and service providers; outstanding shares; a business description; contact information; and the name of all company insiders. Company insiders are defined as the beneficial owner of more than 10% of the outstanding units or shares of any class of any equity security of the issuer.
9. **Ongoing Disclosure Requirements:** To Qualify for Limited Information on an ongoing basis, companies must:
  - Upload reports through OTCIQ on the following schedule:
    - Annual Report (including the required financial statements outlined in Item 8) within 120 days of the fiscal year end

- Review and Verify the Company's profile information through OTCIQ at least once every 12 months.

### **Current Reporting of Material Corporate Events**

In addition to the disclosure requirements above, companies are expected to release quickly to the public any news or information regarding corporate events that may be material to the issuer and its securities (including adverse information). Persons with knowledge of such events are considered to be in possession of material nonpublic information and may not buy or sell the issuer's securities until or unless such information is made public. If not included in the issuer's previous public disclosure documents or if any of the following events occur after the publication of such disclosure documents, the issuer shall publicly disclose such events by disseminating a news release **within four (4) business days** following their occurrence and posting such news release through an Integrated Newswire or OTCIQ.<sup>4</sup>

Material corporate events include:

- Entry into or termination of a material definitive agreement
- Completion of an acquisition or disposition of assets, including but not limited to merger transactions
- Creation of a direct financial obligation or an obligation under an off-balance sheet arrangement of an issuer
- Triggering events that accelerate or increase a direct financial obligation or an obligation under an off-balance sheet arrangement
- Costs associated with exit or disposal activities
- Material impairments
- Sales of equity securities
- Material modification to rights of security holders
- Changes in issuer's certifying accountant
- Non-reliance on previously issued financial statements or a related audit report or completed interim review
- Changes in control of issuer
- Departure of directors or principal officers; election of directors; appointment of principal officers
- Amendments to articles of incorporation or bylaws; change in fiscal year
- Amendments to the issuer's code of ethics, or waiver of a provision of the code of ethics
- Any changes to litigation the issuer may be involved in, or any new litigation surrounding the issuer
- Officer, director, or insider transactions in the issuer's securities
- Disclosure of investor relations, marketing, brand awareness, and stock promotion activities which might reasonably be expected to materially affect the market for its securities or otherwise deemed material by the issuer
- Changes to the company's shell status
- Other events the issuer determines to be material

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<sup>4</sup> "Integrated Newswire" shall mean a newswire service that is integrated with the OTC Disclosure & News Service and is included on OTC Markets Group's list of Integrated Newswires, as published on <https://www.otcmartets.com/corporate-services/products/disclosure-and-news-service>

# Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

## RAFARMA PHARMACEUTICALS INC.

A Wyoming Corporation  
12465 South Fort St., Suite 240  
Draper UT 84020

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307-429-2029  
<http://rafarma.co>  
ilya.spurov@rafarma.group

## Annual Report

For the period ending 12/31/2022 (the "Reporting Period")

### Outstanding Shares

The number of shares outstanding of our Common Stock was:

87,766,999 as of 12/31/2022

87,766,999 as of 12/31/2022

### Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes:  No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes:  No:

### Change in Control

Indicate by check mark whether a Change in Control<sup>5</sup> of the company has occurred over this reporting period:

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<sup>5</sup> "Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

Yes:  No:

**1) Name and address(es) of the issuer and its predecessors (if any)**

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

Rafarma Pharmaceuticals, Inc.  
Previously Airprotek International, Inc. 3/2002 – 10/2012  
Previously JSN Industries until 03-2002.

