

**Report of the independent auditor  
for the period from 01. 01. 2013 to 31. 12. 2013  
of the company**

**Galderma-Spirig Česká a Slovenská republika a.s.  
Nobelova 28  
831 02 Bratislava**

**Performed by the company**

**ATCL, k.s.  
Bratislava**



(translation)

## **C O N T E N T S**

Report of the independent auditor

- Balance Sheet to 31.12.2013
- Income Statement to 31.12.2013
- Notes to the Financial Statements

**REPORT OF THE INDEPENDENT AUDITOR**

**for partner of the company Galderma-Spirig Česká a Slovenská republika a.s., Nobelova 28, 831 03 Bratislava**

We have audited the accompanying annual accounts of the company Galderma-Spirig Česká a Slovenská republika a.s., as of December 31, 2013, comprising the balance sheet and the profit and loss account as well as remarks which include the relevant accounting principles and methods as well as further explaining information.

***Responsibility of statutory bodies for the annual accounts***

The statutory body of the company is responsible for the preparation of these annual accounts which present a fair and real picture in accordance with the Law on Accounting No. 431/2002 Coll. as amended (hereinafter called as „Law on Accounting“) as well as is responsible for internal revisions which the statutory body considers to be necessary for the preparation of annual accounts which do not include any relevant mistakes due to fraud or error.

***Auditor's responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We have conducted our audits in accordance with International Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. Selected methods depend on the opinion of the auditor, including assessing risks of relevant misstatements in the annual accounts due to fraud or error. In assessing this risk, the auditor takes into account internal revisions which are necessary for the preparation of annual accounts which provide a fair and real picture of the financial situation of the company in order to propose auditing processes suitable under these conditions but the task of the auditor is not to give his opinion to the effectiveness of internal revisions of the accounting unit. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that auditing proofs which we have identified during the audit provide a reasonable basis for our opinion.

***Auditor's opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the company Galderma-Spirig Česká a Slovenská republika a.s., as of December 31, 2013 and the results of its operations and its cash flows for the years then ended in conformity with the Law on Accounting.

Bratislava, January 30<sup>th</sup>, 2014



## BALANCE SHEET

3 1 . 1 2 . 2 0 1 3 (in EUR)

Á	Ä	B	Č	D	É	F	G	H	Í	J	K	L	M	N	O	P	Q	R	Š	T	Ú	V	X	Ý	Ž		0	1	2	3	4	5	6	7	8	9
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Number DIČ 2 0 0 0 2 9 5 5 8 5	Financial statements <input checked="" type="checkbox"/> ordinary	Financial statements <input checked="" type="checkbox"/> prepared	Month from 0 1	Year 2 0 1 3
Identification number (IČO) 3 0 8 4 1 1 7 8	<input type="checkbox"/> extraordinary	<input type="checkbox"/> approved	For the period to 1 2	2 0 1 3
	<input type="checkbox"/> interim	(check x)	Preceding accounting period from 0 1	2 0 1 2
			to 1 2	2 0 1 2

Legal name (designation) of the accounting entity

G a l d e r m a \_ S p i r i g Č e s k á a S l o v e n s k á

r e p u b l i k a a . s .

Registered office of the accounting entity

Street  
N o b e l o v a

Number  
2 8

Zip code  
8 3 1 0 2

Municipality  
B R A T I S L A V A

Telephone number  
0 2 6 5 9 6 8 2 7 1

Fax number  
0 2 4 9 1 0 9 0 9 0

E-mail

Prepared on: 3 0 0 1 2 0 1 4	Signature of the accounting entity's statutory body or a sole trader who is the accounting entity:	Signature of the person responsible for the preparation of the financial statements:	Signature of the person responsible for bookkeeping:
Approved on: . . . . .			

Desig-		Line			
nation		No.	Current accounting period		Preceding accounting period
			Gross - part 1		
	ASSETS		Correction - part 2	Net 2	Net 3
a	b	c	2013	2013	2 012
	<b>TOTAL ASSETS line 2 + line 30 + line 061</b>	<b>001</b>	<b>1 779 237</b>	<b>1 511 240</b>	<b>1 695 675</b>
			<b>267 997</b>		
<b>A</b>	<b>Non-current assets line 3 + line 11 + line 21</b>	<b>002</b>	<b>361 872</b>	<b>93 875</b>	<b>167 595</b>
			<b>267 997</b>		
<b>A.I.</b>	<b>Non-current intangible assets - total (line 4 to line 010)</b>	<b>003</b>	<b>13 000</b>	<b>5 025</b>	<b>8 125</b>
			<b>7 975</b>		
A.I.1.	Capitalized development cost (012) - /072, 091A/	004			
2.	Software (013) - /073, 091A/	005	10 000	3 875	6 375
			6 125		
3.	Valuable rights (014) - /074, 091A/	006	3 000		1 750
			1 850		
4.	Goodwill (015) - /075, 091A/	007			
5.	Other non-current intangible assets (019, 01X) - /079, 07X, 091A/	008			
6.	Acquisition of non-current intangible assets (041) - 093	009			
7.	Advance payments made for non-current intangible assets (051) - 095A	010			
<b>A.II.</b>	<b>Property, plant and equipment - total (line 12 to line 20)</b>	<b>011</b>	<b>348 872</b>	<b>88 850</b>	<b>154 732</b>
			<b>260 022</b>		
A.II.1.	Land (031) - 092A	012			
2.	Structures (021) - /081, 092A/	013			
3.	Individual movable assets and sets of movable asset (022) - /082, 092A/	014	348 872	88 850	154 732
			260 022		
4.	Perennial crops (025) - /085, 092A/	015			
5.	Livestock (026) - /086, 092A/	016			
6.	Other property, plant and equipment (029, 02X, 032) - /089, 08X, 092A/	017			
7.	Advance payments made for property, plant and equipment (042) - 094	018			
8.	Advance payments made for property, plant and equipment (052) - 095A	019			
9.	Value adjustment to acquired assets (+/- 097) +/- 098	020			
<b>A.III.</b>	<b>Non-current financial assets - total (line 22 to line 29)</b>	<b>021</b>			<b>4 738</b>
A.III.1.	Shares and ownership interests in a subsidiary(061) - 096A	022			
2.	Shares and ownership interests with significant influence over enterprises (062) - 096A	023			
3.	Other long-term shares and ownership interests (063, 065) - 096A	024			
4.	Intercompany loans (066A) - 096A	025			
5.	Acquisition of non-current financial assets (067A, 069, 06XA) - 096A	026			365
6.	Loans with maturity up to one year (066A, 067A, 06XA)-096A	027			4 373
7.	Acquisition of non-current financial assets (043) - 096A	028			
8.	Advance payments made for non-current financial assets (053) - 095A	029			
<b>B</b>	<b>Current assets line 31 + line 38 + line 46 + line 55</b>	<b>030</b>	<b>1 355 906</b>	<b>1 355 906</b>	<b>1 475 323</b>
			<b>0</b>		

