Grant Thornton

Ascend Laboratories SpA

Consolidate financial statements and independent auditors' report as of March 31, 2020 and 2019

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Th$: Thousands of Chilean Pesos

Independent auditors' report

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Board of Directors and Shareholders of:
Ascend Laboratories SpA

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Ascend Laboratories SpA, which comprise the consolidated statement of financial position as of March 31, 2020 and 2019, and the related consolidated statements of comprehensive income, changes in equity, and cash flows for the twelve-months periods between April 1, 2018 and March 31, 2019 and March 31, 2020, and the related notes to the consolidated financial statements.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS). This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Chile generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Ascend Laboratories SpA as of March 31, 2020 and 2019, and the results of its operations and its cash flows for the twelve-months periods between April 1, 2018 and March 31, 2019 and March 31, 2020 in accordance with International Financial Reporting Standards (IFRS).

Santiago, Chile
May 22, 2020

Jaime Goñi Garrido
Audit Partner

Consolidated statements of financial position

(In thousands of chilean pesos - Th$)

	Note N°	**2020 Th$**	2019 Th$
Assets			
Current assets:			
Cash and cash equivalents	6	**350,256**	608,417
Trade debtors and other accounts receivables	7	**9,649,744**	5,479,118
Inventories, net	9	**7,390,455**	7,211,690
Current tax assets, net	10a	**1,162,249**	1,364,059
Total current assets		**18,552,704**	14,663,284
Non-current assets:			
Bank guarantees receivables	11	**84,892**	164,265
Other intangible assets, net	12	**2,305,699**	19,548
Property, plant and equipment, net	13	**464,084**	41,583
Deferred tax assets, net	14b	**697,767**	60,951
Total non-current assets		**3,552,442**	286,347
Total assets		**22,105,146**	14,949,631

The accompanyng notes N° 1 to 29 are an integral part of these financial statements.

Consolidated statements of financial position

(In thousands of chilean pesos - Th$)

	Note N°	**2020 Th$**	2019 Th$
Liabilities and equity			
Current liabilities:			
Other financial liabilities	15	**6,136,823**	1,117,557
Commercial accounts payable and other accounts payable	16	**2,547,141**	927,082
Accounts payable to related entities	8	**11,158,001**	9,449,976
Provision for employee benefits	17	**26,564**	9,849
Income tax payable	10b	**227,106**	10,265
Total liabilities, current		**20,095,635**	11,514,729
Equity:			
Capital stock	18	**2,914,178**	2,914,178
Retained earnings (losses)	18	**520,724**	765,399
Profit (loss) for the period		**(1,425,391)**	(244,675)
Equity attributable to owners of the parent		**2,009,511**	3,434,902
Non-controlling interests		**-**	-
Total net equity		**2,009,511**	3,434,902
Total liabilities and equity		**22,105,146**	14,949,631

Consolidated statements of comprehensive income by function

For the periods ended March 31,

(In thousands of chilean pesos - Th$)

	Note N°	**2020 Th$**	2019 Th$
Statement of Income			
Revenues	19	**16,474,100**	10,439,454
Cost of sales	20a	**(11,118,541)**	(7,404,752)
Gross margin		**5,355,559**	3,034,702
Administrative expenses	20b	**(4,080,413)**	(2,367,181)
Other gains (losses)	22	**(273,983)**	(186,504)
Finance expenses	21	**(274,833)**	(85,915)
Exchange rate differences	23	**(2,615,557)**	(697,273)
Income from adjustment units		**45,206**	10,277
Profit (loss) before tax		**(1,844,021)**	(291,894)
Income tax expense	14a	**418,630**	47,219
Profit (loss) for the period		**(1,425,391)**	(244,675)
Profit (loss) attributable to owners of the parent		**(1,425,391)**	(244,675)
Profit (loss) attributable to non-controlling interests		**-**	-
Profit (loss) for the period		**(1,425,391)**	(244,675)

The accompanyng notes N° 1 to 29 are an integral part of these financial statements.

Consolidated statements of changes in equity

For the periods ended as of March 31, 2020 and 2019

(In thousands of chilean pesos - Th$)

	Paid capital Th$	Additional paid-in capital Th$	Retained earnings Th$	Other reserves Th$	Equity attributable to owners of the parent Th$	Non controlling interests Th$	Total equity, net Th$
Beginning balance April 1, 2019	**2,914,178**	**-**	**520,724**	**-**	**3,434,902**	**-**	**3,434,902**
Comprehensive income:							
Profit for the year	**-**	**-**	**(1,425,391)**	**-**	**(1,425,391)**	**-**	**(1,425,391)**
Comprehensive income	**-**	**-**	**(1,425,391)**	**-**	**(1,425,391)**	**-**	**(1,425,391)**
Capital increase	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other Adjustments	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Ending Balance March 31, 2020	**2,914,178**	**-**	**(904,667)**	**-**	**2,009,511**	**-**	**2,009,511**

	Paid capital Th$	Additional paid-in capital Th$	Retained earnings Th$	Other reserves Th$	Equity attributable to owners of the parent Th$	Non controlling interests Th$	Total equity, net Th$
Beginning balance 04.01.2018	2,914,178	-	765,399	(2,699)	3,676,878	-	3,676,878
Comprehensive income:							
Profit for the year	-	-	(244,675)	-	(244,675)	-	(244,675)
Comprehensive income	-	-	(244,675)	-	(244,675)	-	(244,675)
Capital increase	-	-	-	-	-	-	-
Other Adjustments	-	-	-	2,699	2,699	-	2,699
Ending Balance 03.31.2019	2,914,178	-	520,724	-	3,434,902	-	3,434,902

Consolidated statements of cash flows, Indirect method

For the periods ended as of March 31, 2020 and 2019

(In thousands of chilean pesos - Th$)