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

*The Company was organized and incorporated in Nevada in 1982 and continued into the state of Wyoming on October of 2012*

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

N/A

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

N/A

The address(es) of the issuer's principal executive office:

Pereslavl-Zalessky, pl. Mendeleev house 2

The address(es) of the issuer's principal place of business:

Check if principal executive office and principal place of business are the same address:

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No:  Yes:  If Yes, provide additional details below:

**2) Security Information**

**Transfer Agent**

Name: Action Stock Transfer  
Phone: 801-274-1088  
Email: action@actionstocktransfer.com  
Address: 2469 E. Fort Union Blvd., Suite 214  
Salt Lake City, UT 84121

**Publicly Quoted or Traded Securities:**

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol:	<u>RAFA</u>	
Exact title and class of securities outstanding:	<u>COMMON STOCK</u>	
CUSIP:	<u>75062C100</u>	
Par or stated value:	<u>.001</u>	
Total shares authorized:	<u>300,000,000</u>	as of date: <u>12/31/2022</u>
Total shares outstanding:	<u>87,766,999</u>	as of date: <u>12/31/2022</u>
Total number of shareholders of record:	<u>342</u>	as of date: <u>12/31/2022</u>

All additional class(es) of publicly quoted or traded securities (if any):

Trading symbol:	<u>N/A</u>	
Exact title and class of securities outstanding:	<u>Preferred Series "A"</u>	
CUSIP:	<u>NONE</u>	
Par or stated value:	<u>.001</u>	
Total shares authorized:	<u>30,000,000</u>	as of date: <u>12/31/2022</u>
Total shares outstanding:	<u>0</u>	as of date: <u>12/31/2022</u>
Total number of shareholders of record:	<u>0</u>	as of date: <u>12/31/2022</u>

Trading symbol:	<u>N/A</u>	
Exact title and class of securities outstanding:	<u>Preferred Series "B"</u>	
CUSIP:	<u>NONE</u>	
Par or stated value:	<u>.001</u>	
Total shares authorized:	<u>30,000,000</u>	as of date: <u>12/31/2022</u>
Total shares outstanding:	<u>11,600,000</u>	as of date: <u>12/31/2022</u>
Total number of shareholders of record:	<u>1</u>	as of date: <u>12/31/2022</u>

**Other classes of authorized or outstanding equity securities:**

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g. preferred shares). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of the security:	_____	
CUSIP (if applicable):	_____	
Par or stated value:	_____	
Total shares authorized:	_____	as of date: _____
Total shares outstanding (if applicable):	_____	as of date: _____
Total number of shareholders of record (if applicable):	_____	as of date: _____

Exact title and class of the security:	_____
CUSIP (if applicable):	_____
Par or stated value:	_____

Total shares authorized: \_\_\_\_\_ as of date: \_\_\_\_\_  
Total shares outstanding (if applicable): \_\_\_\_\_ as of date: \_\_\_\_\_  
Total number of shareholders of record  
(if applicable): \_\_\_\_\_ as of date: \_\_\_\_\_

**Security Description:**

*The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:*

1. **For common equity, describe any dividend, voting and preemption rights.**

N/A

2. **For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.**

N/A

3. **Describe any other material rights of common or preferred stockholders.**

N/A

4. **Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.**

N/A

**3) Issuance History**

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period.**

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

**A. Changes to the Number of Outstanding Shares**

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No:  Yes:  (If yes, you must complete the table below)

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date <u>1/31/2020</u> Common: <u>93,166,999</u> Preferred: <u>11,500,000</u>									
Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to.  *You must disclose the control person(s) for any entities listed.	Reason for share issuance (e.g. for cash or debt conversion) - OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
<u>10/6/2020</u>	<u>New Issue</u>	<u>11,600,000</u>	<u>Preferred Series B</u>	<u>0.001</u>	<u>No</u>	<u>R&amp;D Biocogeny (Ilya Shpurov)</u>	<u>Asset Transfer</u>	<u>Restricted and non-trading preferred shares</u>	<u>None</u>
<u>10/15/2020</u>	<u>Return to Treasury</u>	<u>5,400,000</u>	<u>Common</u>	<u>.001</u>	<u>Returned</u>	<u>Brindicate Capital LLC (Charles Fleming)</u>	<u>Shares Returned to Treasury</u>	<u>Non Restricted</u>	<u>Returned</u>
<u>12/28/2020</u>	<u>Return to Treasury</u>	<u>11,500,000</u>	<u>Preferred Series B</u>	<u>.001</u>	<u>Returned</u>	<u>Srecko Bojt</u>	<u>Shares Returned to Treasury</u>	<u>Restricted</u>	<u>Returned</u>
Shares Outstanding on Date of This Report: <u>Ending Balance</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date <u>12/31/2022</u> Common: <u>87,766,999</u> Preferred: <u>11,600,000</u>									