<b>B.I.</b>	<b>Inventory - total (line 32 to line 37)</b>	<b>031</b>	<b>0</b>	<b>0</b>	<b>39 966</b>
B.I.1.	Raw material (112, 119, 11X) - /191, 19X/	032		0	39 966
2.	Work in progress and semi-finished products (121, 122, 12X) - /192, 193, 19X/	033			
3	Finished goods (123) - 194	034			
4.	Animals (124) - 195	035			
5.	Merchandise (132, 13X, 139) - /196, 19X/	036			
6.	Advance payments made for inventory (314A) - 391A	037			
<b>B.II.</b>	<b>Non-current receivables - total (line 39 to line 45)</b>	<b>038</b>	<b>9 718</b>	<b>9 718</b>	<b>75 473</b>
			<b>0</b>		
BII.1.	Trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - 391A	039			
2.	Net value of contract (316)	040			
3.	Receivables from a subsidiary and a parent (351A) - 391A	041			
4.	Other intercompany receivables (351A) - 391A	042			
5.	Receivables from participants, members, and association (354A, 355A, 358A, 35XA) - 391A	043			
6.	Other receivables (335A, 33XA, 371A, 373A, 374A, 375A, 376A, 378A) - 391A	044			
7.	Deferred tax asset( 481 A)	045	9 718	9 718	75 473
<b>B.III.</b>	<b>Current receivables - total (line 47 to line 54)</b>	<b>046</b>	<b>566 096</b>	<b>566 096</b>	<b>872 245</b>
			<b>0</b>		
B.III.1.	Trade receivables (311A, 312A, 313A, 314A 315A, 31XA) - 391A	047	309 030	309 030	753 770
2.	Net value of contract (316)	040			
3.	Receivables from a subsidiary and a parent (351A) - 391A	049			
4.	Other intercompany receivables (351A) - 391A	050			
5.	Receivables from participants, members, and association (354,,A, 355.A, 358.A,35X.A, 398.A)-391.A	051			
6.	Social security (336) - 391A	052			
7.	Tax assets (341, 342, 343, 345, 346, 347) - 391A	053	255 253	255 253	117 291
8.	Other receivables (335A, 33XA, 371A, 373A, 374A, 375A, 376A, 378A) - 391A	054	1 813	1 813	1 184
<b>B.IV.</b>	<b>Financial accounts - total (line 56 to line 60)</b>	<b>055</b>	<b>780 092</b>	<b>780 092</b>	<b>487 639</b>
			<b>0</b>		
B.IV.1.	Cash on hand (211, 213, 21X)	056	6 150	6 150	792
2.	Bank accounts (221A, 22X +/-261)	057	773 942	773 942	486 847
3.	Bank accounts with notice period exceeding one year 22XA	058			
4.	Current financial assets (251, 253, 256, 257, 25X) - /291, 29X)	059			
5.	Acquisition of current financial assets (259, 314A) - 291	060			
<b>C.</b>	<b>Accruals/deferral (line 62 to line 65)</b>	<b>061</b>	<b>61 459</b>	<b>61 459</b>	<b>52 757</b>
			<b>0</b>		
C.1.	Prepaid expenses long-term (381, 382)	062	45 177	45 177	35 942
2.	Prepaid expenses short-term (381, 382)	063	16 282	16 282	16 755
3.	Accrued incomelong long-herm (385)	064			
4.	Accrued income short-term (385)	065			60

Designation a	LIABILITIES AND EQUITY  b	Line  No. c	Istbestand	
			Current accounting period	Preceding accounting period
			2013	2012
			1	2
	<b>EQUITY AND LIABILITIES line 67 + line 88 + line 121</b>	<b>066</b>	<b>1 511 240</b>	<b>1 695 675</b>
<b>A.</b>	<b>Equity line - total line 68 + line 73 + line 80 + line 84 + line 87</b>	<b>067</b>	<b>761 253</b>	<b>1 141 798</b>
<b>A.I.</b>	<b>Share capital total (line 69 to line 72)</b>	<b>068</b>	<b>33 200</b>	<b>33 200</b>
A.I.1.	Share capital (411 oder +/- 491)	069	33 200	33 200
2.	Own shares and own ownership interests (-/252)	070		
3.	Change in share capital +/- 419	071		
4.	Receivables related to unpaid share capital (353)	072		
<b>A.II.</b>	<b>Capital funds - total (line 74 to line 79)</b>	<b>073</b>	<b>6 639</b>	<b>6 639</b>
A.II.1.	Share premium (412)	074		
2.	Other capital funds (413)	075		
3.	Legal reserve fund (Non-distributable fund) from capital contributions (417, 418)	076	6 639	6 639
4.	Differences from revaluation of assets and liabilities (+/- 414)	077		
5.	Investment revaluation reserve (+/- 415)	078		
6.	Differences from revaluation in the event of merger, amalgamation into a separate accounting entity or demerger (+/- 416)	079		
<b>A.III.</b>	<b>Funds created from profit - total (line 81 to line 83)</b>	<b>080</b>	<b>0</b>	<b>0</b>
A.III.1.	Legal reserve fund (421)	081		
2.	Non-distributable fund (422)	082		
3.	Statutory funds and other funds (423, 427, 42X)	083		
<b>A.IV.</b>	<b>Net profit/loss of previous years line 85 + line 86</b>	<b>084</b>	<b>533 873</b>	<b>533 873</b>
A.IV.1.	Retained earnings from previous years (428)	085	533 873	533 873
2.	Accumulated losses from previous years (-/429)	086		
<b>A.V.</b>	<b>Net profit/loss for the accounting period /+-/ line 1 - (line 68 + line 73 + line 80 + line 84 + line 88 +line 119)</b>	<b>087</b>	<b>187 541</b>	<b>568 086</b>
<b>B.</b>	<b>Liabilities line 89 + line 94 + line 106 + line 117+ line 118</b>	<b>088</b>	<b>749 987</b>	<b>553 877</b>
<b>B.I.</b>	<b>Provisions - total (line 90 to line 93)</b>	<b>089</b>	<b>67 468</b>	<b>360 272</b>
B.I.1.	Legal provisions long - term (451A)	090		
2.	Legal provision short - term (323,451A)	091	23 294	32 129
3.	Other long-term provisions (459 A, 45XA)	092	3 516	2 719
4.	Other short-term provision (323.A, 32X, 459.A,45X)	093	40 658	325 424
<b>B.II.</b>	<b>Non-current liabilities - total (line 95 to line 105)</b>	<b>094</b>	<b>6 356</b>	<b>6 939</b>
B.II.1.	Non-current trade liabilities (479A)	095		
2.	Net value of contract (316)	096		
3.	Unbilled long-term supplies (476A)	097		
4.	Non-current liabilities to a subsidiary and a parent (471A)	098		
5.	Other non-current intercompany liabilities (471A)	099		
6.	Long-term advance payments received (475A)	100		
7.	Long-term bills of exchange to be paid (478A)	101		
8.	Bonds issued (473A/-/255A)	102		
9.	Liabilities related to social fund (472)	103	1 177	1 029
10.	Other non-current liabilities (474A, 479A, 47XA, 372A, 373A, 377A)	104		
11.	Deferred tax liability (481A)	105	5 179	5 910

<b>B.III.</b>	<b>Current liabilities - total (line 107 to line 116)</b>	<b>106</b>	<b>676 163</b>	<b>186 666</b>
B.III.1.	Trade liabilities (321, 322, 324, 325, 32X, 475A, 478A, 479A, 47XA)	107	520 039	94 813
2.	Net value of contract (316)	108		
3.	Unbilled supplies (326, 476A)	109		
4.	Liabilities to a subsidiary and a parent(361A, 471A)	110		
5.	Other intercompany liabilities (361A, 36XA, 471A, 47XA)	111		
6.	Liabilities to partners and association (364, 365, 366, 367, 368, 398A, 478A, 479A)	112		
7.	Liabilities to employees (331,333,33X,479A)	113		
8.	Liabilities related to social security (336, 479A)	114	25 778	16 282
9.	Tax liabilities and subsidies (341, 342, 343, 345, 346, 347, 34X)	115	30 525	14 181
10	Other liabilities (372A, 373A, 377A, 379A, 474A, 479A, 47X)	116	99 821	61 390
<b>B.IV.</b>	<b>Short-term financial assistance (241,249,24x,473, -/-255A)</b>	<b>117</b>		
<b>B.V.</b>	<b>Bank loans (line 119+ line 120)</b>	<b>118</b>		
B.V.1.	Long-term bank loans I (461A, 46XA)	119		
2.	Current bank loans (221A, 231, 232, 23X, 461A, 46XA)	120		
<b>C.</b>	<b>Accruals/deferrals - total (line 122 to line 125)</b>	<b>121</b>	<b>0</b>	<b>0</b>
C.1.	Accrued expenses long - term (383)	122		
2.	Accrued expenses short- term (383)	123		
3.	Deferred income long - term (384)	124		
4.	Deferred income short - term (384)	125		