	Note N°	**2020 Th$**	2019 Th$
Cash flows from operating activities			
Profit (loss) for the period		**(1,425,391)**	(244,675)
(Credit) debit for non-cash items:			
Income tax expenses		**(418,630)**	(47,219)
Depreciation and amortization		**305,989**	16,126
Income from adjustment units		**(45,206)**	(10,277)
Provision of obsolescence		**322,416**	130,840
Provision for doubtful debts		**430,413**	-
Decrease (increase) of assets:			
Trade debtors and other accounts receivables		**(4,601,039)**	(2,021,619)
Inventories, net		**(501,181)**	(3,959,701)
Current tax assets		**201,810**	(885,400)
Other non financial assets, non-current		**-**	2,000
Bank guarantees receivables, non-current		**79,373**	844,195
Other intangible assets, net		**(2,554,573)**	(8,341)
Increase (decrease) of liabilities:			
Commercial accounts payable and other accounts payable		**1,620,059**	122,072
Provision for employee benefits		**16,715**	(2,058)
Income tax payable		**(1,345)**	(146,904)
Other adjustments		**45,206**	27,570
Net cash flow from operating activities		**(6,525,384)**	(6,183,391)
Cash flows from financing activities			
Other financial liabilities		**5,019,266**	587,557
Accounts payable to related entities		**1,708,025**	5,197,695
Positive net flow originated by financing activities		**6,727,291**	5,785,252
Cash flows from investing activities			
Payments for software		**-**	(11,896)
Payments for property, plant and equipment		**(460,068)**	(28,879)
Net cash flow from investing activities		**(460,068)**	(40,775)
Net increase (decrease) of cash and cash equivalents		**(258,161)**	(438,914)
Beginning balance of cash and cash equivalents		**608,417**	1,047,331
Ending balance of cash and cash equivalents	6	**350,256**	608,417

Index to the notes to the consolidated financial statements

Notes to the consolidated financial statements

As of March 31, 2020 and 2019

(In thousands of Chilean pesos - Th$)

1 General information

Ascend Laboratories SpA (hereinafter “the Company”), was incorporated as a joint stock company under public deed dated July 19, 2011. The purpose of the company is: provide services involving the application, processing, obtaining and maintaining health records, on their own behalf or on behalf of Alkem Laboratories Limited (Parent Company), with the Chilean Institute Public Health and before all kinds of public bodies, such as the Metropolitan Health Service and / or any dependent agencies of the Chilean Ministry of Health, and the transfer or assignment any title of such health records.

On September 11, 2013 amendment of bylaws was made to expand its corporate purpose by adding to it the activities for the development, manufacture, storage, importation, marketing, distribution and export of pharmaceuticals, cosmetics and veterinary, and / or representation in the aforementioned areas.

Pharma Network SpA was constituted as a joint stock company under public deed dated 27th March 2018.

The structure of the Company as of March 31, 2020 is as follows:

Shareholder	Number of Shares	Participation %
Alkem Laboratories Ltd.	5,427	100.00
Total	**5,427**	**100.00**

The Company's address is located in Apoquindo 4700, 17th floor, Las Condes, Santiago, Chile.

2 Significant accounting policies

Significant accounting policies adopted in preparing these consolidated financial statements are described below.

As required by IFRS, these accounting policies have been designed based on the IFRS applicable as of April 1, 2017.

2.1 Basis of preparation

The accompanying consolidated financial statements for the year ended March 31, 2020 and 2019 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) of London.

In preparing these consolidated financial statements management has used its best understanding of IFRS, their interpretation and the facts and circumstances that are in effect on the date of its preparation, which represents the first explicit comprehensive adoption and unrestricted the aforementioned international standards.

In accordance with IFRS, certain estimates and accounting criteria are required for preparing the accompanying consolidated financial statements. In addition, is required to exercise judgment in applying such accounting policies. The areas requiring a greater level of judgment or complexity, or where estimates are significant for disclosed accounts, are disclosed in the Note on "Responsibility for the Information, Estimate, and Accounting Criteria."

The general criteria used for the accounting valuation of its assets and liabilities is cost, except for certain financial assets that are carried at fair value.

2.2 Basis of presentation

The accompanying consolidated financial statements are presented in thousands of Chilean pesos, as this is the presentation currency of the Company.

In the consolidated statement of financial position, assets and liabilities are classified according to their maturities between current, those with maturity not exceeding twelve months and non-current, those whose maturity exceeds twelve months.

In turn, in the consolidated statement of comprehensive income and changes in equity expenditures classified by function are presented, identifying depreciation and personnel expenses based on their nature and the cash flow statement is presented using the indirect method.

The consolidated statement of financial position as of March 31, 2020 are presented comparatively with the consolidated financial statements as of March 31, 2019.

The accompanying consolidated financial statements have been translated from Spanish into English for use outside of Chile.

2.2.1 Responsibility for the information and estimates made

The information contained in the accompanying consolidated financial statements is the responsibility of the Company's Management, which expressly states that they are aware of the information contained in the accompanying consolidated financial statements and accepts responsibility for the information included herein, as well as the application of the principles and criteria included in the International Financial Reporting Standards (IFRS).

In preparing the accompanying consolidated financial statements certain estimates by the Company's Management have been used in order to account for some of the assets, liabilities, revenue, expenses, and commitments recorded herein. Such estimates are based on Management's best knowledge and understanding of the reported amounts, events, or action.

2.3 Functional and presentation currency

The functional currency of the Company has been defined as the currency of the primary economic environment in which the entity operates. All transactions which are not in the functional currency are translated at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies have been translated at the closing rates of exchange. Foreign exchange gains or losses are included in the net profit and loss account for the year under the line item 'Exchange rate differences'.

