

**CEVA ANIMAL HEALTH SLOVAKIA, s.r.o.**

**INDEPENDENT AUDITOR'S REPORT**

on the Financial Statements and Annual Report prepared  
as at 31 December 2021

Bratislava, 24 January 2022

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## **INDEPENDENT AUDITOR'S REPORT**

to the shareholder and executive director of CEVA ANIMAL HEALTH SLOVAKIA, s.r.o.

### **I. REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

#### **Opinion**

I have audited the financial statements of CEVA ANIMAL HEALTH SLOVAKIA, s.r.o. (the "Company"), which comprise the balance sheet as at 31 December 2021, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance for the year then ended in accordance with the Act on Accounting No. 431/2002 Coll. as amended (the "Act on Accounting").

#### **Basis for Opinion**

I conducted the audit in accordance with International Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the provisions of Act No. 423/2015 Coll. on Statutory Audit and on Amendment to and Supplementation of Act No. 431/2002 Coll. on Accounting, as amended (hereinafter the "Act on Statutory Audit") related to ethical requirements, including the Code of Ethics for Auditors that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation of the financial statements to give a true and fair view in accordance with the Act on Accounting, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are 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 auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error,

as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during audit.

## **II. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

### **Report on Information Disclosed in the Annual Report**

The statutory body is responsible for information disclosed in the annual report prepared under the requirements of the Act on Accounting. My opinion on the financial statements stated above does not apply to other information in the annual report.

In connection with the audit of financial statements, my responsibility is to gain an understanding of the information disclosed in the annual report and consider whether such information is materially inconsistent with the financial statements or my knowledge obtained in the audit of the financial statements, or otherwise appears to be materially misstated.

I evaluated whether the Company's annual report includes information whose disclosure is required by the Act on Accounting.

Based on procedures performed during the audit of the financial statements, in my opinion:

- Information disclosed in the annual report prepared for 2021 is consistent with the financial statements for the relevant year; and
- The annual report includes information pursuant to the Act on Accounting.

Furthermore, based on my understanding of the Company and its position, obtained in the audit of the financial statements, I am required to disclose whether material misstatements were identified in the annual report, which I received prior to the date of issuance of this auditor's report. There are no findings that should be reported in this regard.

Bratislava, on 24 January 2022

Ing. Katarína Hlavatá  
responsible auditor  
licence UDVA no. 1181

Zochova 20, 811 03 Bratislava



Úč POD

**FINANCIAL STATEMENTS**

of entrepreneurs maintaining accounts under the system of double entry bookkeeping

at 3 1 . 1 2 . 2 0 2 1 (in whole euros)

Tax identification number (DIČ) 2 0 2 0 3 3 9 5 9 6	Financial statements <input checked="" type="checkbox"/> ordinary <input type="checkbox"/> extraordinary <input type="checkbox"/> interim	Accounting entity <input checked="" type="checkbox"/> small <input type="checkbox"/> large <i>(vyznačí sa x)</i>	Month from 1 2 0 2 1 to 1 2 2 0 2 1	Year 2 0 2 1 2 0 2 1
Identification number (IČO) 3 5 6 8 5 8 2 4			For the period	
SK NACE 4 6 . 4 6 . 0			Preceding period from 1 2 0 2 0 to 1 2 2 0 2 0	

## Attached parts of the financial statements

Balance Sheet (Úč POD 1-01) *(in whole euros)*  Income Statement (Úč POD 2-01) *(in whole euros)*  Notes to the Financial Statements (Úč POD 3-01) *(in whole euros or eurocents)*

## Legal name (designation) of the accounting entity

CEVA ANIMAL HEALTH SLOVAKIA, s . r . o .

## Registered office of the accounting entity

Street

P r i e v o z s k á

Number

5 4 3 4 / 6 A

Zip code

8 2 1 0 9

Municipality

B r a t i s l a v a

Designation of the Commercial Register and company registration number

D i s t r i c t C o u r t B r a t i s l a v a I . , S e c t i o n S r o ,

F i l e 1 0 5 8 3 / B

Telephone

0 2 5 5 5 6 6 4 8 8

Fax

0 2 5 5 5 6 6 4 8 7

Email

j a n a . k u c e r o v a @ c e v a . c o m

Prepared on:

2 4 . 0 1 . 2 0 2 2

Approved on:

. . 2 0

Signature of the accounting entity's statutory body or a member of the accounting entity's statutory body or the signature of a sole trader who is the accounting entity:



This form in any foreign language cannot be submitted to the Tax office and it is only for the purpose of helping.