## INCOME STATEMENT

3 1 . 1 2 . 2 0 1 3 (in EUR)

Á Ä B Č D É F G H Í J K L M N O P Q R Š T Ú V X Ý Ž 0 1 2 3 4 5 6 7 8 9																														
Number DIČ 2 0 2 0 2 9 5 5 8 5													Financial statements <input checked="" type="checkbox"/> ordinary						Financial statements <input checked="" type="checkbox"/> prepared						Month from 0 1		Year 2 0 1 3			
Identification number (IČO) 3 0 8 4 1 1 7 8													<input type="checkbox"/> extraordinary						<input type="checkbox"/> approved						For the period to 1 2		2 0 1 3			
													<input type="checkbox"/> interim						(check x)						Preceding accounting period from 0 1		2 0 1 2			
Legal name (designation) of the accounting entity G a l d e r m a _ S p i r i g Ā e s k á a S l o v e n s k á																														
r e p u b l i k a a . s .																														
Registered office of the accounting entity																														
Street N o b e l o v a													Number 2 8																	
Zip code 8 3 1 0 2						Municipality B R A T I S L A V A																								
Telephone number 0 2 6 5 9 6 8 2 7 1													Fax number 0 2 4 9 1 0 9 0 9 0																	
E-mail																														
Prepared on: 3 0 0 1 2 0 1 4													Signature of the accounting entity's statutory body or a sole trader who is the accounting entity:						Signature of the person responsible for the preparation of the financial statements:						Signature of the person responsible for bookkeeping:					
Approved on:																														

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Designation a	Text b	Line Nr. c	Actual data	
			Current accounting period	Preceding accounting period
			2013	2012
I.	Revenue from the sale of merchandise (604)	01	4 597	8 403
A.	Cost of merchandise sold ( 504, 505A)	02	4 470	8 213
	<b>+ Trade margin line 01 - line 02</b>	<b>03</b>	<b>127</b>	<b>190</b>
II.	<b>Production line 05 + line 06 + line 07</b>	<b>04</b>	<b>3 480 836</b>	<b>3 104 150</b>
II.1.	Revenue from the sale of own products and services (601, 602)	05	3 480 836	3 104 150
2.	Changes in internal inventory ( +/- account group 61)	06		
3.	Own work capitalized (account group 62)	07		
B.	<b>Production line 09 + line 10</b>	<b>08</b>	<b>1 947 778</b>	<b>1 470 798</b>
B.1.	Consumed raw materials, energy consumption, and consumption of other non-inventory supplies (501, 502, 503, 505A)	09	196 667	121 873
2.	Services (account group 51)	10	1 751 111	1 348 925
	<b>+ Added value line 03 + line 04 -line 08</b>	<b>11</b>	<b>1 533 185</b>	<b>1 633 542</b>
C.	Personnel expenses total (lines 13 to 16)	12	1 177 203	841 833
C.1.	Wages and salaries (521, 522)	13	923 111	688 089
2.	Remuneration of board members of company or cooperative (523)	14	44 460	
3.	Social security expenses (524, 525, 526)	15	165 921	138 519
4.	Social expenses (527, 528)	16	43 711	15 225
D.	Taxes and fees (account group 53)	17	2 447	4 211
E.	Amortization and value adjustments to non-current intangible assets and depreciation and value adjustments to property, plant and equipment (551,553)	18	68 983	72 460
III.	Revenue from the sale of non-current assets and raw materials (641, 642)	19	500	4 806
F.	Carrying value of non-current assets sold and raw materials sold (541, 542)	20		13
G.	Creation and reversal of value adjustments to receivables (+/-547)	21		
IV.	Other operating income (644, 645, 646, 648, 655, 657)	22	2 113	3 106
H.	Other operating expenses (543, 544, 545, 546, 548, 549, 555, 557)	23	19 242	22 794
V.	Transfer of operating income (-) (697)	24		
I.	Transfer of operating expenses (-) (597)	25		
	<b>* Profit/loss from operations line 11 - line 12 - line 17 - line 18 + line 19 - line 20 - line 21+ line 22 - line 23+ (-line 24)-(-line 25)</b>	<b>26</b>	<b>267 923</b>	<b>700 143</b>
VI.	Revenue from the sale of securities and shares (661)	27		
J.	Securities and shares sold (561)	28		
VII.	Income from non-current financial assets line30+ line 31 + line 32	29		
VII.1.	Income from securities and ownership interests in a subsidiary and in a company where significant influence is held (665A)	30		
2.	Income from other long-term securities and shares (665A)	31		
3.	Income from other non-current financial assets (665A)	32		
VIII.	Income from current financial assets (666)	33		
K.	Expenses related to current financial assets (566)	34		
IX.	Gains on revaluation of securities and income from derivative transactions (664, 667)	35		
L.	Loss on revaluation of securities and expenses related to derivative transactions (564, 567)	36		
M.	Creation and reversal of value adjustments to financial assets +/- 565	37		
X.	Interest income (662)	38	288	1 819
N.	Interest expense (562)	39		
XI.	Exchange rate gains (663)	40	1 626	922
O.	Exchange rate losses (563)	41	11 111	10 819
XII.	Other income from financial activities (668)	42		
P.	Other expenses related to financial activities (568, 569)	43	6 113	5 127
XIII.	Transfer of financial income (-) (698)	44		
R.	Transfer of financial expenses (-) (598)	45		
	<b>* Profit/loss from financial activities line 27 - line 28 + line 29 + line 32 +line 33 - line 34 + line 35 - line 36 - line 37 + line 38 - line 39 + line 40 - line 41 + line 42 -line 43) + (-line 44) - (-45)</b>	<b>46</b>	<b>-15 310</b>	<b>-13 205</b>
	<b>** Profit/loss from ordinary activities before tax line 26 + line 46</b>	<b>47</b>	<b>252 613</b>	<b>686 938</b>
S.	Income tax on ordinary activities line 49+ line 50	48	65 072	118 852
S.1.	- current (591,595)	49	48	166 251
2.	- deferred (+/-592)	50	65 024	-47 399

<b>**</b>	<b>Profit/loss from ordinary activities after tax</b> <b>line 25 + line 47 - line 48</b>	<b>51</b>	<b>187 541</b>	<b>568 086</b>
XIV.	Extraordinary income (account group 68)	52		
T	Extraordinary expenses (account group 58)	53		
<b>*</b>	<b>Profit/loss from extraordinary activities before tax line 52 -line 53</b>	<b>54</b>		
U.	Income tax on extraordinary activities line 56 + line 57	55		
U.1.	- current (593)	56		
2.	- deferred (+/- 594)	57		
<b>*</b>	<b>Profit/loss from extraordinary activities after tax line 54 - line 55</b>	<b>58</b>		
<b>*</b>	<b>Profit/loss for the accounting period before tax Z. 50 - Z. 47+ Z. 54</b>	<b>59</b>	<b>252 613</b>	<b>686 938</b>
V.	Transfer of net profit/net loss shares to partners (+/-596)	60		
<b>***</b>	<b>Profit/loss for the accounting period after tax (+/-) [line 51 + line 58 - line 60]</b>	<b>61</b>	<b>187 541</b>	<b>568 086</b>

## A. INFORMATION ABOUT ACCOUNTING UNIT

### a) Establishment of the Company

The company Galderma-Spirig Česká a Slovenská republika a.s. (hereinafter called „Company“), has been established on 19 December 1991 and has been on 31 December 1991 filed in the Companies' Register (Companies' Register of the District Court Bratislava I in Bratislava, division Sro., file 1884/B).