The Company's functional currency is the Chilean Peso. Items within the consolidated statement of comprehensive income for entities that have a functional currency other than the Chilean Peso are translated at average rates of exchange. Items within the consolidated statement of financial position are translated at the closing rates of exchange.

2.4 Basis of translation

The assets and liabilities in Chilean pesos and Unidades de Fomento (UF) are translated using the exchange rate at the date of the consolidated financial statements according to the following table:

	03.31.2020 $	**Monthly Average**	03.31.2019 $	Monthly Average
U.S. Dollar	**846.3**	**839.38**	678.53	657.49
Unidad de fomento (UF) (1)	**28,597.46**	**28,539.73**	27,565.76	27,333.30

(1) Unidades de fomento are adjustment units, which are translated into Chilean pesos. Exchange rate changes are recorded in the statement of Comprehensive Income under the heading Adjustments.

2.5 Revenue recognition

Revenue from the sales of goods is recognized when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations.
- The entity can identify each party's rights regarding the goods or services to be transferred.
- The entity can identify the payment terms for the goods or services to be transferred.
- The contract has commercial substance (i.e. the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and
- It is probable that the entity will collect the consideration to which it will be entitles in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due. The amount of consideration to which the entity will be entitles may be less than the price stated in the contract if the consideration is variable because the entity may offer the customer a price concession.

2.6 Finance costs

All finance costs are recognized in profit or loss for the period in which they are incurred.

2.7 Income tax and deferred taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

The Company determines the tax base and calculates its income tax every year in accordance with the laws in force.

On September 29, 2014, Law N° 20.780, "Tax Reform to modify the Income Tax system and to introduce various adjustments to the tax system," was published in the Official Gazette.

Among the main changes introduced, this particular law adds a new, semi-integrated taxation system, which can be used alternatively in relation to the integrated regime of attributed income. Taxpayers are free to choose either in order to pay their taxes.

In the case of Ascend Laboratories SpA, as a general rule prescribed by law, the semi-integrated system is applied, even though a future Shareholders' Meeting could choose the attributed income system. The semi-integrated system establishes the progressive increase of the first-category tax rate for the business years 2014, 2015, 2016, 2017, 2018 and 2019, to 21%, 22,5%, 24%, 25,5%, 27% and 27%, respectively.

Deferred tax: is recognized in interim differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the related tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable interim differences. Deferred tax assets are generally recognized for all deductible interim differences to the extent that it is probable that taxable profits will be available against which such deductible interim differences can be utilized. Such deferred tax assets and liabilities are not recognized if the interim difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the interim difference arises from the initial recognition of goodwill.

2.8 Property, Plant and Equipment

Items of property, plant and equipment are measured at cost, except for costs periodically maintained, less accumulated depreciation and any accumulated impairment losses. The cost of items of property, plant and equipment includes not only its original purchase price, but also any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management.

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

Depreciation is recognized so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.

The main items of property, plant, and equipment and their respective useful lives are presented below:

Class	**Financial Useful Life Years**
Furniture and office equipment	10
Computer equipment	3 - 6
Vehicles	8

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

2.9 Intangible assets

Intangible assets with finite useful lives that are carried at cost minus the accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

2.10 Impairment of tangible and intangible assets

At the end of each reporting period, the Entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher one between fair value minus the costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

2.11 Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on a moving average cost basis. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.12 Trade creditors

Commercial creditors are regular credit obligations which have no interests. The amounts form commercial creditors denominated in foreign currency are converted into the Entity's functional currency by using the exchange rate valid on the reporting date. Profits or losses due to change in foreign currency are included in Differences of Exchange Rate".

2.13 Bank overdrafts and loans

Interest expenses are recognized on the basis of the effective interest method and are included in financial costs. The amount owed to banks and other financial institutions are presented under other liabilities as current or non-current due.

2.14 Provisions for employee benefits

The expense for employee vacations is recognized by the accrual method. This benefit applies to all staff and is a fixed amount depending on the particular contracts for each worker. This benefit is recorded at face value.

2.15 Dividend Distribution Policy

The distribution of dividends to shareholders is recognized as a liability in the period in which the dividends are approved by shareholders or when the corresponding obligation is set according to or laws in force distribution policies established by the Shareholders' Meeting.

The dividend policy of the Company is to distribute the mandatory minimum of 30% according to Law 18.046, in the case that would distributable profits.

2.16 Capital Stock

The capital is represented by registered shares, all in a single series and without nominal value.

2.17 Statement of Cash flows

The Company has the cash flow statement under the indirect method.

3 New accounting pronouncements

a) Standards, interpretations and amendments applied as of the 2019 period.

New standards	Date issued	Date effective
IFRS 16, Leases On January 13, 2016, the IASB published a new standard, IFRS 16 "Leases". This new standard implies that most leases are to be presented in the lessees' balance sheet under an only model, eliminating the distinction between operating and finance leases. However, lessee accounting remains, mostly, unchanged and the distinction between operating and finance leases is maintained. IFRS 16 replaces IAS 17 "Leases", and related interpretations and is effective for annual reporting periods beginning on or after January 1, 2019, and earlier application is permitted as long as IFRS 15, **Revenue from contracts with customers**, is also applied.	January 2016	Effective for annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted for entities that also apply IFRS 15, **Revenue from contracts with customers**, before the initial date of application of this standard.
IFRIC 23, Uncertainty over income tax treatments IAS 12, Income taxes, specifies how both current and deferred taxes are to be accounted for, but not how to reflect the effects of uncertainty. IFRIC 23 provides requirements that add to those of IAS 12 and specifies how to reflect the effects of uncertainty when accounting for income taxes. For example: Whether it is appropriate that recognize a current payable tax if fiscal laws require entities to make payments in relation to the treatment of a disputed tax.	June 2017	Effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted.