Designation a	ASSETS b	Line No. c	Current accounting period		Preceding accounting period
			1	Net 2	Net 3
			Gross - part 1 Correction - part 2		
	<b>TOTAL ASSETS</b> line 02 + line 33 + line 74	01	<b>3 0 4 3 2 5 6</b>	<b>2 9 9 1 3 3 1</b>	
			5 1 9 2 5		2 7 6 3 7 2 9
<b>A.</b>	<b>Non-current assets</b> line 03 + line 11 + line 21	02	<b>3 8 1 4 2</b>	<b>9 5 0 5</b>	
			2 8 6 3 7		1 3 1 4 8
<b>A.I.</b>	<b>Non-current intangible assets total (lines 04 to 10)</b>	03			
A.I.1.	Capitalized development costs (012) - /072, 091A/	04			
2.	Software (013) - /073, 091A/	05			
3.	Valuable rights (014) - /074, 091A/	06			
4.	Goodwill (015) - /075, 091A/	07			
5.	Other non-current intangible assets (019, 01X) - /079, 07X, 091A/	08			
6.	Acquisition of non- current intangible assets (041) - /093/	09			
7.	Advance payments made for non- current intangible assets (051) - /095A/	10			
<b>A.II.</b>	<b>Property, plant and equipment total (lines 12 to 20)</b>	11	<b>3 8 1 4 2</b>	<b>9 5 0 5</b>	
			2 8 6 3 7		1 3 1 4 8
A.II.1.	Land (031) - /092A/	12			
2.	Structures (021) - /081, 092A/	13	<b>1 1 2 5 8</b>	<b>8 0 6 8</b>	
			3 1 9 0		1 0 3 2 0
3.	Individual movable assets and sets of movable assets (022) - /082, 092A/	14	<b>2 6 8 8 4</b>	<b>1 4 3 7</b>	
			2 5 4 4 7		2 8 2 8

Designation a	ASSETS b	Line No. c	Current accounting period		Preceding accounting period
			1	Net 2	Net 3
			Gross - part 1 Correction - part 2		
4.	Perennial crops (025) - /085, 092A/	15			
5.	Livestock (026) - /086, 092A/	16			
6.	Other property, plant and equipment (029, 02X, 032) - /089, 08X, 092A/	17			
7.	Acquisition of property, plant and equipment (042) - /094/	18			
8.	Advance payments made for property, plant and equipment (052) - /095A/	19			
9.	Value adjustment to acquired assets (+/- 097) +/- 098	20			
<b>A.III.</b>	<b>Non-current financial assets total (lines 22 to 32)</b>	<b>21</b>			
A.III.1.	Shares and ownership interests in affiliated accounting entities (061A, 062A, 063A) - /096A/	22			
2.	Shares and owner- ship interests with participating interest, except for affiliated accounting entities (062A) - /096A/	23			
3.	Other available-for- sale securities and ownership interests (063A) - /096A/	24			
4.	Loans to affiliated accounting entities (066A) - /096A/	25			
5.	Loans within participating interest, except for affiliated accounting entities (066A) - /096A/	26			
6.	Other loans (067A) - /096A/	27			
7.	Debt securities and other non-current financial assets (065A, 069A, 06XA) - /096A/	28			