### b) Main activities of the Company are:

- advertising and publicity activities
- registration of drugs
- marketing and management in the extent of free trade activity
- commercial and mediation activities in the extent of free trade activity

### c) Data about the number of employees are mentioned in the following table:

Item	Period	Preceding period
Average recalculated number of employees	13	13
Number of employees as per reporting day, therein included:	14	13
managers	3	3

### d) Information on unlimited liability

The Company is not a partner with unlimited liability in other companies according to section 56 paragraph 5 of the Commercial Code.

### e) Legal reason for the preparation of the financial statements

The financial statements of the company as per December 31st, 2013 have been prepared as ordinary financial statements according to section 17 paragraph 6 of the Accounting Act No. 431/2002 Coll. for the accounting period from January 1st, 2013 until December 31st, 2013.

### f) Date of approving financial statements for the preceding accounting period

The financial statements of the company as per December 31st, 2012 for the preceding accounting period have been approved by the General Assembly of the company on February 27th, 2013.

### Publication of financial statements for the preceding accounting period

The Financial Statements of the Company as at 31 December 2012 including the annual report and the auditor's report on the audit of the financial statements as at 31 December 2012 were filed in the collection of deeds of the Commercial Register on 20 July 2013. The balance sheet and income statement for the preceding accounting period were published in the Commercial bulletin on 27 August 2013.

### Appointment of the auditor

On 27 February 2013, the General Meeting appointed the company ATCL, k. s., Adámiho 8, 841 05 Bratislava, (office in Kutlíkova Street 17, 852 50 Bratislava ) as the auditor of the Financial Statements for the period from 1 January 2013 to 31 December 2013.

### **C. INFORMATION ABOUT THE CONTROLLING PARTIES**

- a) The consolidation for all groups of accounting units of the consolidated group is conducted by the company GALDERMA SA with the seat in Av. Gratta-Paille 2-1018, Lausanne, Switzerland.
- b) The company is part of the consolidated financial statements of the company Spirig Pharma AG, Froschackerstrasse 6, Egerkingen, 4622, Switzerland. The company Spirig Pharma AG is the consolidating company to which also the company Galderma-Spirig Česká a Slovenská republika a.s. belongs.
- c) The consolidated financial statements are situated in the seat of the company Spirig Pharma AG, Froschackerstrasse 6, Egerkingen 4622, Switzerland.
- d) The mother company cannot be exempted from the obligation to prepare the consolidated financial statements and the consolidated annual report.

### **D. NOTES TO THE FINANCIAL STATEMENTS INCLUDE FURTHER INFORMATION ABOUT:**

- a) used accounting principles and methods in Section E
- b) data on the asset side of the balance sheet in Section F
- c) data on the liability side of the balance sheet in Section G
- d) income in Section H
- e) expenses in Section I
- f) income taxes in Section J
- g) data in off-balance sheet accounts in Section K
- h) other assets and liabilities in Section L
- i) related parties in Section N
- j) events occurring between the balance sheet data and the date of preparation of financial statements in Section O
- k) equity in Section P
- l) cash flow statement in Section R.

### **E. INFORMATION ABOUT ACCOUNTING PRINCIPLES AND METHODS**

#### **a) Basis for the preparation of the financial statements**

The financial statements have been prepared according to the Accounting Act No. 431/2002 Coll., the Decree No. 23054/2002-92 and No. 4455/2003-92 of the Ministry of Finance of the Slovak Republic on the condition of the continuous operation of the company (going concern).

#### **b) Accounting methods and general accounting principles have been applied by the accounting unit consistently.**

The mentioned methods did not have impact on the change of assets, liabilities, equity and profit / loss of the accounting entity.

#### **c) Appraisal of types of assets and liabilities:**

##### **1. Long-term intangible and tangible goods**

Purchased long-term goods are valued with procurement prices that include the cost of procurement and costs connected with the procurement (customs, transport, assembly, insurance etc.).

With effect from 1 January 2003, acquisition cost of property, plant and equipment does not include borrowing costs or realized exchange rate differences, which arose before the item of property, plant and equipment was put into use.

The depreciation of long-term tangible property is defined based on the assumed period of use and the assumed process of wear and tear. The depreciation starts in the month in

which the use of the long-term property starts. Small-value long-term tangible property procured in the previous years whose procurement price (or own costs) is equal to 1.700 EUR or less is written off in one sum at the start of its use.

With effect from 1 July 2010, acquisition cost of non-current intangible assets does not include borrowing costs, which arose before the non-current intangible assets were put into use.

During the accounting period, the company has not generated due to its activity long-term assets. During the accounting period, the company has not recorded any expenses for research activities.

The depreciation of long-term intangible property is defined based on the assumed period of use and the assumed process of wear and tear. The depreciation starts in the month in which the use of the long-term property starts. Intangible property whose procurement price (or own costs) is equal to 2.400 EUR or less is consumed by the property directly.

The company has not received subsidy for the purchase of long-term assets.

Further information about long-term intangible goods and tangible goods is given in tables mentioned in these Notes.

## **2. Inventory**

In billing inventory, the method A is applied. Inventory is valued with procurement price (procured inventory). Purchased inventory is valued with procurement prices that include the cost of procurement and costs connected with the procurement (customs, transport, insurance, commissions etc.). Interest from foreign resources is not part of the procurement price. During the accounting period, the company has not generated due to its activity or in another form any inventory. The reduction of value is accounted for by generating an adjustment. During the accounting period, the company has not generated any adjustments to inventory. Purchased inventory that is billed directly into consumption is at the end of the year entered in an inventory and the difference is accounted into inventory.

## **3. Construction contracts**

During the accounting period, the Company has not booked construction contracts.

## **4. Receivables**

Receivables are valued at their nominal value except for: assigned receivables and receivables acquired via a contribution to share capital which are valued at their acquisition cost, including costs related to the acquisition. Receivables are decreased by the write-downs for any amounts expected to be irrecoverable. The company does not own such receivables. The company has not generated any adjustments to receivables.

## **5. Securities and ownership interests**

The accounting unit does not own any securities and ownership interests.

## **6. Financial means and stamps**

Financial means and stamps are valued with their nominal values.

## **7. Expenses of future periods and revenues of future periods**

Expenses of future periods and revenues of future periods are shown in the sum which is necessary for respecting the principle of time and pragmatic connection with the accounting period.

## **8. Provisions**

Provisions are liabilities of uncertain timing or amount; they are created to cover known risks or losses from business activities. These provisions are valued at the expected sum of the liability.

## **9. Liabilities**

Liabilities are in the moment of their building are valued with their nominal values. In the moment of taking over liabilities, they are valued with their procurement prices. In case the inventory-taking comes to the conclusion that the sum of liabilities differs from their sum shown in the accounting system liabilities will be recorded in the accounting system and in the financial statements in the sum mentioned in the valuation.

## **10. Expenses of future periods and revenues of future periods**

Expenses of future periods and revenues of future periods are shown in the sum which is necessary for respecting the principle of time and pragmatic connection with the accounting period. The company has not billed expenses of future periods.

## **11. Derivates**

During the accounting period, the Company has not booked derivatives.