Amendments and improvements	Date issued	Date effective
Long-term investments in associates and joint ventures (Amendments to IAS 28) It clarifies that entities represent long-term investments in an associate or joint venture, which the equity method is not applied to, using IFRS 9 instead.	October 2017	Effective for annual periods beginning on or after January 1, 2019. Earlier application permitted.
Prepayment features with negative compensation (Amendments to IFRS 9) The amendments to the Financial Instrument standard, IFRS 9, enable companies to measure particular prepayable financial assets through negative compensation at amortized cost or at fair value through other comprehensive income, if a specific condition is met, instead of doing it at fair value or through profit or loss.	October 2017	Effective for annual periods beginning on or after January 1, 2019. Earlier application permitted.

Amendments and improvements	Date issued	Date effective
Plan amendment, curtailment or settlement (Amendments to IAS 19) It applies when there is a plan amendment, curtailment or settlement, an entity will recognize and measure any costs of past services, or a profit or loss at settlement. In doing so, an entity should not consider the asset-ceiling effect. An entity will then determine the maximum asset limit after the plan amendment, curtailment or settlement and will recognize any changes through profit or loss. An entity will determine the cost of the current service using actuarial estimates determined at the beginning of the annual reporting period. However, if an entity remeasures the defined benefit liability (asset), it will determine the cost of the current service for the remainder of the annual period after the plan amendment, curtailment or settlement using the actuarial estimates used to remeasure the net liability per defined benefits (asset). In determining net interests, an entity will use the liability (asset) per net defined benefits and the discount rate determined at the beginning of the annual reporting period. However, if an entity remeasures the defined benefit liability (asset) per defined benefits, the entity will determine the net interest for the remainder of the annual period after the plan amendment, curtailment or settlement of the plan used.	February 2018	Effective for annual periods beginning on or after January 1, 2019. Earlier application permitted.
Annual Improvements - Cycle 2015-2017 **IFRS 3 *Business Combinations* and IFRS 11 *Joint Arrangements*** Previously held interests. **IAS 12 *Income Taxes*** Income taxes as the consequence of payment of financial instruments classified in equity. **IAS 23 *Borrowing Costs*** Borrowing costs eligible for capitalization.	December 2017	Effective for annual periods beginning on or after January 1, 2019. Earlier application permitted.

b) Standards, interpretations and amendments issued but not yet effective.

New standards	Date Issued	Date Effective
IFRS 17, Insurance Contracts This IFRS replaces IFRS 4, which provided entities with a variety of choices to account for insurance contracts, which represented multiple different approaches. This made things complex when comparing entities in the same industry. IFRS 17 solves this problem by requiring that all insurance contracts be accounted for in a consistent manner, which benefits both the investors and insurance companies. Insurance obligations will be accounted for using current values instead of the historical cost. The information will be updated on a regular basis providing users of financial statements with more useful information.	May 2017	Effective for annual periods beginning on or after January 1, 2021. Earlier application is permitted as long as IFRS 9, **Financial Instruments**, and IFRS 15, **Revenue from Contracts with Customers** are also applied before the date of initial application of IFRS 17.
Amendments to IFRS		
Amendments to IFRS 10 and IAS 28 – Sales or Contributions of Assets Between an Investor and its Associate/Joint Venture These amendments address a recognized inconsistency between the requirements of IFRS 10 and those of IAS 28 (2011) in treating sales or contributions of assets between an investor and its associate or joint ventures. The main consequence of these amendments is that a full profit or loss is recognized when the transaction involves a business (whether it is in an associate or not). A partial profit or loss is recognized when the transaction involves assets that constitute no business, even if such assets are in an associate.	September 2014	Date postponed indefinitely.
Amendments to IAS 1 and IAS 8 (Definition of material) Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. Materiality depends on the nature or magnitude of the information, or both. An entity evaluates whether the information, either individually or in combination with other information, is material in the context of its financial statements taken as a whole.	October 2018	Effective for annual periods beginning on or after January 1, 2020. Earlier application permitted.
Amendment to IFRS 3 (Definition of a business) An integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities.	October 2018	Effective for annual periods beginning on or after January 1, 2020. Earlier application permitted.

4 Financial risk management

Financial risks arising from Company's activities are credit risk, liquidity risk and market risk. These risks arise during the normal course of the Company's activities and management handles the exposure to such risks in accordance with the latest policies, mission and vision of the Company.

a) 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 and arises principally from the Company's receivables from customers.

b) 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 asset. 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 they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The majority of the Company's Trade receivables are due for maturity within 60 -120 days from the date of billing to the customer. Further, the general credit terms for Trade payables are approximately 120 days. The difference between the above-mentioned credit period provides sufficient headroom to meet the short-term working capital needs for day-to-day operations of the Company. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, are retained as Cash and Investment in short term deposits with banks. The said investments are made in instruments with appropriate maturities and sufficient liquidity.

- **Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimates interest payment and exclude the impact of netting agreements.

		Contractual cash flows					
31st March, 2020	**Carrying amount**	**Total**	**2 months or less**	**2-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
$							
Non-derivative financial liabilities							
Trade and other payables	**13,705,143,517**	**13,705,143,517**	**11,835.404.065**	**1,869,739,442**	**-**	**-**	**-**
Other financial liability	**6,136,823,142**	**6,136,823,142**	**3,703,031,000**	**269,991,035**	**237,819,532**	**958,737,570**	**967,244,005**
		Contractual cash flows					
31st March, 2019	Carrying amount	Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
$							
Non-derivative financial liabilities							
Trade and other payables	10,377,058,170	10,377,058,170	3,115,713,491	7,261,344,679	-	-	-
Other financial liability	1,117,557,549	1,117,557,549	1,117,557,549	-	-	-	-

c) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

- **Currency risk**

The Company is exposed to currency risk on account of its loans and accounts payables in foreign currency. The functional currency of the Company is Chilean peso. The Company has exposure to USD. The Company has not hedged this foreign currency exposure.

