Ascend GmbH
Frankfurt am Main

Annual financial statements as at 31 March 2022

for the 2021/2022 financial year

KBHT Steuer- und Wirtschaftsberatung GmbH
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Ascend GmbH, Frankfurt am Main

Annual Financial Statements as at 31 March 2022

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ASCEND GmbH, GERMANY
BALANCE SHEET AS AT 31ST MARCH, 2022

Particulars	Note No.	As at 31st March, 2022 EURO	As at 31st March, 2021 EURO
I. ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3.1	1,180	987
(b) Other Intangible assets	3.1	-	12,628
(c) Financial assets			
(i) Others	3.2	11,122	5,355
Total Non-current assets		12,302	18,970
2 Current assets			
(a) Inventories	3.3	368,514	179,880
(b) Financial assets			
(i) Trade receivables	3.4	1,582,458	785,801
(ii) Cash and cash equivalents	3.5	2,005,253	2,800,426
(iii) Loans	3.6	15,355	15,292
(iv) Other current financial assets	3.7	607,498	129,702
(c) Other current assets	3.8	955,684	7,732
Total Current assets		5,534,762	3,918,833
TOTAL ASSETS		5,547,064	3,937,803
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	3.9	776,880	776,880
(b) Other equity (Refer statement of changes in equity)	3.10	(1,770,414)	(944,177)
Total Equity		(993,534)	(167,297)
2 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	3.11	514,563	500,311
Total Non-current liabilities		514,563	500,311
3 Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
-total outstanding dues of micro enterprises & small enterprises	3.12	-	-
-total outstanding dues of creditors other than micro enterprises & small enterprises	3.12	1,021,645	432,794
(ii) Lease alibilities	3.30	-	3,031
(iiI) Other financial liabilities	3.13	22,090	-
(b) Provisions	3.14	4,596,976	3,099,231
(c) Other current liabilities	3.15	385,324	69,733
Total current liabilities		6,026,035	3,604,789
TOTAL EQUITY AND LIABILITIES		5,547,064	3,937,803

Significant Accounting Policies **1B & 2**
Notes to the Financial Statements **3**

The accompanying notes are an integral part of financial statements.

For and behalf of the Board of Ascend GmbH

Vikas Singh

Digitally signed by Vikas Singh
Date: 2022.04.29 13:53:57 +05'30'

Vikas Singh
Managing Director
Date: 29th April,2022

ASCEND GmbH, GERMANY
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

Particulars	Note No.	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
		EURO	EURO
1 Income			
(a) Revenue from Operations	**3.16**	**734,499**	485,968
(b) Other Income	**3.17**	**100**	121
Total Income		**734,598**	486,089
2 Expenses			
(a) Purchases of Stock-in-Trade		**806,434**	417,003
(b) Changes in inventories of finished goods, Stock-in-trade and work-in-progress	**3.18**	**(188,633)**	27,592
(c) Employee benefits expenses	**3.19**	**414,142**	280,846
(d) Finance Costs	**3.20**	**14,252**	15,093
(e) Depreciation and amortisation expense	**3.1**	**13,771**	13,326
(f) Other expenses	**3.21**	**500,871**	500,306
Total Expenses		**1,560,836**	1,254,166
3 Profit before tax (1) - (2)		**(826,237)**	(768,077)
4 Tax expenses		**-**	-
5 Profit for the period (3) - (4)		**(826,237)**	(768,077)
6 Other Comprehensive Income			
(a) Items that will be reclassified to profit or loss			
(i) Foreign Currency Translation Difference		**-**	-
Total of Other Comprehensive Income for the period, net of taxes		**-**	-
7 Total Comprehensive Income for the period (5) + (6)		**(826,237)**	(768,077)
8 Basic and diluted earnings per share	**3.22**	**(275,412)**	(256,026)

Significant Accounting Policies **1B & 2**
Notes to the Financial Statements **3**

The accompanying notes are an integral part of financial statements.

For and behalf of the Board of Ascend GmbH

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Vikas Singh
Managing Director
Date: 29th April,2022

ASCEND GmbH, GERMANY
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

EURO

(a) Equity share capital	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares	**Amount**	No. of Shares	Amount
Balance at the beginning of the reporting year	**3**	**776,880**	3	776,880
Changes in equity share capital during the year	**-**	**-**	-	-
Balance at the end of the reporting year	**3**	**776,880**	3	776,880

Other Equity **EURO**

Particulars	Reserves and Surplus		Other comprehensive income	Total other equity
	Capital Reserve	**Retained Earnings**	**Foreign Currency Translation Difference**	
Balance at 1st April, 2020	1,248,120	(1,424,220)	-	(176,100)
Total Comprehensive income				
Profit for the year	-	(768,077)	-	(768,077)
Other Comprehensive Income	-	-	-	-
Balance at 31st March, 2021	1,248,120	(2,192,298)	-	(944,178)
Total Comprehensive income				
Profit for the year	**-**	**(826,237)**	**-**	**(826,237)**
Other Comprehensive Income	**-**	**-**	**-**	**-**
Balance at 31st March, 2022	**1,248,120**	**(3,018,535)**	**-**	**(1,770,415)**

The Description of the nature and purpose of each reserve within equity:

Retained Earnings: Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, dividends paid to shareholders.