## **12. Assets and liabilities hedged by derivatives**

During the accounting period, the Company has not booked assets and liabilities hedged by derivatives.

## **13. Deferred taxes**

Deferred taxes (deferred tax receivable and deferred tax liability) refer to:

- a) temporary differences between the book value of the property and the book value of liabilities shown in the balance sheet and their tax basis;
- b) the possibility to pay off tax losses in future, i.e. the possibility to deduct the tax loss from the tax basis in future;
- c) possibility to transfer not used tax deductions and tax claims to the future.

## **14. Emission quotas**

During the accounting period, the Company has not booked emission quotas.

## **15. Subsidies from the state budget**

During the accounting period, the Company has not booked any subsidies from the state budget.

## **16. Leasing**

During the accounting period, the company has not billed operative or financial leasing.

## **17. Correction of mistakes from previous accounting periods**

The company has not billed in the current accounting period mistakes from previous accounting periods which would have impact on the items from the balance sheet, expenses and proceeds of the current accounting period.

## **18. Foreign currency**

Property and liabilities in foreign currency are converted into Euro based on the exchange rate mentioned in the exchange list of the European Central Bank or the Slovak National Bank (in case there is no exchange rate of the European Central Bank) published in the day preceding the day of the transaction.

Assets and liabilities denominated in a foreign currency (except for advance payments made and advance payments received) are translated to Euro at the Balance Sheet date according to the reference exchange rate determined and declared by the European Central Bank or the National Bank of Slovakia as at the Balance Sheet date, and are recorded with an impact on profit or loss.

Advance payments made and advance payments received in foreign currencies to or from bank account maintained in this currency are translated to Euro as at the date of the

accounting transaction by the reference exchange rate determined and declared by the European Central Bank or the National Bank of Slovakia as at the date preceding the date of accounting transaction.

Advance payments made and advance payments received in a foreign currency to or from bank account maintained in Euro are translated to Euro by the exchange rate for which these values were purchased or sold. This exchange rate is also used in all other cases of billings on this account connected with the advance payment.

With respect to the outflow of foreign currency in cash, the FIFO method is being used.

## F. INFORMATION ABOUT VALUES ON THE ASSETS' SIDE OF THE BALANCE SHEET

### Information to Annex 3 Section F. a) on long-term intangible assets

Table 1

Long-term intangible goods	Current accounting period							
	Activated development costs	Software	Assessable rights	Goodwill	Other long-term intangible goods	Purchased long-term intangible goods	Advances paid for long-term intangible goods	Total
a	b	c	d	e	f	g	h	i
<b>Primary assessment</b>								
Value at the beginning of the accounting period		10000	3000					13000
Increases								
Outflow								
Transfers								
Value at the end of the accounting period		10000	3000					13000
Adjustments								
Value at the beginning of the accounting period		3625	1250					4875
Increases		2500	600					3100
Outflow								
Transfers								
Value at the end of the accounting period		6125	1850					7975
Adjustments								
Value at the beginning of the accounting period								
Increases								
Outflow								
Transfers								
Value at								



the end of the accounting period								
Residual value								
Value at the beginning of the accounting period		6375	1750					8125
Value at the end of the accounting period		3875	1150					5025

The depreciation of long-term intangible property is defined based on the assumed period of use and the assumed process of wear and tear. The depreciation starts in the month in which the use of the long-term property starts. Intangible property whose procurement price (or own costs) is equal to 2.400 EUR or less is consumed by the property directly and is billed on the respective account.

**Table 2**

Long-term intangible goods	Preceding accounting period							
	Activated development costs	Software	Assessable rights	Goodwill	Other long-term intangible goods	Purchased long-term intangible goods	Advances paid for long-term intangible goods	Total
a	b	c	d	e	f	g	h	i
<b>Primary assessment</b>								
Value at the beginning of the accounting period		10000	3000					13000
Increases								
Outflow								
Transfers								
Value at the end of the accounting period		10000	3000					13000
Adjustments								
Value at the beginning of the accounting period		1125	650					1775
Increases		2500	600					3100
Outflow								
Transfers								
Value at the end of the accounting period		3625	1250					4875
Adjustments								

Value at the beginning of the accounting period								
Increases								
Outflow								
Transfers								
Value at the end of the accounting period								
Residual value								
Value at the beginning of the accounting period		8875	2350					11225
Value at the end of the accounting period		6375	1750					8125

The depreciation of long-term intangible property is defined based on the assumed period of use and the assumed process of wear and tear. The depreciation starts in the month in which the use of the long-term property starts. Intangible property whose procurement price (or own costs) is equal to 2.400 EUR or less is consumed by the property directly and is billed on the respective account.

#### Information to Annex 3 Section F. c) on long-term intangible assets

The company does not own long-term intangible assets to which a lien had been built.

#### Information to Annex 3 Section F. a) on long-term tangible assets

Table 1

Long-term intangible goods	Current accounting period							
	Land	Structures	Individual movable assets and sets of movable assets	Perennial crops	Livestock	Other property, plant and equipment	Acquisition of property, land and equipment	Advance payments made for property, plant and equipment
a	b	c	d	e	f	g	h	i
Primary assessment								
Value at the beginning of the accounting period			358990					
Increases								
Outflow			10118					
Transfers								
Value at the end of the accounting			348872					

period									
Adjustments									
Value at the beginning of the accounting period			204258						204258
Increases			65882						65882
Outflow			10118						10118
Transfers									
Value at the end of the accounting period			260022						260022
Adjustments									
Value at the beginning of the accounting period									
Increases									
Outflow									
Transfers									
Value at the end of the accounting period									
Residual value									
Value at the beginning of the accounting period			154732						154732
Value at the end of the accounting period			88850						88550

The depreciation of long-term tangible property is defined based on linear depreciation. The depreciation starts in the month in which the use of the long-term property starts. Small-value long-term tangible property procured in the previous years whose procurement price (or own costs) is equal to 1.700 EUR or less is written off in one sum at the start of its use.

**Table 2**

Long-term intangible goods	Preceding accounting period								
	Land	Structures	Individual movable assets and sets of movable assets	Perennial crops	Livestock	Other property, plant and equipment	Acquisition of property, land and equipment	Advance payments made for property, plant and equipment	Total
Primary assessment									
Value at the beginning			367292						367292

of the accounting period									
Increases			27766						27766
Outflow			36068						36068
Transfers									
Value at the end of the accounting period			358990						358990
Adjustments									
Value at the beginning of the accounting period			170965						170965
Increases			69361						69361
Outflow			36068						36068
Transfers									
Value at the end of the accounting period			204258						204258
Adjustments									
Value at the beginning of the accounting period									
Increases									
Outflow									
Transfers									
Value at the end of the accounting period									
Residual value									
Value at the beginning of the accounting period			196327						196327
Value at the end of the accounting period			154732						154732

The depreciation of long-term tangible property is defined based on linear depreciation. The depreciation starts in the month in which the use of the long-term property starts. Small-value long-term tangible property procured in the previous years whose procurement price (or own costs) is equal to 1.700 EUR or less is written off in one sum at the start of its use.



Residual value									
Value at the beginning of the accounting period					4738				4738
Value at the end of the accounting period					0				0

**Table 2**

Long-term financial assets	Preceding accounting period								
	Shares and ownership interests in a subsidiary	Shares and ownership interests with significant influence over enterprises	Other long-term Shares and ownership interests	Inter-company loans	Other long-term financial assets	Loans with maturity up to one year	Acquisition of long-term financial assets	Advance payments made for long-term financial assets	Total
a	b	c	d	e	f	g	h	i	j
Primary assessment									
Value at the beginning of the accounting period					4622	9599			14221
Increases									
Outflow					4257	5226			9483
Transfers									
Value at the end of the accounting period					365	4373			4738
Adjustments									
Value at the beginning of the accounting period									
Increases									
Outflow									
Transfers									
Value at the end of the accounting period									
Residual value									
Value at the beginning of the accounting period					4622	9599			14221

Value at the end of the accounting period					365	4373			4738

The company has only long-term financial assets comprising of loans awarded to sales representatives of the company.