The currency profile of financial liabilities as at March 31, 2020 and March 31, 2019 are as below:

	March, 31 2020 Th-$
Financial liabilities	
Accounts payable to related parties	**11,162,336**
Accounts payable to foreign suppliers	**615,695**
Total	**11,778,031**

	March, 31 2019 Th-$
Financial liabilities	
Accounts payable to related parties	9,449,976
Accounts payable to foreign suppliers	478,036
Total	9,928,012

- **Sensitivity analysis**

A reasonably possible strengthening (weakening) of the Chilean pesos (Local currency) against various foreign currencies at March 31 would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss		Equity, net of tax	
Effect in Chilean pesos	Strengthening	Weakening	Strengthening	Weakening
March 31, 2020				
10% movement				
Th $	**1,177,803**	**(1,177,801)**	**859,796**	**(859,796)**
	1,177,803	**(1,177,801)**	**859,796**	**(859,796)**

	Profit or loss		Equity, net of tax	
Effect in Chilean pesos	Strengthening	Weakening	Strengthening	Weakening
March 31, 2019				
10% movement				
Th $	(992,801)	992,801	(724,745)	724,745
	(992,801)	992,801	(724,745)	724,745

5 Disclosures of the judgments that management had pronounced when applying the entity's accounting policies

In applying the Company's accounting policies described in Note 2, Management makes estimates and judgments relating to the future of book value of assets and liabilities. The estimates and judgments associated are based on historical experience and other factors deemed relevant. The current results could differ from such estimates.

Management necessarily makes judgments and estimates which have a significant effect on the figures presented in the consolidated financial statements. Changes in assumptions and estimates could have a significant impact on the consolidated financial statements. Estimates and critical judgments used by Management are detailed as follows:

a) Useful life of property, plant, and equipment

The Company determines the estimated useful life and the related charges for depreciation of its fixed assets. Such estimate is based on the life cycles of its operations according to the historic experience and the industry's environment.

b) Useful life of intangible assets

Intangible assets are presented at acquisition cost less accumulated depreciation. Depreciation is calculated using the straight-line method considering the estimated these assets, about 2 to 6 years life.

6 Cash and cash equivalents

Cash and cash equivalents correspond to the cash balances held in cash and bank current accounts, time deposits and other liquid investments maturing within less than 90 days.
The composition of cash and cash equivalents at the dates indicated is as follows:

	2020 **Th$**	2019 Th$
Cash	**259**	184
Balance at Banco Itaú CLP	**150,472**	150,724
Balance at Banco Chile CLP	**173,315**	450,664
Balance at Banco Chile USD	**7,274**	1,304
Balance at HSBC USD	**18,936**	5,541
Total	**350,256**	608,417

7 Trade debtors and other accounts receivables

a) The composition of trade debtors and other accounts receivables at the dates indicated is as follows:

	2020 **Th$**	2019 Th$
Bills receivable	**9,440,396**	5,361,191
Notes receivable	**1,178**	1,178
Funds to pay	**7,935**	200
Current account customs agent	**8,527**	17,692
Advances to suppliers	**614,317**	80,465
Accounts receivable from employees	**7,804**	18,392
Provision for doubtful debts	**(430,413)**	-
Total	**9,649,744**	5,479,118

b) At March 31, 2020 and 2019, the maximum exposure to credit risk for trade receivables by geographic region was as follows:

	2020 Th$	2019 Th$
Chile	**9,440,396**	5,361,191
Total	**9,440,396**	5,361,191

At March 31, 2020 and 2019, the Company had exposure to only one type of counter party.

At March 31, 2020 the Company had a significant customer. SOCOFAR S.A. balance was 24,57% of the total receivables.

c) Impairment:

At March 31, 2020 and 2019, the ageing of trade receivables that were not impaired was as follows:

	2020 Th$	2019 Th$
Neither past due nor impaired	**5,892,084**	2,690,584
Past due 1–180 days	**2,851,415**	2,069,946
Past due more than 180 days	**696,897**	600,661
Total	**9,440,396**	5,361,191

Management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behavior and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available. Therefore, the Company recognized an allowance for doubtful debts for more than 365 days.

8 Balances and transactions with related parties

a) Accounts payable to related entities

Company	Concept	Currency	Relationship	**2020 Th$**	2019 Th$
Alkem Laboratories Ltd.	Current account	Pesos	Shareholder	**11,162,336**	9,449,976
Total				**11,162,336**	9,449,976

b) Transactions with related parties

The transactions and their effect on results on 2020 are as follows:

Relationship	Concept	**Transaction amount 2020 Th$**	**Effect on results 2020 Th$**
Shareholder	Purchases	**8,867,787**	**(8,867,787)**
Shareholder	Corporate Guarantee Commission - Ascend Laboratories	**30,271**	**(30,271)**
Ultimate Holding Company	Corporate Guarantee Commission - Pharma Network	**15,370**	**(15,370)**

The transactions and their effect on results on 2019 are as follows:

Relationship	Concept	Transaction amount 2019 Th$	Effect on results 2019 Th$
Shareholder	Purchases	8,689,972	(8,689,972)
Shareholder	Corporate Guarantee Commission - Ascend Laboratories	18,855	(18,855)
Ultimate Holding Company	Corporate Guarantee Commission - Pharma Network	2,159	(2,159)

c) Board of Directors and Management

The Company is represented by the shareholder Alkem Laboratories Ltd. For this purpose, Alkem Laboratories Ltd. may appoint one or more agents by deed, who may act according to the powers to be granted.

d) Remuneration of Senior Management

The total remuneration of senior management at March 31, 2020 and 2019 was Th$ 185,220 and Th$ 150,227 respectively.