For and behalf of the Board of Ascend GmbH

Vikas Singh

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Vikas Singh
Managing Director
Date: 29th April,2022

ASCEND GmbH, GERMANY
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
	EURO	EURO
A. Cash Flow from Operating activities		
Profit before Tax	(826,237)	(768,077)
Adjustments for :		
Depreciation	13,771	13,326
Interest Expense	14,252	15,093
Operating Profit before Working Capital Changes	(798,214)	(739,658)
Adjustments for :		
Increase in Trade Receivable	(796,656)	(504,439)
Increase in Loans and other financial assets	(483,626)	(130,832)
Increase in Inventories	(188,634)	27,591
Increase in Other current assets	(947,953)	(3,433)
Increase in Trade Payables	588,851	136,607
Increase in Other financial liabilities	1,519,835	2,754,578
Increase in Other current liabilities	315,592	24,730
Cash (used in) / Generated from Operations	(790,806)	1,565,145
Tax Paid	-	-
Net cash (used in) /generated from operating activities	(790,806)	1,565,145
B. Cash Flow from Investing activities		
Purchase of property, plant and equipment	(1,336)	-
Net cash (used in) /generated from Investing activities	(1,336)	-
C. Cash Flow from Financing activities		
Proceeds from Long Term Borrowings	14,252	14,252
Repayment of lease liabilities	(3,031)	(17,993)
Proceeds from issue of Shares	-	-
Interest Expense	(14,252)	(15,093)
Net cash (used in) /generated from Financing activities	(3,031)	(18,835)
Net Increase/(decrease) in cash and cash equivalents (A + B + C)	(795,174)	1,546,309
Cash and cash equivalents at the beginning of the year	2,800,426	1,254,117
Cash and cash equivalents at the end of the year	2,005,253	2,800,427

Notes :
1) Cash and cash equivalents include :

Particulars	As at 31st March, 2022	As at 31st March, 2021
	EURO	EURO
Cash and Bank balances (Refer Note 3.5)	2,005,253	2,800,426
Exchange difference (Unrealised (Gain) / Loss)	-	-
Total	2,005,253	2,800,426

2) The above Cash Flow Statement has been prepared under the “Indirect Method”.

For and behalf of the Board of Ascend GmbH

Vikas Singh
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Date: 2022.04.29 13:57:55 +05'30'

Vikas Singh
Managing Director
Date: 29th April,2022

ASCEND GmbH, GERMANY

NOTE 1: NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

1A GENERAL INFORMATION

These financial statements are prepared solely for the purposes of consolidation by the holding company, Alkem Laboratories Ltd.

1B SIGNIFICANT ACCOUNTING POLICIES:

1.1 Basis of preparation of Financial Statements:

a) Statement of compliance

The financial statements of the Company as at and for the year ended 31st March, 2022 have been prepared in accordance with all material aspects with IFRS as adopted by the EU (IFRS) and give a true and fair view of the net assets and financial postions of the Company as of 31 March 2022 and of its results operations for the financial year from 1 April 2021 to 31 March 2022 in accordance with these requirements

The Financial statement are prepared in EURO which is its functional currency.

b) Basis of preparation and presentation

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Company presents assets and liabilities in Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle,

b) Held primarily for the purpose of trading,

c) Expected to be realised within twelve months after the reporting period, or

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

a) it is expected to be settled in normal operating cycle,

b) it is held primarily for the purpose of trading,

c) it is due to be settled within twelve months after the reporting period

d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

1.2 Financial instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

(a) Financial Assets

The Company determines the classification of its financial assets at initial recognition. The classification depends on the Company’s business model for managing the financial assets and the contractual terms of the cash flows.

The financial assets are classified in the following measurement categories:

a) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

b) Those to be measured at amortised cost.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss as incurred.

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments.

The Company follows trade date accounting for all regular way purchase or sale of financial assets.

(i) Amortised Cost

a) The asset is held within a business model with the objective of collecting the contractual cash flows, and
b) The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Financial assets at amortised cost include loans receivable, trade and other receivables, and other financial assets that are held with the objective of collecting contractual cash flows. After initial measurement at fair value, the financial assets are measured at amortised cost using the effective interest rate (EIR) method, less impairment.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the Statement of Profit or Loss in other income.

(ii) Fair value through other comprehensive income

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

For equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

(iii) Financial assets at fair value through profit or loss

The Company classifies the following financial assets at fair value through profit or loss:
a) Debt investments that do not qualify for measurement at amortised cost;
b) Debt investments that do not qualify for measurement at fair value through other comprehensive income; and
c) Debt investments that have been designated at fair value through profit or loss.

Financial assets at fair value through profit or loss include financial assets held for trading, debt securities and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the Balance Sheet at fair value with net changes in fair value presented as finance costs in profit or loss. Interests, dividends and gain/loss on foreign exchange on financial assets at fair value through profit or loss are included separately in other income.