Designation a	ASSETS b	Line No. c	Current accounting period		Preceding accounting period
			1	Net 2	Net 3
			Gross - part 1 Correction - part 2		
8.	Loans and other non-current financial assets with remaining maturity of up to one year (066A, 067A, 069A, 06XA) - /096A/	29			
9.	Bank accounts with notice period exceeding one year (22XA)	30			
10.	Acquisition of non-current financial assets (043) - /096A/	31			
11.	Advance payments made for non-current financial assets (053) - /095A/	32			
<b>B.</b>	<b>Current assets</b> line 34 + line 41 + line 53 + line 66 + line 71	33	2 9 9 5 9 6 4 2 3 2 8 8	2 9 7 2 6 7 6	2 7 3 8 5 6 6
<b>B.I.</b>	<b>Inventory total (lines 35 to 40)</b>	34	1 5 7 2 1 9 0 1 4 0 2 6	1 5 5 8 1 6 4	1 3 4 4 3 6 5
B.I.1.	Raw material (112, 119, 11X) - /191, 19X/	35			
2.	Work in progress and semi-finished products (121, 122, 12X) - /192, 193, 19X/	36			
3.	Finished goods (123) - /194/	37			
4.	Animals (124) - /195/	38			
5.	Merchandise (132, 133, 13X, 139) - /196, 19X/	39	1 5 7 2 1 9 0 1 4 0 2 6	1 5 5 8 1 6 4	1 3 4 4 3 6 5
6.	Advance payments made for inventory (314A) - /391A/	40			
<b>B.II.</b>	<b>Non-current receivables total (line 42 + lines 46 to 52)</b>	41	1 1 6 0 8 5	1 1 6 0 8 5	1 1 2 2 9 3
<b>B.II.1.</b>	<b>Trade receivables total (lines 43 to 45)</b>	42	6 0 1 2	6 0 1 2	6 0 1 2

Designation a	ASSETS b	Line No. c	Current accounting period		Preceding accounting period	
			1	Gross - part 1	Net 2	Net 3
				Correction - part 2		
1.a.	Trade receivables from affiliated accounting entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	43				
1.b.	Trade receivables within participating interest, except for receivables from affiliated accounting entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	44				
1.c.	Other trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	45	6 0 1 2	6 0 1 2	6 0 1 2	
2.	Net value of contract (316A)	46				
3.	Other receivables from affiliated accounting entities (351A) - /391A/	47				
4.	Other receivables within participating interest, except for receivables from affiliated accounting entities (351A) - /391A/	48				
5.	Receivables from participants, members and association (354A, 355A, 358A, 35XA) - /391A/	49				
6.	Receivables related to derivative transactions (373A, 376A)	50				
7.	Other receivables (335A, 336A, 33XA, 371A, 374A, 375A, 378A) - /391A/	51				
8.	Deferred tax asset (481A)	52	1 1 0 0 7 3	1 1 0 0 7 3	1 0 6 2 8 1	
<b>B.III.</b>	<b>Current receivables total (line 54 + lines 58 to 65)</b>	<b>53</b>	<b>7 3 6 5 2 9</b>	<b>7 2 7 2 6 7</b>	<b>7 4 7 0 7 3</b>	
<b>B.III.1.</b>	<b>Trade receivables total (lines 55 to 57)</b>	<b>54</b>	<b>6 4 0 5 1 6</b>	<b>6 3 1 2 5 4</b>	<b>6 6 9 7 4 0</b>	
1.a.	Trade receivables from affiliated accounting entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	55	8 1 4 5	8 1 4 5	1 0 9 1 1	
1.b.	Trade receivables within participating interest, except for receivables from affiliated accounting entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	56				

Designation a	ASSETS b	Line No. c	Current accounting period		Preceding accounting period
			1	Net 2	Net 3
			Gross - part 1 Correction - part 2		
1.c.	Other trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	57	6 3 2 3 7 1	6 2 3 1 0 9	
			9 2 6 2		6 5 8 8 2 9
2.	Net value of contract (316A)	58			
3.	Other receivables from affiliated accounting entities (351A) - /391A/	59			
4.	Other receivables within participating interest, except for receivables from affiliated accounting entities (351A) - /391A/	60			
5.	Receivables from participants, members and association (354A, 355A, 358A, 35XA, 398A) - /391A/	61			
6.	Social security (336A) - /391A/	62			
7.	Tax assets and subsidies (341, 342, 343, 345, 346, 347) - /391A/	63	4 7 4 8 9	4 7 4 8 9	
					7 2 8 2 3
8.	Receivables related to derivative transactions (373A, 376A)	64			
9.	Other receivables (335A, 33XA, 371A, 374A, 375A, 378A) - /391A/	65	4 8 5 2 4	4 8 5 2 4	
					4 5 1 0
B.IV.	Current financial assets total (lines 67 to 70)	66			
B.IV.1.	Current financial assets in affiliated accounting entities (251A, 253A, 256A, 257A, 25XA) - /291A, 29XA/	67			
2.	Current financial assets, not including current financial assets in affiliated accounting entities (251A, 253A, 256A, 257A, 25XA) - /291A, 29XA/	68			
3.	Own shares and own ownership interests (252)	69			
4.	Acquisition of current financial assets (259, 314A) - /291A/	70			