**Information to Annex 3 Section F. i) on the structure of long-term financial assets**

The company does not own securities and ownership interests in another accounting unit.

**Information to Annex 3 Section F. j) and l) about securities held to due-date**

The company does not own other securities and ownership interests held to due date.

**Information to Annex 3 Section F. m) on long-term financial assets**

The company does not own long-term financial assets to which a lien had been built.

**Information to Annex 3 Section F.j) and l) on granted long-term loans**

Long-term loans	Value at the beginning of the accounting period	Value increase	Value reduction	Sorting out of loans in the accounting period	Value at the end of the accounting period
with maturity over 5 years					
with maturity from 3 to 5 years					
with maturity from 1 to 3 years	365		365		0
with maturity up to one year	4373		4373		0
Long-term loans total	4738		4738		0

**Information to Annex 3 Section F. o) on the development of adjustments to inventory**

The company has not billed any adjustments to inventory or real estate for sale.

**Information to Annex 3 Section F. p) on inventory to which a lien had been built**

The company does not own inventory to which a lien had been built.

**Information to Annex 3 Section F. q) on construction contracts and construction of real estate**

The company has not billed any construction contracts and construction of real estate for sale.

**Information to Annex 3 Section F. r) on the development of adjustments to receivables**

The company has not billed any adjustments to receivables.

**Information to Annex 3 Section F. s) on the age structure of receivables**

Item	Due	Overdue	Total
a	b	c	d
<b>Long-term receivables</b>			
Trade receivables			
Receivables from a subsidiary and a parent			
Other inter-company receivables			
Receivables from participants, members and associations			
Other receivables	9718		9718
Long-term receivables total	9718		9718
<b>Short-term receivables</b>			
Trade receivables	309030		309030
Receivables from a subsidiary and a parent			
Other inter-company receivables			
Receivables from participants, members and associations			
Social security			
Tax assets and subsidies	255253		255253
Other receivables	1813		1813
Short-term receivables total	566096		566096

**Information to Annex 3 Section F. t) and u) on receivables secured by a lien or another instrument**

The company does not own receivables secured by a lien or another instrument.

**Information to Annex 3 Section F. w) on short-term financial assets**

**Table 1**

Item	Current accounting period	Preceding accounting period
Cash on hand, stamps	6150	792
Current bank accounts in banks or subsidiaries of international banks	773946	36855
Term deposits in banks or subsidiaries of international banks		450000
Cash in transit	-4	-8
Total	780092	487639

Within short-term financial assets, cash and bank accounts have been displayed. The company has cash in hand in currencies EUR, CH (Swiss franc) and CZK (Czech crown). The company has two bank accounts in the bank VÚB, a.s. Bratislava. The company can freely use both bank accounts. On financial accounts in the bank, the company has conducted treasury operations whose balance as of 31 December 2013 is 0. The company has not billed short-term financial assets comprising securities for trading, bonds for trading, emission quota and securities with maturity up to one year held to due date.

**Information to Annex 3 Section F. x) on the development of adjustments to short-term financial assets**

The company has not built any adjustments to short-term financial assets.



**Information to Annex 3 Section F. y) on short-term financial assets to which a lien had been built**

The company does not own financial assets to which a lien had been built.

**Information to Annex 3 Section F. za) on the appraisal of short-term financial assets as of the balance day with its current market value**

The company does not own such assets.

**Information to Annex 3 Section F. zc) on assets leased in form of financial leasing**

The company does not own such assets.

## **G. INFORMATION ABOUT DATA ON LIABILITIES AND EQUITY SIDE OF THE BALANCE SHEET**

**Information to Annex 3 Section G. a) point 3 on the division of accounting profit or loss**

**Table 1**

Item	Preceding period
Accounting profit	568086
<b>Division of accounting profit</b>	<b>Current accounting period</b>
Contribution to the legal reserve fund	
Contributions to statutory and other funds	
Contribution to the social fund	
Contribution to equity increase	
Payment of losses from preceding periods	
Transfer to undistributed net profit of previous years	
Distribution of profit to partners and embers	568086
Other	
Total	568086

**Information to Annex 3 Section G. b) on provisions**

**Table 1**

Item	Current accounting period				
	Balance in the beginning of accounting period	Creation	Use	Reversal	Balance at the end of accounting period
a	b	c	d	e	f
<b>Long-term provisions, out of it:</b>	<b>2719</b>	<b>3516</b>		<b>2719</b>	<b>3516</b>
Pension severance pay	2719	3516		2719	3516
<b>Short-term provisions, out of it:</b>	<b>357553</b>	<b>63952</b>	<b>357141</b>	<b>412</b>	<b>63952</b>
Provision for not invoiced supplies	26662	9823	26250	412	9823
Provision for audit	5467	6181	5467		6181
Provision for reduced revenues	235160		235160		
Provision for severance pays	90264	33792	90264		33792
Vacation pay		14156			14156

The company bills the creation of provisions based on closed contracts or other resources where expenses are predicted. A provision for lump sum payment at retirement was created using actuarial mathematics based on average data.

**Table 2**

Item	Preceding accounting period				
	Balance in the beginning of accounting period	Creation	Use	Reversal	Balance at the end of accounting period
a	b	c	d	e	f
<b>Long-term provisions, out of it:</b>	<b>2565</b>	<b>2719</b>		<b>2565</b>	<b>2719</b>
Pension severance pay	2565	2719		2565	2719
<b>Short-term provisions, out of it:</b>	<b>168044</b>	<b>357553</b>	<b>167233</b>	<b>811</b>	<b>357553</b>
Provision for not invoiced supplies	17888	26662	17488	400	26662
Provision for audit	5358	5467	4947	411	5467
Provision for reduced revenues		235160			235160
	144798	90264	144798		90264

The company bills the creation of provisions based on closed contracts or other resources where expenses are predicted. A provision for lump sum payment at retirement was created using actuarial mathematics based on average data.

#### Information to Annex 3 Section G. c) and d) on liabilities

Item	Current accounting period	Preceding accounting period
<b>Total long-term liabilities</b>	<b>6356</b>	<b>6939</b>
Liabilities due over 5 years		
Liabilities due within 1 to 5 years	6356	6939
<b>Short-term liabilities total</b>	<b>676163</b>	<b>186666</b>
Liabilities due within one year	676163	186666
Liabilities overdue		

#### Information to Annex 3 Section F. v) and Section G. f) on deferred tax receivable or deferred tax liability

Item	Current accounting period	Preceding accounting period
<b>Temporary differences between the carrying value of assets and their tax base, out of it:</b>	<b>23540</b>	<b>25696</b>
- deductible		
- taxable	23540	25696
<b>Temporary differences between the carrying value of liabilities and their tax base:</b>	<b>44173</b>	<b>328143</b>
- deductible		
- taxable	44173	328143
<b>Possibility to forward tax loss to future</b>		
<b>Possibility to claim unused tax</b>		

deductions		
Income tax rate (v %)	22	23
Deferred tax asset	9718	75473
Recognized deferred tax asset	75473	27999
Recorded as expenses		
Recorded in equity		
Deferred tax liability	5179	5910
Change in deferred tax liability	731	-75
Recorded as expenses	791	-75
Recorded in equity		
Other		

The company has created a deferred tax receivable to temporary differences in building other provisions for severance pay and services. The deferred tax liability has been deducted from the temporary differences between the tax and accounting residual value of the assets depreciated.