9 Inventories, net

The composition of inventories, net is as follows:

	2020 Th$	2019 Th$
Finished goods	**7,843,711**	7,342,530
Provision for obsolete stock	**(453,256)**	(130,840)
Total	**7,390,455**	7,211,690

The cost of inventories recognized as an expense during the year in respect of continuing operations was as follows:

	2020 Th$	2019 Th$
Inventories recognized as an expense	**10,541,397**	6,969,593
Total	**10,541,397**	6,969,593

10 Current tax assets, net and liabilities

a) The detail of current tax assets is as follows:

	2020 Th$	2019 Th$
VAT Credit	**1,111,107**	943,896
Monthly provisional payment	**564,665**	398,019
Recoverable taxes	**22,145**	22,144
Tax debit	**(535,668)**	-
Total	**1,162,249**	1,364,059

b) The detail of current tax liabilities is as follows:

	2020 Th$	2019 Th$
Income tax payable	**227,106**	10,265
Total	**227,106**	10,265

11 Bank guarantees receivables, non-current

The account balance as of March 31, 2020 and 2019 is Th$ 84,892 and Th$ 164,265, respectively, which corresponds to the guarantees that are required for the Company to participate in the various bidding processes with institutions of Public Health of Chile to which provides it serves.

12 Other intangible assets, net

The composition of other intangible assets is as follows:

	2020 Th$	2019 Th$
Software, net	**15,669**	19,548
Right of used, net (1)	**2,290,030**	-
Total	**2,305,699**	19,548

(1) Operating lease agreements
Within the operating lease contracts, mainly the leases of administrative offices and for warehouse were identified. In the transition, for leases classified as operating leases under IAS 17, the lease liabilities were measured at the present value of the remaining lease payments, discounted at the indebtedness rate as of January 1, 2019. The discount rate applied is it is around 3.14% (30-day basis indebtedness rate).
The right to use the assets was measured as if IFRS 16 had been applied from the start date, discounted using the lessee's debt rate on the date of initial application, January 1, 2019.

13 Property, plant and equipment

The composition of the account is as follows:

1) As of March 31, 2020:

Class of Property, plant and equipment	Cost	Accumulated depreciation	Net value
	Th$	Th$	Th$
Installations - Facilities	**197,738**	**(15,635)**	**182,103**
Furniture and office equipment	**20,764**	**(6,225)**	**14,539**
Computer equipment	**33,550**	**(10,317)**	**23,233**
Vehicles	**14,885**	**(8,558)**	**6,327**
Machinery	**69,366**	**(3,184)**	**66,182**
Other fixed assets	**190.539**	**(18.839)**	**171.700**
Totals of property, plant and equipment	**526,842**	**(62,758)**	**464,084**

2) As of March 31, 2019:

Class of Property, plant and equipment	Cost	Accumulated depreciation	Net value
	Th$	Th$	Th$
Installations- Facilities	14,041	(2,730)	11,311
Furniture and office equipment	6,617	(3,519)	3,098
Computer equipment	22,093	(5,736)	16,357
Vehicles	13,835	(7,066)	6,769
Other fixed assets	10,410	(6,362)	4,048
Totals of property, plant and equipment	66,996	(25,413)	41,583

3) The movement for the periods in property, plant and equipment is as follows:

Movement 2020	Installations - Facilities	Furniture and office equipment	Computer equipment	Vehicles	Machinery	Other	Totals
	Th$	Th$	Th$	Th$	Th$	Th$	Th$
Balance as of April 1, 2019	**11,311**	**3,098**	**16,357**	**6,769**	**-**	**4,048**	**41,583**
Reclassifications	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Additions	**183,697**	**14,147**	**11,457**	**1,050**	**69,366**	**180,128**	**459,845**
Other movements	**-**	**-**	**221**	**-**	**-**	**-**	**221**
Depreciation expense	**(12,905)**	**(2,707)**	**(4,802)**	**(1,493)**	**(3,184)**	**(12,476)**	**(37,567)**
Balance as of March 31, 2020	**182,103**	**14,538**	**23,233**	**6,326**	**66,182**	**171,700**	**464,082**

Movement 2019	Work in progress	Installations - Facilities	Furniture and office equipment	Computer equipment	Vehicles	Other	Totals
	Th$	Th$	Th$	Th$	Th$	Th$	Th$
Balance as of April 1, 2018	14,041	-	4,796	7,302	8,137	7,518	41,794
Reclassifications	(14,041)	14,041	-	-	-	-	-
Additions	-	-	300	12,453	-	-	12,753
Other movements	-	-	(40)	(920)	1	565	(394)
Depreciation expense	-	(2,730)	(1,958)	(2,478)	(1,369)	(4,035)	(12,570)
Balance as of March 31, 2019	-	11,311	3,098	16,357	6,769	4,048	41,583

14 Income tax and deferred taxes, net

a) Profit (loss) for Income tax recognized in comprehensive income

	2020	2019
	Th$	Th$
Current tax	**218,187**	(10,265)
Deferred tax	**(636,817)**	57,484
Total	**(418,630)**	(47,219)

The reconciliation of the legal rate of income tax and the effective rate expressed as a percentage of profit before tax is:

Particulars	**31st March, 2020 %**	**31st March, 2020 Th$**	31st March, 2019 %	31st March, 2019 Th$
Profit before tax		**(1,844,021)**		(291,895)
Tax at statutory rate	**27%**	**(497,886)**	27%	(78,812)
Effect of expenses that are not deductible in determining taxable profit	**-15.82%**	**291,766**	-31.53%	92,032
Others (inclusive of adjustments)	**11.52%**	**(212,510)**	20.71%	(60,440)
Effective tax rate	**22.70%**	**(418,630)**	16.18%	(47,219)

b) Deferred tax assets and liabilities in each year are as follows:

Temporary differences	**Assets**	
	2020	2019
	Th $	Th$
Provision for vacation	**7,172**	2,659
Provision for rebates	**-**	6,571
Provision for publicity	**195,903**	5,402
Provision for obsolete stock	**122,379**	35,327
Tax loss carry forward	**-**	6,603
Provision for expenses	**198,109**	-
Provision for doubtful	**116,212**	-
Property, plant and equipment	**40,456**	-
Other	**17,536**	5,676
Total temporary differences - assets	**697,767**	62,238

Temporary differences	**Liabilities**	
	2020	2019
	Th$	Th$
Property, plant and equipment	**-**	(1,287)
Total temporary differences - liabilities	**-**	(1,287)
Net deferred tax	**697,767**	60,951

15 Other financial liabilities, current

The composition of other financial liabilities is as follows:

	2020 Th$	2019 Th$
Bank overdraft facilities	**3,703,031**	1,117,557
Other financial liabilities under IFRS 16	**2,433,792**	-
Total	**6,136,823**	1,117,557

The facilities are lent by HSBC Bank Chile and are comprised by a Fund Based facility (overdraft/working capital credits), which amounts Th$4,900,000 as of March 31, 2020. The purpose of this facility is Working Capital which is provided as a Corporate Guarantee from Alkem Laboratories India.

Other financial liabilities under IFRS 16 amounting to Th$ 2,163,801 pertains to non-current portion.

16 Commercial accounts payable and other accounts payable

The composition of commercial accounts payable and other accounts payable:

	2020 Th$	2019 Th$
Trade payables	**976,287**	745,369
Advances received from customers	**25,887**	15,408
Withholding taxes	**1,219**	15,783
Fees payable	**1,695**	1,198
Provision expenses	**1,460,218**	50,056
Other accounts payable	**81,835**	99,268
Total	**2,547,141**	927,082

Management performs an analysis of the expected cash flows and made in order to have the degree of liquidity necessary for the fulfillment of obligations. The average term of payment of trade payables is 120 days.

17 Provision for employee benefits

Provisions determined for each of the periods are as follows

	2020 Th$	2019 Th$
Provision for vacation	**26,564**	9,849
Total	**26,564**	9,849

18 Stockholders' equity

a) The shareholding structure during the periods ended 2020 and 2019 is as follows:

	2020		2019	
Stockholder	**Shares**	**Participation %**	Shares	Participation %
Alkem Laboratories Ltda.	**5,427**	**100.00**	5,427	100.00
Total	**5,427**	**100.00**	5,427	100.00

Pursuant to ruling by the Extraordinary Shareholders' Meeting of February 25, 2016 it was agreed to increase the share capital of Th$ 1,000 divided into 1,000 registered shares, all in a single series and without nominal value, to the sum of Th$ 1,037, divided into 1,000 registered shares, all in a single series and without nominal value. The capital increase of Th$ 37 corresponds to the capitalization of revaluation of equity.

In addition, it was agreed to increase the share capital of Th$ 1,037 to the sum of Th$ 1,400,000 divided into 1,400,000 registered shares, all in a single series and without nominal value. The capital increase of Th$ 1,398,963, learns by issuing 1,399,000 new shares for payment, with similar characteristics to existing, at an approximate value of $ 999.97 per share payment, representing the sum Th$ 1,398,963, which are fully subscribed by Alkem Laboratories Ltd., the sole shareholder of the Company, and will be paid in cash within five years from the date of the Extraordinary Shareholders' Meeting.

At an Extraordinary Shareholders' Meeting held on September 7, 2016, it was agreed to reduce the number of shares issued by the Company at the Shareholders' Meeting of February 25, 2016, which represent 100% of the equity capital increase, from 1,399,000 registered shares, all of the same series with no par value, to 2,513 shares with the same characteristics.

In order to reduce the 1,399,000 shares issued through the capital increase above to the 2,153 to be issued, Company shareholder, as per the approved modifications, will receive 2,153 new shares in exchange for the current 1,399,000 shares.

As a consequence of the agreements reached, the company capital amounts to Th$1,400,000, split into 3,153 registered shares, all of the same series with no par value, which is to be subscribed, completed and paid as follows:

i. Through the Company's seed capital of Th$1,000, split into 1,000 registered shares, all of the same series with no par value, which have been fully subscribed and paid for.

ii. Through Th$37, which correspond to the capitalization of the revaluation of paid-in capital related to the 2015-period.

iii. Through Th$ 1,398,963 for 2,153 registered shares, all of the same series with no par value, which represent the capital increase agreed at the Extraordinary Shareholders' Meeting of February 25, 2016, which is to be paid in cash within a period of five years as of the date of the Shareholders' meeting mentioned above.

At an Extraordinary Shareholders' Meeting held on June 2nd, 2017, it was agreed to increase the share capital of Th$ 1,400,000 to the sum of Th$ 2,914,178 divided into 5,427 registered shares, all in a single series and without nominal value. The capital increase of Th$ 1,514,178, learns by issuing 2,274 new shares for payment, with similar characteristics to existing, at an approximate value of Th$ 669 per share payment, representing the sum Th$ 1,514,178, which are fully subscribed and paid by Alkem Laboratories Ltd., the sole shareholder of the Company, through the capitalization of the credit which the shareholder owns against the Company.

b) The Company has made no dividend payments in 2020 and 2019.

c) At the date of the financial statements, the Company has a subscribed and paid-in capital of Th$ 2,914,178 and Th$ 520,724 for retained earnings.