Designation a	ASSETS b	Line No. c	Current accounting period		Preceding accounting period	
			1	Gross - part 1	Net 2	Net 3
				Correction - part 2		
B.V.	<b>Financial accounts line 72 + line 73</b>	71		<b>5 7 1 1 6 0</b>	<b>5 7 1 1 6 0</b>	
						<b>5 3 4 8 3 5</b>
B.V.1.	Cash (211, 213, 21X)	72				<b>9 2 0</b>
2.	Bank accounts (221A, 22X, +/- 261)	73		<b>5 7 1 1 6 0</b>	<b>5 7 1 1 6 0</b>	
						<b>5 3 3 9 1 5</b>
C.	<b>Accruals/deferrals total (lines 75 to 78)</b>	74		<b>9 1 5 0</b>	<b>9 1 5 0</b>	
						<b>1 2 0 1 5</b>
C.1.	Prepaid expenses - long-term (381A, 382A)	75				
2.	Prepaid expenses - short-term (381A, 382A)	76		<b>9 1 5 0</b>	<b>9 1 5 0</b>	
						<b>1 2 0 1 5</b>
3.	Accrued income - long-term (385A)	77				
4.	Accrued income - short-term (385A)	78				

Designation a	EQUITY AND LIABILITIES b	Line No. c	Current accounting period 4	Preceding accounting period 5
	<b>TOTAL EQUITY AND LIABILITIES line 80 + line 101 + line 141</b>	79	<b>2 9 9 1 3 3 1</b>	<b>2 7 6 3 7 2 9</b>
A.	<b>Equity line 81 + line 85 + line 86 + line 87 + line 90 + line 93 + line 97 + line 100</b>	80	<b>9 9 7 2 4 8</b>	<b>6 5 5 7 6 1</b>
A.I.	<b>Share capital total (lines 82 to 84)</b>	81	<b>3 9 8 3 3</b>	<b>3 9 8 3 3</b>
A.I.1.	Share capital (411 alebo +/- 491)	82	<b>3 9 8 3 3</b>	<b>3 9 8 3 3</b>
2.	Change in share capital +/- 419	83		
3.	Unpaid share capital (/-/353)	84		
A.II.	<b>Share premium (412)</b>	85		
A.III.	<b>Other capital funds (413)</b>	86	<b>4 4 0 4 3</b>	<b>4 4 0 4 3</b>
A.IV.	<b>Legal reserve funds line 88 + line 89</b>	87	<b>5 5 5 1</b>	<b>5 5 5 1</b>
A.IV.1.	Legal reserve fund and non-distributable fund (417A, 418, 421A, 422)	88	<b>5 5 5 1</b>	<b>5 5 5 1</b>
2.	Reserve fund for own shares and own ownership interests (417A, 421A)	89		