#### Information to Annex 3 Section G. g) on liabilities from the social fund

Item	Current accounting period	Preceding accounting period
Opening balance of social fund	1029	1100
Creation of social fund against expenses	5634	3959
Creation of social fund from profit		
Other creation of social fund		
Total creation of social fund	5634	3959
Drawing of social fund	5486	4030
Closing balance of social fund	1177	1029

The social fund has been created by the company according to Act No. 152/1994 Coll. on the Social funds and it has been built in expenses. Resources from the social fund are used for paying catering contributions to employees.

#### Information to Annex 3 Section G. h) on bonds

The company has not billed bonds.

#### Information to Annex 3 Section G. i) on bank credits, loans and short-term financial help

The company has not billed long-term or short-term bank credits, loans and short-term financial help.

#### Information to Annex 3 Section G. k) on important derivatives during the current accounting period

The company has not billed derivatives.

#### Information to Annex 3 Section G. l) on items secured by derivatives

The company has not billed any items secured by derivatives.

#### Information to Annex 3 Section G. m) on assets leased in form of financial leasing

The company does not own such assets.

## H. INFORMATION ABOUT INCOME

Revenues from own work and merchandise do not comprise value added tax. Discounts and deductions (discounts, bonuses, cash discounts, credits etc.) are deducted from the revenues irrespective of the fact whether the client was granted the discount in advance or whether the discount has been granted additionally.

Further information is presented in tables in these Notes.

### Information to Annex 3 Section H. b) on changes in the balance of inter-company inventory

These changes have not occurred.

### Information regarding Annex 3 Part H g) about net turnover

Item	Current accounting period	Preceding accounting period
Revenues from own products		
Revenues from services provided	3480836	3104150
Revenues from merchandise	4597	8403
Revenues from construction contracts		
Revenues from construction of real estate		
Other income related to ordinary activities	2613	7912
<b>Net turnover total</b>	<b>3488046</b>	<b>3120465</b>

## I. INFORMATION ABOUT EXPENSES

### Information regarding Annex 3 Part I about expenses for auditor and auditing company

Item	Current accounting period	Preceding accounting period
<b>Expenses for auditor and auditing company</b>	6380	5289
Audit of the individual financial statements	6380	5289
Other assurance audit services		
Connected audit services		
Tax consultancy		
Other non-audit services		

## J. INFORMATION ABOUT INCOME TAX

### Information to Annex 3 Section J. a) to e) on income taxes

The company has not billed such cases in billing deferred taxes.

### Information to Annex 3 Section J. f) and g) on income taxes

Item	Current period			Preceding period		
	Tax base	Tax	Tax in %	Tax base	Tax	Tax in %
a	b	c	d	e	f	g
Profit (loss) before tax, out of it:	252613	x	x	686938	x	x
theoretical tax	x	58100	23	x	130518	19
Tax non-deductible expenses	49443	11372	4,50	335242	63695	9,27

Income not subject to tax	-328345	-75519	-29,89	-148870	-28285	-4,12
Influence of non-reported tax receivable						
Tax losses claimed during the period						
Change of tax rate						
Total	-26289	-6047	-2,39	873310	165928	24,15
Tax due	x	48	0,02	x	166251	24,20
Deferred tax	x	-64147	-25,39	x	-47399	-6,90
Income tax total	x	70146	27,76	x	118852	17,30

#### **K. INFORMATION ABOUT DATA IN OFF-BALANCE SHEET ACCOUNTS**

The company has not billed any operations in off-balance sheet accounts. The company leases a building in which it has its seat and office premises. The contract has been closed for indefinite time and the rent is invoiced monthly.

#### **L. INFORMATION ABOUT OTHER ASSETS AND LIABILITIES**

The company does not have such assets and liabilities.

#### **M. INFORMATION ON INCOME AND EMOLUMENTS OF MEMBERS OF THE STATUTORY BODIES, SUPERVISORY BODIES, AND OTHER BODIES OF THE ACCOUNTING ENTITY**

These data are not presented by the company as these data are not part of these Notes regarding the company.

#### **N. INFORMATION ABOUT THE ACCOUNTING UNIT'S TRANSACTIONS WITH RELATED PARTIES**

These data are not presented by the company as these data are not part of these Notes regarding the company.

#### **O. INFORMATION ON EVENTS OCCURING BETWEEN THE BALANCE SHEET DATE AND THE DATE OF PREPARATION OF FINANCIAL STATEMENTS**

The company has decided to change the way of bookkeeping - providing accounting services by an external provider will be in 2014 replaced by an internal accountant (employee) that will conduct accounting activities using the software KROS. In 2014, the company will change the cooperation with sales representatives in Slovakia and in the Czech Republic who have been cooperating as external representatives and the company plans to employ internal representatives. The situation in the Czech Republic has not yet been solved.

## P. INFORMATION ON EQUITY

### Information to Annex 3 Section P on equity changes

Equity item	Current period				
	Balance at the beginning of the accounting period	Increases	Outflow	Transfers	Balance at the end of the accounting period
a	b	c	d	e	f
Share capital	33200				33200
Own shares and own ownership interests					
Change in share capital					
Receivables related to unpaid share capital					
Share premium					
Other capital funds					
Legal reserve fund (non-distributable fund) from capital contributions	6639				6639
Differences from revaluation of assets and liabilities					
Investment revaluation reserve					
Differences from revaluation in the event of merger, amalgamation into a separate accounting entity or demerger					
Legal reserve fund					
Non-distributable fund					
Statutory funds and other funds					
Retained earnings from previous years	533873				533873
Accumulated losses from previous years					
Net profit (loss) of the current accounting period	568086	187541	568086		187541
Other equity					

items					
Account 491 - Equity of natural person					

Based on a resolution of the General Assembly, the total result after tax for 2012 will be paid out to the exclusive shareholder of the company by offsetting against a receivable towards the shareholder in February 2013.

**Table 2**

Equity item	Preceding period				
	Balance at the beginning of the accounting period	Increases	Outflow	Transfers	Balance at the end of the accounting period
a	b	c	d	e	f
Share capital	33200				33200
Own shares and own ownership interests					
Change in share capital					
Receivables related to unpaid share capital					
Share premium					
Other capital funds					
Legal reserve fund (non-distributable fund) from capital contributions	6639				6639
Differences from revaluation of assets and liabilities					
Investment revaluation reserve					
Differences from revaluation in the event of merger, amalgamation into a separate accounting entity or demerger					
Legal reserve fund					
Non-distributable fund					
Statutory funds and other funds					
Retained earnings from	533873				533873

previous years					
Accumulated losses from previous years					
Net profit (loss) of the current accounting period	944481	568086	984481		568086
Other equity items					
Account 491 - Equity of natural person					

Based on a resolution of the General Assembly, the total result after tax for 2011 will be paid out to the exclusive shareholder of the company by offsetting against a receivable towards the shareholder in May 2012.

## R. CASH FLOW STATEMENT

This information is included in Section S of the Notes. The company records cash flows by using the direct method.