If Company elects to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments shall continue to be recognised in profit or loss as other income when the Company's' right to receive payments is established. There are no impairment requirements for equity investments measured at fair value through other comprehensive income. Changes in the fair value of financial assets at fair value through profit or loss shall be recognised in other gain/(losses) in the statement of profit or loss as applicable.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of the transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Impairment of Financial Assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance
b) Trade receivables or any contractual right to receive cash or other financial asset that result from transactions that are within the scope of IFRS 115

Expected credit losses is the probability-weighted estimate of credit losses (i.e. present value of all cash shortfalls) over the expected life of the financial asset. A cash shortfall is the difference between the cash flows that are due in accordance with the contract and the cash flows that the company expects to receive. The expected credit losses consider the amount and timing of payments and hence, a credit loss arises even if the Company expects to receive the payment in full but later than when contractually due. The expected credit loss method requires to assess credit risk, default and timing of collection since initial recognition. This requires recognising allowance for expected credit losses in profit or loss even for receivables that are newly originated or acquired.

Impairment of financial assets is measured as either 12 month expected credit losses or life time expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. ‘12 month expected credit losses’ represent the expected credit losses resulting from default events that are possible within 12 months after the reporting date. ‘Lifetime expected credit losses’ represent the expected credit losses that result from all possible default events over the expected life of the financial asset.

Trade receivables are of a short duration, normally less than 12 months and hence the loss allowance measured as lifetime expected credit losses does not differ from that measured as 12 month expected credit losses. The Company uses the practical expedient in IFRS 109 for measuring expected credit losses for trade receivables using a provision matrix based on ageing of receivables.

The Company uses historical loss experience and derived loss rates based on the past twelve months and adjusts the historical loss rates to reflect the information about current conditions and reasonable and supportable forecasts of future economic conditions. The loss rates differ based on the ageing of the amounts that are past due and are generally higher for those with the higher ageing.

Interest income

For all financial instruments measured at amortised cost and interest bearing financial assets, interest income is recognised using the effective interest rate (EIR), which is the rate that discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original EIR of the instrument, and continues unwinding the discount as interest income. Interest income on impaired financial asset is recognised using the original EIR.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company’s senior management determines change in the business model as a result of external or internal changes which are significant to the Company’s operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassifications and how they are accounted for

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in statement of profit and loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to statement of profit and loss at the reclassification date.

(b) Financial Liabilities

The Company determines the classification of its financial liabilities at initial recognition.

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial recognition at fair value through profit and loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of repurchasing in the near term. Derivatives are classified as held for trading unless they are designated as effective hedging instruments. At initial recognition, the Company measures financial liabilities at its fair value. Financial liabilities at fair value through profit and loss are carried in the Balance Sheet at fair value with changes recognised in the Statement of Profit and Loss.

Financial liabilities measured at amortised cost

Financial liabilities are initially recognised at fair value, net of transaction cost incurred and are subsequently measured at amortised cost, using the EIR method. Any difference between the proceeds net of transaction costs and the amount due on settlement or redemption of borrowings is recognised over the term of the borrowing.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest charge over the relevant effective interest rate period. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counter party.

1.3 Foreign currencies

i. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates at the dates of the transactions. The functional and presentation currency of the Company is Euro.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

1.4 Borrowing Costs:

Borrowing costs are interest and other costs incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense in the Statement of Profit and Loss of the period in which they are incurred.

1.5 Earnings per share ('EPS')

Basic EPS is computed using the weighted average number of equity shares outstanding during the period. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

1.6 Property, plant and equipment

Property, plant and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful lives of the related assets, ranging from 5 to 10 years. Maintenance, repairs, and renewals that neither materially add to the value of the property, nor appreciably prolong its life, are charged to expense as incurred.
Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of buildings, IT equipment and other equipment.

1.7 Other intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises of its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use.

Expenditure on research and development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

1.8 Revenue Recognition:

a) Revenue from sale of goods is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, allowances and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for discounts, probable saleable and non-saleable return of goods from the customers. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

b) Revenue (including in respect of insurance or other claims, etc.) is recognised when it is reasonable to expect that the ultimate collection will be made.

c) Interest income is recognized using the effective interest rate (EIR) method.

1.9 Trade and other receivables:

Trade and other receivables include amounts due form customers for goods sold in the ordinary course of business. Receivables which are expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivable are classified as non-current assets.

1.10 Trade and other payable:-

Trade and other payable include amounts due for goods and services received by the entity at the end of the reporting period.

1.11 Leases:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IFRS 16 adopted by EU. The Company uses significant judgement in assessing the lease term and the applicable discount rate. The Company determines the lease term based on the term mentioned in lease agreements. The renewal aspect has not been added to the lease term since the option to renew the lease lies with both the lessor and the lessee.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Leases of Property, Plant and Equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or the financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

1.12 Inventories:

Inventories are measured at the lower of cost and net realizable value. Costs are assigned on a weighted average cost basis.

1.13 Going Concern

The Company has incurred net losses of Euro 826,238 and Euro 768,077 from its operations for the years ended March 31, 2022 and 2021, respectively, that resulted in a negative networth of Euro 993,536 and Euro 167,297 as at March 31, 2022 and March 31, 2021 respectively. While this condition indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern entity, management continues to exert efforts to improve profitability. Management is confident that the business prospects for the Company in the succeeding years will be more favourable. As part of its corporate strategy, the Parent Company has committed to provide continuing financial support to the Company until such time that the Company will be in a stable financial condition. Accordingly, the Company's financial statements have been prepared assuming that the Company will continue as a going concern entity which contemplates the realization of assets and the settlement of liabilities in the normal course of business.