Designation a	EQUITY AND LIABILITIES b	Line No. c	Current accounting period 4	Preceding accounting period 5
<b>A.V.</b>	<b>Other funds created from profit line 91 + line 92</b>	<b>90</b>		
A.V.1.	Statutory funds (423, 42X)	91		
2.	Other funds (427, 42X)	92		
<b>A.VI.</b>	<b>Differences from revaluation total (lines 94 to 96)</b>	<b>93</b>		
A.VI.1.	Differences from revaluation of assets and liabilities (+/- 414)	94		
2.	Investment revaluation reserves (+/- 415)	95		
3.	Differences from revaluation in the event of a merger, amalgamation into a separate accounting entity or demerger (+/- 416)	96		
<b>A.VII.</b>	<b>Net profit/loss of previous years line 98 + line 99</b>	<b>97</b>	<b>5 6 6 3 3 4</b>	<b>2 7 2 8 2 5</b>
A.VII.1.	Retained earnings from previous years (428)	98	5 6 6 3 3 4	2 7 2 8 2 5
2.	Accumulated losses from previous years (-/-429)	99		
<b>A.VIII.</b>	<b>Net profit/loss for the accounting period after tax +/- line 01 - (l. 81 + l. 85 + l. 86 + l. 87 + l. 90 + l. 93 + l. 97 + l. 101 + l. 141)</b>	<b>100</b>	<b>3 4 1 4 8 7</b>	<b>2 9 3 5 0 9</b>
<b>B.</b>	<b>Liabilities line 102 + line 118 + line 121 + line 122 + line 136 + line 139 + line 140</b>	<b>101</b>	<b>1 9 9 4 0 8 3</b>	<b>2 1 0 7 9 6 8</b>
<b>B.I.</b>	<b>Non-current liabilities total (line 103 + lines 107 to 117)</b>	<b>102</b>	<b>2 7 3 8</b>	<b>1 5 7 8</b>
<b>B.I.1.</b>	<b>Non-current trade liabilities total (lines 104 to 106)</b>	<b>103</b>		
1.a.	Trade liabilities to affiliated accounting entities (321A, 475A, 476A)	104		
1.b.	Trade liabilities within participating interest, except for liabilities to affiliated accounting entities (321A, 475A, 476A)	105		
1.c.	Other trade liabilities (321A, 475A, 476A)	106		
2.	Net value of contract (316A)	107		
3.	Other liabilities to affiliated accounting entities (471A, 47XA)	108		
4.	Other liabilities within participating interest, except for liabilities to affiliated accounting entities (471A, 47XA)	109		
5.	Other non-current liabilities (479A, 47XA)	110		
6.	Long-term advance payments received (475A)	111		
7.	Long-term bills of exchange to be paid (478A)	112		
8.	Bonds issued (473A/-/255A)	113		
9.	Liabilities related to social fund (472)	114	2 7 3 8	1 5 7 8
10.	Other non-current liabilities (336A, 372A, 474A, 47XA)	115		
11.	Non-current liabilities related to derivative transactions (373A, 377A)	116		
12.	Deferred tax liability (481A)	117		

Designation a	EQUITY AND LIABILITIES b	Line No. c	Current accounting period 4	Preceding accounting period 5
<b>B.II.</b>	<b>Long-term provisions line 119 + line 120</b>	<b>118</b>		
B.II.1.	Legal provisions (451A)	119		
2.	Other provisions (459A, 45XA)	120		
<b>B.III.</b>	<b>Long-term bank loans (461A, 46XA)</b>	<b>121</b>		
<b>B.IV.</b>	<b>Current liabilities total (line 123 + lines 127 to 135)</b>	<b>122</b>	<b>1 5 0 3 8 2 7</b>	<b>1 3 9 7 3 9 5</b>
<b>B.IV.1.</b>	<b>Trade liabilities total (lines 124 to 126)</b>	<b>123</b>	<b>1 4 4 6 8 7 2</b>	<b>1 3 3 1 4 3 5</b>
1.a.	Trade liabilities to affiliated accounting entities (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	124	1 2 8 9 8 9 3	1 2 4 4 1 7 6
1.b.	Trade liabilities within participating interest, except for liabilities to affiliated accounting entities (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	125		
1.c.	Other trade liabilities (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	126	1 5 6 9 7 9	8 7 2 5 9
2.	Net value of contract (316A)	127		
3.	Other liabilities to affiliated accounting entities (361A, 36XA, 471A, 47XA)	128		
4.	Other liabilities within participating interest, except for liabilities to affiliated accounting entities (361A, 36XA, 471A, 47XA)	129		
5.	Liabilities to partners and association (364, 365, 366, 367, 368, 398A, 478A, 479A)	130		
6.	Liabilities to employees (331, 333, 33X, 479A)	131	1 1 3 8 7	2 6 1 6 4
7.	Liabilities related to social security (336A)	132	9 1 9 3	1 5 5 5 6
8.	Tax liabilities and subsidies (341, 342, 343, 345, 346, 347, 34X)	133	3 6 3 7 5	2 4 2 4 0
9.	Liabilities related to derivative transactions (373A, 377A)	134		
10.	Other liabilities (372A, 379A, 474A, 475A, 479A, 47XA)	135		
<b>B.V.</b>	<b>Short-term provisions line 137 + line 138</b>	<b>136</b>	<b>4 8 7 5 1 8</b>	<b>7 0 8 9 9 5</b>
B.V.1.	Legal provisions (323A, 451A)	137	1 6 5 0 1	1 6 8 2 2
2.	Other provisions (323A, 32X, 459A, 45XA)	138	4 7 1 0 1 7	6 9 2 1 7 3
<b>B.VI.</b>	<b>Current bank loans (221A, 231, 232, 23X, 461A, 46XA)</b>	<b>139</b>		
<b>B.VII.</b>	<b>Short-term financial assistance (241, 249, 24X, 473A, /-255A)</b>	<b>140</b>		
<b>C.</b>	<b>Accruals/deferrals total (lines 142 to 145)</b>	<b>141</b>		
C.1.	Accrued expenses - long-term (383A)	142		
2.	Accrued expenses - short-term (383A)	143		
3.	Deferred income - long-term (384A)	144		
4.	Deferred income - short-term (384A)	145		