**Example:** A company with a fiscal year end of December 31<sup>st</sup>, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2021 through December 31, 2022 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

## B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No:  Yes:  (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder.  *You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)

_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

Use the space below to provide any additional details, including footnotes to the table above:

\_\_\_\_\_

#### 4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. (Please ensure that these descriptions are updated on the Company's Profile on [www.otcmarkets.com](http://www.otcmarkets.com)).

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

***The company was acquired by R&D Biocogency and now owns R&D Biocogency, which includes the following companies: MSCh Slavich LLC, LLC Trading House Slavich, Slavich Noya Technologies LLC.***

**The company is mainly engaged in the pharmaceutical industry, with several subsidiaries specializing in the production of substances of various products, ultrapure and colloidal chemistry, conducting research in the creation of drugs for cancer, as well as the production and sale of generic drugs.**

B. List any subsidiaries, parent company, or affiliated companies.

***Research and development in the field of biocogeneity.***

***1. LLC MSCH Slavich  
http://msch-slavich.ru/***

***2. LLC Trading House Slavich  
http://tdslavich.ru/***

***3. Slavich Noya Technologies LLC***

***Since 1931, the main activity of the enterprise has been the production of products of complex colloidal chemistry, used both in photography and for other purposes of industrial and scientific activities. Our company employs a number of production units, in total about 500 people, who are engaged in:***

***- Production of ultrapure materials and substances.***

***We export up to 20 percent of our finished products to more than 60 countries around the world.***

C. Describe the issuers' principal products or services.

***1. LLC MSCH Slavich  
http://msch-slavich.ru/***

**LLC "MSCh" Slavich "is a multidisciplinary medical organization for 500 medical visits per day. The structure of LLC "MSCh Slavich" includes:**

- Polyclinic, where the doctors: therapists, gynecologists, surgeons, neurologists, otorhinolaryngologists, ophthalmologist, psychiatrist, narcologist, cardiologists, allergist-immunologist, endocrinologist, dermatovenerologist, gastroenterologist;
- All types of laboratory tests, functional and ultrasound diagnostics, X-ray examinations and fluorography, endoscopic examinations are carried out.
- Day hospital.

## 2. LLC Trading House Slavich

<http://tdslavich.ru/>

Slavich is a legendary Russian company with a long history.

LLC "Trading House" Slavich "produces and sells the following types of products:

- cardboard packaging with full-color printing, printing products;
- black and white photographic paper of various types;
- hand antiseptic
- films and photographic films of various types, aerial films;
- photochemicals for processing black and white photographic materials;
- special papers for inkjet printers and plotters, photographic papers for digital photography;
- high-resolution photographic plates, technical, spectrographic and holographic for recording and copying artistic holograms;
- film photosensitive materials for graphic holography, manufacturing of printed circuit boards and prepress printing processes;
- especially pure aluminum and alloys based on it;
- magnetic tapes and tapes for recorders;
- recycles silver-containing waste, including waste photographic plates, waste film, photographic paper waste, waste fixing solutions.

## 3. Slavich Noya Technologies LLC

Production of ultrapure materials and substances.

Implementation of a project for the construction of a modern plant for the production of domestic substances, both for promotion on the Russian market and for their export.

We export up to 20 percent of our finished products to more than 60 countries around the world.