ASCEND GmbH, GERMANY

NOTE-3 : NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

3.1 Property, Plant and Equipment Euro

Particulars	Property plant and equipment		Other Intangible Assets	
	Office Equipments	Total	Right to use	Total
At Cost				
As at 1st April, 2020	2,763	2,763	37,884	37,884
Additions	-	-	-	-
Adjustments	-	-	-	-
Deletions	-	-	-	-
As at 31st March, 2021	2,763	2,763	37,884	37,884
Additions	**1,336**	**1,336**	**-**	**-**
Adjustments	**-**	**-**	**-**	**-**
Deletions	**-**	**-**	**-**	**-**
As at 31st March, 2022	**4,099**	**4,099**	**37,884**	**37,884**
Depreciation and Amortization				
As at 1st April, 2020	1,078	1,078	12,628	12,628
Additions	698	698	12,628	12,628
Adjustments	-	-	-	-
Deletions	-	-	-	-
As at 31st March, 2021	1,776	1,776	25,256	25,256
Additions	**1,143**	**1,143**	**12,628**	**12,628**
Adjustments	-	-	-	-
Deletions	-	-	-	-
As at 31st March, 2022	**2,919**	**2,919**	**37,884**	**37,884**
Net Book Value				
As at 31st March, 2021	987	987	12,628	12,628
As at 31st March, 2022	**1,180**	**1,180**	**-**	**-**

ASCEND GmbH, GERMANY

NOTE 3: NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Particulars	**As at 31st March, 2022**	As at 31st March, 2021
	EURO	EURO
3.2 : NON CURRENT OTHER FINANCIAL ASSETS:		
Security deposits	**11,122**	5,355
TOTAL	**11,122**	5,355
3.3 : INVENTORIES:		
Stock-in-trade	**368,514**	179,880
TOTAL	**368,514**	179,880
3.4 : TRADE RECEIVABLES:		
(Unsecured)		
Considered good	**1,582,458**	785,801
TOTAL	**1,582,458**	785,801
3.5 : CASH AND CASH EQUIVALENTS:		
Balance with Banks:		
In Current Accounts	**2,005,253**	2,800,426
TOTAL	**2,005,253**	2,800,426
3.6: LOANS:		
Loans and Advances to Employees	**15,355**	15,292
TOTAL	**15,355**	15,292
3.7 : OTHER CURRENT FINANCIAL ASSETS:		
Other Receivables	**607,498**	129,702
TOTAL	**607,498**	129,702
Note: Due from related parties **EURO 148,681**(Previous year EURO 126,548). (refer note 3.24)		
3.8 : OTHER CURRENT ASSETS:		
Balances with Government Authorities	**30,171**	-
Prepaid Expenses	**925,513**	7,732
TOTAL	**955,684**	7,732

ASCEND GmbH, GERMANY
NOTE 3: NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Particulars	As at 31st March, 2022 EURO	As at 31st March, 2021 EURO
3.9 : EQUITY SHARE CAPITAL:		
ISSUED, SUBSCRIBED & PAID-UP :		
1 Equity Share of EURO 751,880/- 1 Equity Share of EURO 250/- and 1 Equity Share of EURO 24,750/-	**776,880**	776,880
(Previous Year 1 Equity Share of EURO 250/- , 1 Equity Share of EURO 24,750/- and 1 Equity share of EURO 751,880/-)		
TOTAL	**776,880**	776,880

(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at 31st March, 2022 Number	As at 31st March, 2021 Number
At the commencement of the year	**3**	3
Add: Shares issued during the year	**-**	-
At the end of the year	**3**	3

(b) Details of shareholders holding more than 5% shares in the Company:

Name of the shareholders:	As at 31st March, 2022 Number of Shares	As at 31st March, 2021 Number of Shares
Alkem Laboratories Limited	**3**	3

Particulars	As at 31st March, 2022 EURO	As at 31st March, 2021 EURO
3.10 : OTHER EQUITY:		
Capital Reserve:		
At the commencement of the year	**1,248,120**	1,248,120
Add: Addition during the year	**-**	-
Closing Balance	**1,248,120**	1,248,120
Retained Earnings:		
At the commencement of the year	**(2,192,297)**	(1,424,220)
Add: Profit for the year	**(826,237)**	(768,077)
At the end of the year	**(3,018,534)**	(2,192,297)
TOTAL	**(1,770,414)**	(944,177)