## S. Annex 3 about the overview of cash flows using the direct method

Item	Item description	Current period	Preceding period
	Cash flow from operating activities		
A.1	Proceeds from sales of goods (+)	5.516,00	10.083,00
A.2	Expenses for purchase of goods	- 5.364,00	- 9.582,00
A.3	Proceeds from the sales of own products (+)	0,00	0,00
A.4	Proceeds from the sales of services (+)	3.532.109,00	3.366.061,00
A.5	Expenses for purchasing material, energy and other supplies that cannot be stored (-)	- 236.003,00	- 142.185,00
A.6	Expenses for services (-)	- 1.793.659,00	- 1.524.844,00
A.7	Expenses for personal costs (-)	- 930.387,00	- 727.708,00
A.8	Expenses for taxes and charges, except for expenses for income tax of the accounting unit (-)	- 133.501,00	- 29.248,00
A.9	Proceeds from the sale of securities intended for sale or trade (+)	0,00	0,00
A.10	Expenses for purchasing securities intended for sale or trade (-)	0,00	0,00
A.11	Proceeds from contracts whose subject is the right intended for sale or trade (+)	0,00	0,00
A.12	Expenses from contracts whose subject is the right intended for sale or trade (-)	0,00	0,00
A.13	Proceeds from loans that have been awarded to the accounting unit by a bank or an international bank subsidiary in case loans have been awarded for securing the principal business activity (+)	0,00	0,00
A.14	Expenses for loans that have been awarded to the accounting unit by a bank or an international bank subsidiary in case loans have been awarded for securing the principal business activity (-)	0,00	0,00
A.15	Other proceeds from operating activities, except for those that are separately mentioned in other parts of the cash flow statement (+)	2.613,00	3.906,00
A.16	Other expenses for operating activities, except for those that are separately mentioned in other parts of the cash flow statement (-)	-15.600,00	- 22.048,00
	<b>Cash flows from operating activities, without proceeds and expenses that are separately mentioned in other parts of the cash flow statement (+/-) (sum A.1 – A.16)</b>	<b>425.724,00</b>	<b>982.931,00</b>



A.17	Incoming interest, except for those that are part of investing activities (+)	201,00	1.508,00
A.18	Expenses for interest paid, except for those that are part of financial activities (+)		
A.19	Proceeds from dividends and other profit share, except for those that are part of investing activities (+)		
A.20	Expenses for dividends and other profit share, except for those that are part of investing activities (-)		-984.481,00
	<b>Cash flows from operating activities (+/-) (sum A.1 – A.20)</b>	425.925,00	- 42,00
A.21	Expenses for income tax except for those that are part of investing or financial activities (-/+)	-128.419,00	-268.666,00
A.22	Extraordinary proceeds from operating activities (+)		
A.23	Extraordinary expenses for operating activities (-)		
A.	Net cash flows from operating activities (sum A.1 – A.23)	297.506,00	- 268.708,00
	Cash flows from investing activities		
B.1	Expenses for purchasing long-term intangible goods (-)		
B.2	Expenses for purchasing long-term tangible goods (-)	-10.118,00	- 32.394,00
B.3	Expenses for purchasing long-term securities and ownership interests in other accounting units, except for securities regarded as cash equivalent and securities intended for sale or trading (-)		
B.4	Proceeds from the sale of long-term intangible goods (+)		
B.5	Proceeds from the sale of long-term tangible goods (+)		4.808,00
B.6	Proceeds from purchasing long-term securities and ownership interests in other accounting units, except for securities regarded as cash equivalent and securities intended for sale or trading (+)		
B.7	Expenses for long-term credits		
B.8	Proceeds from paying back long-term loans awarded by the accounting unit to another accounting unit that is part of a consolidated group (+)		
B.9	Expenses for long-term loans awarded by the accounting unit to third persons, except for long-term loans awarded to another accounting unit that is part of a consolidated group (-)		
B.10	Proceeds from paying back long-term loans awarded by the accounting unit to third persons, except for long-term loans awarded to another accounting unit that is part of a consolidated group (+)	5.104,00	9.793,00
B.11	Incoming interest except for those that are part of operating activities (+)	87,00	329,00
B.12	Proceeds from dividends and other profit share, except for those that are part of operating activities (+)		
B.13	Expenses for derivatives except when they are intended for sale or trading or when these expenses are regarded as cash flows from financial activities (-)		
B.14	Proceeds from derivatives except when they are intended for sale or trading or when these expenses are regarded as cash flows from financial activities (+)		
B.15	Expenses for income tax of the accounting unit when they are part of investing activities (-)		
B.16	Extraordinary proceeds regarding investing		

	activities (+)		
B.17	Extraordinary expenses regarding investing activities (-)		
B.18	Other proceeds regarding investing activities (+)		
B.19	Other expenses regarding investing activities (-)		
<b>B</b>	<b>Net cash flows from investing activities (sum B.1 – B.19)</b>	<b>-4.927,00</b>	<b>- 17.464,00</b>
	<b>Cash flows from financial activities</b>		
C.1	Cash flows generated in equity (sum C.1.1 – C.1.8)		
C.1.1	Proceeds from subscribed shares and ownership shares (+)		
C.1.2	Proceeds from other contributions in equity paid by partners or natural persons in case they are accounting units (+)		
C.1.3	Accepted financial donations (+)		
C.1.4	Proceeds from paying off loss by partners (-)		
C.1.5	Expenses for purchase or re-purchase of own shares and own ownership interests (-)		
C.1.6	Expenses connected with reducing funds generated by the accounting unit (-)		
C.1.7	Expenses for paying out contributions on equity to partners or natural persons in case they are accounting units (-)		
C.1.8	Expenses for another reasons connected with reducing equity (-)		
C.2	Cash flows generated from long-term liabilities and short-term liabilities from financial activities (sum C.2.1 – C.2.9)		
C.2.1	Proceeds from emitting securities (+)		
C.2.2	Expenses for paying up liabilities from securities (-)		
C.2.3	Proceeds from loans that have been awarded to the accounting unit by a bank or an international bank subsidiary in case loans have been awarded for securing the principal business activity (+)		
C.2.4	Expenses for paying back long-term loans awarded to the accounting unit by a bank or an international bank subsidiary, except for loans awarded for securing the principal business activity (-)		
C.2.5	Proceeds from incoming loans (+)		
C.2.6	Expenses for paying up loans (-)		
C.2.7	Expenses for paying up liabilities from using property that is subject of a contract on purchasing a leased object		
C.2.8	Proceeds from other long-term liabilities and short-term liabilities from financial activities, except for those mentioned separately in another parts of the cash flow statement (+)		
C.2.9	Expenses for paying up other long-term liabilities and short-term liabilities from financial activities, except for those mentioned separately in another parts of the cash flow statement (-)		
C.3	Expenses for paid interest except for those that are part of operating activities (-)		
C.4	Expenses for paid dividends and other profit shares except for those that are part of operating activities (-)		
C.5	Expenses for derivatives except when they are intended for sale or trading or when these expenses are regarded as cash flows from investing activities (-)		
C.6	Proceeds from derivatives except when they are intended for sale or trading or when these expenses are regarded as cash flows from investing activities (+)		
C.7	Expenses for income taxes of the accounting unit in case they are part of financial activities (-)		

C.8	Extraordinary proceeds regarding financial activities (+)		
C.9	Extraordinary expenses regarding financial activities (-)		
C	Net cash flows from financial activities (sum C.1 – C.9)		
D.	Net increase or net reduction of financial resources (+/-), (sum A+B+C)	292.579,00	- 286.172,00
E.	Balance of financial resources and cash equivalent in the beginning of accounting period (+/-)	487.639,00	773.886,00
F.	Balance of financial resources and cash equivalent at the end of accounting period before accounting for exchange differences calculated as of the balance day (+/-)	780.218,00	487.714,00
G.	Exchange differences calculated for financial resources and cash equivalent as of the balance day (+/-)	-126,00	- 75,00
H.	Residual value of financial resources and cash equivalent at the end of accounting period adapted by exchange differences calculated as of the balance day (+/-)	780.092,00	487.639,00