Designation a	Text b	Line No. c	Actual data	
			Current accounting period 1	Preceding accounting period 2
			*	Net turnover (part of account class 6 according to the Act)
**	Operating income total (lines 03 to 09)	02	8 8 2 5 9 5 7	6 5 8 7 3 8 5
I.	Revenue from the sale of merchandise (604, 607)	03	8 8 0 5 7 2 7	6 5 7 3 6 6 1
II.	Revenue from the sale of own products (601)	04		
III.	Revenue from the sale of services (602, 606)	05	1 6 7 7 8	1 2 7 2 7
IV.	Changes in internal inventory (+/-) (account group 61)	06		
V.	Own work capitalized (account group 62)	07		
VI.	Revenue from the sale of non-current intangible assets, property, plant and equipment, and raw materials (641, 642)	08		
VII.	Other operating income (644, 645, 646, 648, 655, 657)	09	3 4 5 2	9 9 7
**	Operating expenses total line 11 + line 12 + line 13 + line 14 + line 15 + line 20 + line 21 + line 24 + line 25 + line 26	10	8 4 3 4 0 7 7	6 2 2 4 2 4 7
A.	Cost of merchandise sold (504, 507)	11	6 4 8 0 7 1 0	4 2 2 7 7 8 4
B.	Consumed raw materials, energy consumption, and consumption of other non-inventory supplies (501, 502, 503)	12	5 0 1 3 2	8 3 2 4 7
C.	Value adjustments to inventory (+/-) (505)	13	- 2 5 6 5	8 9 9 4
D.	Services (account group 51)	14	1 5 9 8 2 5 0	1 3 0 7 6 3 3
E.	Personnel expenses total (lines 16 to 19)	15	2 8 2 5 0 7	5 4 2 0 3 6
E.1.	Wages and salaries (521, 522)	16	2 1 2 2 9 5	3 9 8 9 5 7
2.	Remuneration of board members of company or cooperative (523)	17		
3.	Social security expenses (524, 525, 526)	18	6 5 4 4 0	1 2 8 2 9 2
4.	Social expenses (527, 528)	19	4 7 7 2	1 4 7 8 7
F.	Taxes and fees (account group 53)	20	1 0 0	6 6 6 1
G.	Amortization and value adjustments to non-current intangible assets and depreciation and value adjustments to property, plant and equipment (line 22 + line 23)	21	3 6 4 2	2 5 2 6
G.1.	Amortization of non-current intangible assets and depreciation of property, plant and equipment (551)	22	3 6 4 2	2 5 2 6
2.	Value adjustments to non-current intangible assets and property, plant and equipment (+/-) (553)	23		
H.	Carrying value of non-current assets sold and raw materials sold (541, 542)	24		
I.	Value adjustments to receivables (+/-) (547)	25	1 6 4 1	6 2 3 1
J.	Other operating expenses (543, 544, 545, 546, 548, 549, 555, 557)	26	1 9 6 6 0	3 9 1 3 5
***	Profit/loss from operations (+/-) (line 02 - line 10)	27	3 9 1 8 8 0	3 6 3 1 3 8