ASCEND GmbH, GERMANY
NOTE 3: NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Particulars	As at 31st March, 2022	As at 31st March, 2021
	EURO	EURO
3.11: NON CURRENT BORROWINGS:		
Unsecured:		
Loans and Advances from related parties (including interest)	**514,563**	500,311
TOTAL	**514,563**	500,311
Notes:		
1) **Euro 514,563** (P.Y Euro 500,311) taken from fellow subsidiary - Ascend Laboratories (UK) Ltd @ 3% p.a. Tenure of Loan - 12 months, renewed automatically unless cancelled by either parties. (refer note 3.24)		
3.13 : TRADE PAYABLES:		
- total outstanding dues of micro enterprises & small enterprises	**-**	-
- total outstanding dues of creditors other than micro enterprises & small enterprises	**1,021,645**	432,794
TOTAL	**1,021,645**	432,794
Note:		
Due to related parties **EURO 982,912** (Previous year EURO 371,177) (refer note 3.24)		
3.14 : OTHER FINANCIAL LIABILITIES		
Accrual for expenses	**16,800**	-
Other payable	**5,290**	-
TOTAL	**22,090**	-
3.15 : PROVISION		
Provision for Rebate	**4,596,976**	3,099,231
TOTAL	**4,596,976**	3,099,231
3.15 : OTHER CURRENT LIABILITIES:		
Due to statutory authorities*	**385,324**	69,733
* Statutory dues payable includes Social security expense payable and wage tax payable		
TOTAL	**385,324**	69,733

ASCEND GmbH, GERMANY
NOTE 3: NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Particulars		For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
		EURO	EURO
3.16 : REVENUE FROM OPERATIONS:			
Sale of products		734,499	485,968
	TOTAL	734,499	485,968
3.17: OTHER INCOME:			
Other Income		100	121
	TOTAL	100	121
3.18 : CHANGES IN INVENTORIES OF STOCK-IN-TRADE:			
Opening Stock:			
Stock in trade		179,880	207,472
		179,880	207,472
Less: Closing stock:			
Stock in trade		368,514	179,880
		368,514	179,880
	TOTAL	(188,633)	27,592
3.19: EMPLOYEE BENEFITS EXPENSE:			
Salaries, wages and bonus		361,658	249,863
Contribution to provident and other funds		52,484	30,983
	TOTAL	414,142	280,846
3.20: FINANCE COST:			
Interest on borrowings		14,252	14,252
Other borrowing cost		-	841
	TOTAL	14,252	15,093
3.21: OTHER EXPENSES:			
Rent		25,478	-
Insurance		2,092	13,821
Selling and distribution expenses		338,545	350,539
Legal and professional Fees		63,173	73,052
Travelling and conveyance		2,865	79
Communication and printing expenses		6,439	8,757
License, registration & technology fees		20,071	16,279
Miscellaneous expenses		42,208	37,753
	TOTAL	500,871	500,306

3.22 Earnings per share (EPS)

EURO

Particulars			**For the Year ended 31st March, 2022**	For the Year ended 31st March, 2021
Profit /(loss) after tax attributable to equity shareholders	EURO	A	**(826,237)**	(768,077)
Number of equity shares at the beginning of the year	Nos.		**3**	3
Equity shares issued during the period	Nos.		**-**	-
Number of equity shares outstanding at the end of the year	Nos.		**3**	3
Weighted average number of equity shares outstanding during the year	Nos.	B	**3**	3
Basic and diluted earnings per equity share (Euro)	EURO	(A / B)	**(275,412)**	(256,026)

3.23 Disclosure as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' is as under:

Provision for Rebates

The company provides the rebate to the customers based on the contractual agreement executed between the company and the insurance agencies. Provision is made in the books for the rebates amounts based on the details of sales made to the customers and actual liability arises on account of rebate invoices received from the insurance agencies.

EURO

Particulars	**As at 31 March 2022**	As at 31 March 2021
Carrying amount at the beginning of the year	**3,099,231**	344,654
Add: Provision made during the year	**4,596,976**	3,099,231
Less: Amount utilized during the year	**(3,099,231)**	(344,654)
Carrying amount at the end of the year	**4,596,976**	3,099,231

EURO

Particulars	**As at 31 March 2022**	As at 31 March 2021
Non current provision	**-**	-
Current provision	**4,596,976**	3,099,231
Total	**4,596,976**	3,099,231

ASCEND GmbH, GERMANY

NOTE 3: NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

3.24 Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) for the year ended 31st March 2022

List of related parties and their relationship

A Company whose control exists

Name of the Company	Country of Incorporation
Alkem Laboratories Limited	India

B Fellow Subsidiaries

Name of the Company	Country of Incorporation
Cachet Pharmaceuticals Pvt. Ltd	India
Indchemie Health Specialities Pvt. Ltd.	India
Enzene Biosciences Ltd.	India
Alkem Foundation	India
Connect 2 Clinic India Private Limited (w.e.f 12th June, 2020)	India
The PharmaNetwork, LLC (Subsidiary of S & B Holdings B.V.)	United States of America
Ascend Laboratories, LLC (wholly owned by The PharmaNetwork, LLC)	United States of America
S & B Pharma Inc. (Wholly owned subsidiary of TPN LLC from 4 October 2021 till 5 January 2022)dissolved on 5 January 2022	United States of America
S & B Pharma, LLC (wholly owned by The PharmaNetwork, LLC) (w.e.f 8th April, 2020)	United States of America
Ascend Laboratories (UK) Ltd.	United Kingdom
S & B Holdings B.V.	Netherlands
Ascend Laboratories (PTY) Limited (Formerly known as Alkem Laboratories (PTY) Limited)	South Africa
Ascend Laboratories Ltd.	Canada
The Pharma Network, LLP	Kazakhstan
Ascend Laboratories SpA	Chile
Pharma Network SpA (Wholly owned by Ascend Laboratories SpA)	Chile
Ascend Laboratories S.A. DE C.V (Wholly owned by Ascend Laboratories SpA) (w.e.f. 2nd Sept, 2021)	Mexico
Alkem Laboratories Corporation	Philippines
Pharmacor Pty Limited	Australia
Ascend Laboratories SDN BHD.	Malaysia
Alkem Laboratories Korea Inc	Korea
Pharmacor Ltd.	Kenya
Ascend Laboratories SAS	Colombia