## 5) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

Properties belonging to the group:

	<b>The address:</b>	<b>Area sq. m.</b>
1	Pereslavl-Zalessky, pl. Mendeleev house 2, building number 73	2 167,80
2	Pereslavl-Zalessky, pl. Mendeleev house 2, building number 45a	36 847,30
3	Pereslavl-Zalessky, pl. Mendeleev house 2, building number 105	2 528,90
4	Pereslavl-Zalessky, pl. Mendeleev house 2, building number 73i	293,40
5	Pereslavl-Zalessky, pl. Mendeleev house 2, building 73 g	461,70

6	Pereslavl-Zalessky, pl. Mendeleev house 2, building number 130	7 430,30
7	Pereslavl-Zalessky, pl. Mendeleev house 2, building number 139	503,30
8	Pereslavl-Zalessky, pl. Mendeleev house 2, Warehouse-anagar No. 1	1 004,10
9	Pereslavl-Zalessky, pl. Mendeleev building 2, building No. 139. Warehouse-hangar No. 2	903,00
10	Pereslavl-Zalessky, pl. Mendeleev house 2, bldg. 13	3 570,20
11	Pereslavl-Zalessky, pl. Mendeleev house 2, bldg. 45	9 236,20
	<b>TOTAL</b>	<b>64 946,20</b>

## 6) Officers, Directors, and Control Persons

Using the table below, please provide information, as of the period end date of this report, regarding any officers, or directors of the company, individuals or entities controlling more than 5% of any class of the issuer's securities, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Names of All Officers, Directors and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
<u>R. &amp; D. BIOCOGENCY LABORATORIES INC. LTD (Ilya Shpurov)</u>	<u>Chairman of the Board</u>	<u>Cyprus</u>	<u>11600000</u>	<u>Preferred B</u>	<u>100%</u>	
<u>Raivo Unt</u>	<u>President and Chief Executive Officer</u>	<u>Tallinn, Estonia</u>	<u>0</u>	<u>n/a</u>	<u>n/a</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

## 7) Legal/Disciplinary History

A. Identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

No

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

No

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

No

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

No

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

No

## 8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Amber Barger, LAW OFFICES OF M. AMBER BARGER, PLLC  
Address 1: 3901 Arlington Highlands Blvd., Suite 200  
Address 2: Arlington, TX 76018  
Phone: (682) 888-1748  
Email: abarger@mablawoffice.com

Accountant or Auditor

Name: \_\_\_\_\_  
Firm: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

Investor Relations

Name: \_\_\_\_\_  
Firm: \_\_\_\_\_  
Address 1: \_\_\_\_\_

Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

*All other means of Investor Communication:*

Twitter: \_\_\_\_\_  
Discord: \_\_\_\_\_  
LinkedIn \_\_\_\_\_  
Facebook: \_\_\_\_\_  
[Other ] \_\_\_\_\_

#### Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: \_\_\_\_\_  
Firm: \_\_\_\_\_  
Nature of Services: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

### **9) Financial Statements**

A. The following financial statements were prepared in accordance with:

- IFRS  
 U.S. GAAP

B. The following financial statements were prepared by (name of individual)<sup>6</sup>:

Name: **Raivo Unt**  
Title: **President**  
Relationship to Issuer: **President**

Describe the qualifications of the person or persons who prepared the financial statements: higher education

Provide the following financial statements for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- a. Audit letter, if audited;
- b. Balance Sheet;
- c. Statement of Income;
- d. Statement of Cash Flows;
- e. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- f. Financial Notes

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<sup>6</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

## 10) Issuer Certification

*Principal Executive Officer:*

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Raivo Unt certify that:

1. I have reviewed this Disclosure Statement for RAFARMA PHARMACEUTICALS INC;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

03/31/2023

Raivo Unt



*Principal Financial Officer:*

I, Raivo Unt certify that:

1. I have reviewed this Disclosure Statement for RAFARMA PHARMACEUTICALS INC;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

03/31/2023

Raivo Unt