19 Revenues

a) Revenues at March 31, 2020 and 2019 are as follows:

	2020	2019
	Th$	Th$
Revenues from sales	**16,474,100**	10,439,454
Totals	**16,474,100**	10,439,454

b) The Company is in the pharmaceutical business. As the Company has a single reportable segment, the segment wise disclosure requirements of IFRS 8 on Operating Segment is not applicable. In compliance to the said standard, Entity-Wise disclosures are as under:

- Revenues from external customers attributed to the country of domicile and attributed to all foreign countries from which the company derives revenues:

	2020	2019
	Th$	Th$
Revenue from the country of domicile - Chile	**16,474,100**	10,439,454
Revenue from foreign countries	-	-
Totals	**16,474,100**	10,439,454

- The Company did not have any external revenue from a particular customer or particular product which exceeded 10% of total revenue.

20 Cost of sales and Administration expenses

a) Cost of sales, at March 31, 2020 and 2019, consist of the following:

	2020	2019
	Th$	Th$
Sales cost	**10,520,373**	6,969,593
Pharmaceutical records	**202,581**	251,018
Freights	**381,291**	113,353
Brand registrations	**14,296**	29,210
Import costs	**-**	41,578
Totals	**11,118,541**	7,404,752

b) Administration expenses, at March 31, 2020 and 2019, consist of the following:

	2020 Th$	2019 M$
Remunerations	**957,203**	714,339
Vacations	**22,838**	21,563
Personal expenses	**90,386**	73,146
Logistics operator costs	**778,837**	503,311
Expenses for external services	**16,313**	60,041
Promotional activities	**112,424**	55,339
Leases	**7,505**	63,539
Technical advisories	**31,292**	33,182
Travel expenses	**91,917**	44,123
Office expenses	**78,179**	60,831
Subscriptions and publications	**222**	316
Commercial expenses	**122,967**	33,447
Representation expenses	**5,507**	6,014
Messaging	**3,738**	2,612
General expenses	**24,166**	28,196
Amortization	**268,422**	3,556
Depreciation	**37,566**	12,570
Legal expenses	**31,532**	45,781
Maintenances	**3,232**	3,362
Insurance expenses	**46,381**	21,345
Fees and services of others	**43,651**	41,288
Non-deductible expenses	**45,977**	31,313
Directory fees	**55,362**	45,500
Obsolete stock	**322,416**	130,840
Quality control	**451,967**	331,627
Impairment of doubtful debtors	**430,413**	-
Totals	**4,080,413**	2,367,181

21 Finance expenses

The composition of financial expenses for the periods ended March 31, 2020 and 2019 is as follows:

	2020 Th$	2019 Th$
Other bank interests	**194,620**	85,915
Interest under IFRS 16	**80,213**	-
Totals	**274,833**	85,915

22 Other gains (losses)

The detail of other gains (losses) for the periods ended March 31, 2020 and 2019 is as follows:

	2020 Th$	2019 Th$
Fines paid	**(383,294)**	(190,588)
Other expenses	**(2,142)**	-
Other incomes	**111,453**	4,084
Totals	**(273,983)**	(186,504)

23 Exchange rate differences, net

Profit (loss) for exchange rate recognized for the periods ended March 31, 2020 and 2019 is as follows:

	2020 Th$	2019 Th$
Profit for exchange rate differences	**2,804,870**	1,082,024
Loss for exchange rate differences	**(189,313)**	(384,751)
Total	**2,615,557**	697,273

24 Contingencies, legal proceedings and restrictions

The Company has filed a litigation against TIF & Logistic Services Ltd, which up to the date of the accompanying financial statements is still in process.

As of March 31, 2020, there are no other contingencies to report.

25 Pledges from third parties

As of March 31, 2020, there are no pledges obtained from third parties to report.

26 Environment

The Company has not made disbursements for environmental activities.

27 Remuneration to auditors

The detail of remuneration to auditors for the periods ended March 31, 2020 and 2019 is as follows:

Particulars	**As at 31st March, 2020 CLP**	As at 31st March, 2019 CLP
As Auditor		
Audit fees	**7.364.880**	6.106.770
In other capacity		
Taxation matters	**5.551.864**	5.251.424
Limited review	**2.386.720**	
Total	**15.303.464**	11.358.194

28 Subsequent events

On March 11, 2020, the World Health Organization declared the new Coronavirus (Covid-19) as a "pandemic", mainly due to the strong expansion it has had worldwide, which has led to the taking of actions by the different governments of the countries or areas most affected (Southeast Asia, Italy, Spain, United States, among others). Likewise, different companies in the private sector in these areas have taken operational measures to respond to the outbreak, generating volatility and uncertainty in the financial markets worldwide. Ascend Laboratories SpA will keep a strict follow-up of this situation, in order to incorporate an adequate and timely recognition of these in the financial statements, as a result of the eventual effects of greater currency volatility, fall in the values of financial investment markets, low demand for instruments or goods, decreases in the importation of products, decreases in the provision of services, in turn generating pressure on prices, among other factors.
Given the reaction of global financial markets to the advance of the COVID 19 pandemic, in the opinion of the administration, Ascend Laboratories SpA is not expected to be affected by these movements. To date it is not possible to estimate the impact of having one.

In the period between April 1st, 2020 and the date of the issue of these consolidated financial statements, no other significant events affecting these consolidated financial statements have occurred.

29 Authorization to issue the consolidated financial statements

The consolidated financial statements were authorized for issue on May 22, 2020 by the Administration of the Company; consequently, they do not reflect events after this date.