C Key Managerial Personnel ("KMP")

Name of the KMP	Designation
Mr.Amit Ghare	Director
Mr. Vikas Singh (w.e.f 31st August, 2020)	Managing Director

Details of Transactions with Related Parties for the year ended

Sr. No.	Particulars	EURO
1	Interest expense on loans taken - Fellow subsidiary	**14,252**
		(14,252)
2	Purchase of stock in trade - Holding Company	**796,324**
		(413,435)
3	Reimbursement of expenses from Holding Company	**144,106**
		(124,313)

Balance due from / to the related Parties

Sr. No.	Particulars	EURO
1	Borrowings - Fellow subsidiary	**514,563**
		(500,311)
2	Other receivables - Holding Company	**148,681**
		(126,548)
3	Trade payables - Holding Company	**982,912**
		(371,177)

*** All the related party transactions were made on terms equivalent to those that prevail in an arm's length transactions.**

*** Figures in the brackets are the corresponding figures of the previous year.**

ASCEND GmbH, GERMANY

NOTE 3: NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

3.25 Financial instrument fair values and risk management

A. Accounting classification and fair values

Particulars	As at 31st March, 2022			
	Euro			
	FVTPL	FVTOCI	Amortised Cost	Total
Financial assets				
Cash and Cash Equivalents	-	-	2,005,253	2,005,253
Loans (current and non current)	-	-	26,477	26,477
Other Current financial asset	-	-	607,498	607,498
Trade and other receivable	-	-	1,582,458	1,582,458
	-	-	4,221,686	4,221,685
Financial liabilities				
Long term borrowings	-	-	514,563	514,563
Other Non Current Financial Liabilities	-	-	-	-
Trade and other payables	-	-	1,043,735	1,043,735
	-	-	1,558,298	1,558,299

Particulars	As at 31st March, 2021			
	Euro			
	FVTPL	FVTOCI	Amortised Cost	Total
Financial assets				
Cash and Cash Equivalents	-	-	2,800,426	2,800,426
Loans (current and non current)			20,647	20,647
Other Current financial asset			129,702	129,702
Trade and other receivable	-	-	785,801	785,801
	-	-	3,736,578	3,736,578
Financial liabilities				
Long term borrowings	-	-	500,311	500,311
Other Non Current Financial Liabilities			-	-
Trade and other payables	-	-	432,794	432,794
	-	-	933,106	933,106

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

- Credit risk ;
- Liquidity risk ;
- Market risk

Risk management framework

The Company’s board of directors has overall responsibility for the establishment and oversight of the Company’s risk management framework.

The Company’s risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company’s activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

3.25 Financial instrument fair values and risk management

i. 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 and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

Goods are sold subject to retention of title clauses, so that in the event of non-payment the Company may have a secured claim. The Company does not otherwise require collateral in respect of trade and other receivables

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

At 31st March, 2022 and At 31st March, 2021 respectively the maximum exposure to credit risk for trade and other receivables by geographic region was as follows:

Particulars	EURO	
	As at 31st March, 2022	As at 31st March, 2021
Germany	**2,056,630**	785,801
Other regions	**148,681**	129,702
Total	**2,205,311**	915,503

Company has exposure to following customer's, having balance more than 10% of the total receivables.

EURO

Customers Name	As at 31st March, 2022		As at 31st March, 2021	
	Amount	**Percentage (%)**	Amount	Percentage (%)
Alliance Healthcare Deutschland AG	**271,185**	**13%**	206,058	26%
Gehe Pharma Handel GmbH	**275,580**	**13%**	198,091	25%
NOWEDA Apothekergenossenschaft eG	**245,575**	**12%**	116,440	15%
Sanacorp Pharmahandel GmbH	**251,796**	**12%**	139,624	18%
Total	**1,044,135**	**51%**	660,214	84%

3.25 Financial instrument fair values and risk management

ii. 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.

Exposure to liquidity risk
The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

As at 31st March, 2022		Contractual cash flows					
	Carrying amount	Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
EURO							
Non-derivative financial liabilities							
Borrowings	**514,563**	**528,813**	**-**	**-**	**528,813**	**-**	**-**
Other Non Current Financial Liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Trade and other payables	**5,640,711**	**5,640,711**	**-**	**5,640,711**	**-**	**-**	**-**

As at 31st March, 2021		Contractual cash flows					
	Carrying amount	Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
EURO							
Non-derivative financial liabilities							
Borrowings	500,311	514,561	-	-	514,561	-	-
Other Non Current Financial Liabilities	-	-		-	-	-	-
Trade and other payables	3,532,025	3,532,146	-	3,532,146	-	-	-

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – which 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. The exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency.

Currency risk
The Company is exposed to currency risk on account of its trade receivable/ payables in foreign currency. The functional currency of the Company is EURO. In the current year there is no exposure of foreign currency.

Interest rate risk
Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The Company is not exposed to interest rate risk as the borrowing is at fixed interest rate

ASCEND GmbH, GERMANY
NOTE 3: NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

3.26 Trade Receivable and Trade Payable Ageing Schedule

a) Trade Receivable Ageing

As at 31 March , 2022
EURO

Particulars	**Outstanding for following periods from due date of payment**						
	Not Due	**Less than 6 months**	**Between 6 months - 1 year**	**Between 1-2 years**	**Between 2-3 years**	**More than 3 years**	**Total**
Undisputed Trade receivables – considered good	**1,291,992**	**284,044**	**6,422**	**-**	**-**	**-**	**1,582,458**

As at 31 March , 2021
EURO

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	Between 6 months - 1 year	Between 1- 2 years	Between 2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	649,036	123,627	12,857	280	-	-	785,801

b) Trade Payable Ageing

As at 31 March , 2022
EURO

Particulars	**Outstanding for following periods from due date of payment**					
	Not Due	**Less than 1 year**	**Between 1- 2 years**	**Between 2-3 years**	**More than 3 years**	**Total**
Undisputed dues - Others	**826,204**	**195,440**	**-**	**-**	**-**	**1,021,644**
Disputed dues - Others	**-**	**-**	**-**	**-**	**-**	**-**

As at 31 March , 2021
EURO

Particulars	**Outstanding for following periods from due date of payment**					
	Not Due	Less than 1 year	Between 1- 2 years	Between 2-3 years	More than 3 years	**Total**
Undisputed dues - Others	700	430,529	1,564	-	-	432,794
Disputed dues - Others	-	-	-	-	-	-

3.27 Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.
The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.
The Company's adjusted net debt to equity ratio as at March 31, 2022 was as follows.

Particulars	**As at 31st March, 2022**	As at 31st March, 2021
	EURO	EURO
Total borrowing	**514,563**	500,311
Less : Cash and cash equivalent	**2,005,253**	2,800,426
Adjusted net debt	**(1,490,689)**	(2,300,115)
Total equity	**(167,297)**	(167,297)
Adjusted equity	**(167,297)**	(167,297)
Adjusted net debt to adjusted equity ratio	**8.91**	13.75

3.28 Disclosure As per Indian Accounting Standard 115 :

Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:

Particulars	**For the year ended 31st March, 2022**	For the year ended 31st March, 2021
	EURO	EURO
Revenue as per contracted price	**5,835,031**	3,732,205
Adjustments:		
Discount	**213,236**	129,485
Rebates/refunds	**4,887,296**	3,116,752
Revenue from contract with customers	**734,499**	485,968
Other operating revenue	**-**	-
Revenue from Operations	**734,499**	485,968

-

3.29 Segment Reporting

The Company is in the pharmaceutical business. As the Company has a single reportable segment, the segment wise disclosure requirements of Ind AS 108 on Operating Segment is not applicable. In compliance to the said standard, geography-wise disclosures are as under :

a) Revenues from sale of products from external customers attributed to the country of domicile and attributed to all foreign countries from which the company derives revenues

Particulars	**For the year ended 31st March, 2022**	For the year ended 31st March, 2021
	EURO	EURO
Revenue from sale of products from the Country of Domicile- Germany	**734,499**	485,968
Revenue from foreign countries	**-**	-
	734,499	485,968

b) Major Customers having external revenue (Gross revenue before rebates) exceeded 10% of total revenue

Customer Name	**For the year ended 31st March, 2022**	For the year ended 31st March, 2021
	Sales Value	Sales Value
Alliance Healthcare Deutschland AG	**765,118**	524,313
Gehe Pharma Handel GmbH	**813,583**	563,965
Noweda Belegmanagement	**1,198,778**	780,077
Phoenix Pharmahandel GmbH & Co.KG	**1,600,148**	834,791
Sanacorp Pharmahandel GmbH	**848,119**	562,690

ASCEND GmbH, GERMANY
NOTE 3: NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

3.30 Leases as lessee

i. Right-of-use assets
Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
	Land and Buildings	Land and Buildings
	EURO	EURO
IND AS 116 "Leases" (Opening Balance)	12,628	25,256
Amortisation charge for the year	(12,628)	(12,628)
Additions to right—of—use assets	-	-
Derecognition of right—of—use assets	-	(0)
Foreign Exchange Differences	-	-
Closing Balance	-	12,628

ii. Lease liability

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
	EURO	EURO
Maturity analysis of lease liability - discounted contractual cash flows		
Less than one year	-	3,031
One to three years	-	-
Total discounted cash flows	-	3,031
Current	-	3,031

iii. Amount recognised in profit or loss

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
	EURO	EURO
General and administrative expenses		
Short-term lease rent expense	25,478	-
Depreciation and impairment losses		
Depreciation of right of use lease asset	12,628	12,628
Foreign Exchange Difference	-	-
Finance cost		
Interest expense on lease liability	-	841
	38,106	13,469

iv. Amount recognised in statement of cash flows

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
	EURO	EURO
Cash outflow for short-term leases	-	-
Principal component of Cash outflow for long-term leases	3,031	17,993
Interest component of Cash outflow for long-term leases	-	841
Total cash outflow for leases	3,030	18,834

3.31 Contingent Liabilities

There are no contingent liabilities as on 31st March, 2022

For and behalf of the Board of Ascend GmbH

Vikas Singh
Digitally signed by Vikas Singh
Date: 2022.04.29 13:59:22 +05'30'

Vikas Singh
Managing Director
Date: 29th April,2022

Ascend GmbH, Frankfurt am Main

Annual Financial Statements as at 31 March 2022

AUDIT OPINION OF THE INDEPENDENT AUDITOR

To Ascend GmbH, Frankfurt am Main

Audit opinions

We have audited the annual financial statements of Ascend GmbH, Frankfurt am Main, consisting of the balance sheet as at 31 March 2022, the profit and loss statement, the statement of equity and the cash flow statement for the financial year from 1 April 2021 to 31 March 2022 and the notes, including the presentation of the accounting and valuation methods.

In our opinion, based on the findings of our audit, the enclosed separate financial statements comply in all material respects with IFRS as adopted by the EU and give a true and fair view of the net assets and financial position of the Company as of 31 March 2022 and of its results of operations for the financial year from 1 April 2021 to 31 March 2022 in accordance with these requirements.

Pursuant to section 322 para. 3 sentence 1 HGB, we declare that our audit has not led to any objections to the regularity of the annual financial statements and the management report.

Basis of judgments

We conducted our audit of the annual financial statements in accordance with section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under these rules and policies are further described in the section entitled "Auditor's Responsibility for the Audit of the Financial Statements" of our opinion. We are independent of the company in accordance with the German commercial and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to serve as a basis for our audit opinions on the financial statements.

Significant uncertainty in connection with the going concern of the company

We refer to section 1,13 of the notes, in which the legal representatives describe that the company shows a negative equity as at 31 March 2022. This circumstance indicates the existence of significant uncertainty as to the company's ability to act as going-concern (this representing a risk that could jeopardize the existence of the company within the meaning of Section 322 (2) sentence 3 of the German Commercial Code (HGB)). Our audit opinion has not been modified with regard to this matter.

Responsibility of the legal representatives for the annual financial statements

The legal representatives are responsible for the preparation and fair presentation of these financial statements in accordance with IFRS as adopted by the EU in all material respects, and that the annual financial statements give a true and fair view of the assets and liabilities, financial and earnings position of the company. Furthermore, the legal representatives are responsible for the internal controls which they have determined to be necessary in accordance with German generally accepted accounting principles in order to enable the preparation of annual financial statements that are free from material - intended or unintended - wrong representations.

Ascend GmbH, Frankfurt am Main

Annual Financial Statements as at 31 March 2022

In preparing the financial statements, the legal representatives are responsible for assessing the Company's ability to continue as a going concern. In addition, they have the responsibility to state matters related to the continuation of the business, if applicable. In addition, they are responsible for preparing the financial statements in accordance with the going concern principle unless there is an intention to liquidate the entity or to cease trading, or there is no realistic alternative.

Responsibility of the auditor for the audit of the annual financial statements

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit opinion which includes our audit opinion on the financial statements.

Reasonable assurance is a high degree of assurance, but no guarantee that an audit conducted in accordance with section 317 HGB and in compliance with the German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) always reveals a material misstatement. Misrepresentations may result from any breach or inaccuracy and are considered material if it could reasonably be expected to influence, individually or collectively, the economic decisions of addressees made on the basis of these annual financial statements.

During the audit, we exercise due discretion and maintain a critical attitude. Furthermore we

- identify and assess the risks of material misstatement - whether intentional or unintentional - in the financial statements and the management report, plan and perform audit work in response to such risks, and obtain audit evidence that is adequate and appropriate to form the basis for our audit opinions. The risk that material misrepresentations will not be detected is higher for violations than for inaccuracies, as violations may include fraudulent interaction, counterfeiting, intentional incompleteness, misrepresentations or overriding internal controls.

- gain an understanding of the internal control system relevant to the audit of the financial statements and the arrangements and measures relevant to the audit of the financial statements in order to plan audit procedures that are appropriate in the circumstances, but not with the aim of to express an opinion on the effectiveness of these systems of the Company.

- assess the appropriateness of the accounting policies used by the legal representatives and the reasonableness of the estimates and related disclosures made by the legal representatives.

- draw conclusions about the appropriateness of the accounting policy of going concern used by the legal representatives and, on the basis of the audit evidence obtained, whether there is material uncertainty in relation to events or circumstances that have significant doubts as to the ability of the company to act as going concern. If we conclude that there is material uncertainty, we are required to draw attention to the accompanying disclosures in the financial statements and management report or, if inaccurate, to modify our respective audit opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit opinion. However, future events or circumstances may mean that the company can no longer continue its business activities.

- We assess the overall presentation, structure and content of the separate financial statements, including the disclosures and whether the separate financial statements present the underlying transactions and events in such a way that the separate financial statements give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with IFRS as adopted by the EU.

Ascend GmbH, Frankfurt am Main

Annual Financial Statements as at 31 March 2022

Among other things, we discuss with the supervisors the planned scope and timing of the audit, as well as significant audit findings, including any deficiencies in the internal control system that we identify during our audit.

Neuss, April 29, 2022

KBHT Steuer- und Wirtschaftsberatung GmbH
Wirtschaftsprüfungsgesellschaft

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