Designation a	Text b	Line No. c	Actual data	
			Current accounting period 1	Preceding accounting period 2
			*	<b>Added value (line 03 + line 04 + line 05 + line 06 + line 07) - (line 11 + line 12 + line 13 + line 14)</b>
**	<b>Income from financial activities - total line 30 + line 31 + line 35 + line 39 + line 42 + line 43 + line 44</b>	29	<b>3 8 8 3 5</b>	<b>4 4 7 5 7</b>
VIII.	Revenue from the sale of securities and shares (661)	30		
IX.	Income from non-current financial assets total (lines 32 to 34)	31		
IX.1.	Income from securities and ownership interests in affiliated accounting entities (665A)	32		
2.	Income from securities and ownership interests within participating interest, except for income of affiliated accounting entities (665A)	33		
3.	Other income from securities and ownership interests (665A)	34		
X.	Income from current financial assets total (lines 36 to 38)	35		
X.1.	Income from current financial assets in affiliated accounting entities (666A)	36		
2.	Income from current financial assets within participating interest, except for income of affiliated accounting entities (666A)	37		
3.	Other income from current financial assets (666A)	38		
XI.	Interest income (line 40 + line 41)	39		
XI.1.	Interest income from affiliated accounting entities (662A)	40		
2.	Other interest income (662A)	41		
XII.	Exchange rate gains (663)	42	<b>3 8 8 3 5</b>	<b>4 4 7 5 7</b>
XIII.	Gains on revaluation of securities and income from derivative transactions (664, 667)	43		
XIV.	Other income from financial activities (668)	44		
**	<b>Expenses related to financial activities - total line 46 + line 47 + line 48 + line 49 + line 52 + line 53 + line 54</b>	45	<b>4 7 5 7 0</b>	<b>7 1 8 7 4</b>
K.	Securities and shares sold (561)	46		
L.	Expenses related to current financial assets (566)	47		
M.	Value adjustments to financial assets (+/-) (565)	48		
N.	Interest expense (line 50 + line 51)	49		
N.1.	Interest expenses related to affiliated accounting entities (562A)	50		
2.	Other interest expenses (562A)	51		
O.	Exchange rate losses (563)	52	<b>4 7 1 0 8</b>	<b>7 1 4 0 8</b>
P.	Loss on revaluation of securities and expenses related to derivative transactions (564, 567)	53		
Q.	Other expenses related to financial activities (568, 569)	54	<b>4 6 2</b>	<b>4 6 6</b>

Designation a	Text b	Line No. c	Actual data	
			Current accounting period	Preceding accounting period
			1	2
***	Profit/loss from financial activities (+/-) (line 29 - line 45)	55	- 8 7 3 5	- 2 7 1 1 7
****	Profit/loss for the accounting period before tax (+/-) (line 27 + line 55)	56	3 8 3 1 4 5	3 3 6 0 2 1
R.	Income tax (line 58 + line 59)	57	4 1 6 5 8	4 2 5 1 2
R.1.	Income tax - current (591, 595)	58	4 5 4 5 0	5 0 3 5 8
2.	Income tax - deferred (+/-) (592)	59	- 3 7 9 2	- 7 8 4 6
S.	Transfer of net profit/net loss shares to partners (+/- 596)	60		
****	Profit/loss for the accounting period after tax (+/-) (line 56 - line 57 - line 60)	61	3 4 1 4 8 7	2 9 3 5 0 9

**Notes to individual financial statements  
prepared as of December 31, 2021**

**Note:**

Notes contains information according to measure about contents of the notes to the individual financial statements for which the entity has a content part. All data and information disclosed in these notes arise from bookkeeping and are linked to individual financial statements. Value figures are in euro cents or whole euros (unless stated otherwise).

**I. GENERAL INFORMATION**

**1. General information about the company**

<b>Legal name and registered office</b>	CEVA ANIMAL HEALTH SLOVAKIA, s.r.o. Prievozská 6A 821 09 Bratislava
<b>Activities</b>	- performance of veterinary services consisting in supplying veterinary medicines and products registered and authorized in the Slovak Republic

**2. Employees**

<b>Item designation</b>	<b>2021</b>	<b>2020</b>
Average recalculated number of employees	4.75	5.2

**3. Legal reason for the preparation of the Financial Statements**

These financial statements represent the ordinary individual financial statements of the company CEVA ANIMAL HEALTH SLOVAKIA, s.r.o. It was prepared for the accounting period from 1 January 2021 to 31 December 2021 according to Slovak legislation, namely the Act on Accounting and Accounting Procedures for Entrepreneurs.

**4. Date of approval of the Financial Statements for 2020**

The Financial Statements as at 31 December 2020, i.e. of the company CEVA ANIMAL HEALTH SLOVAKIA, s.r.o., i.e. for the preceding accounting period, were approved by the shareholder on 30 June 2021.

**5. Consolidated Financial Statements**

The Company is included in the consolidated financial statements of CEVA SANTE ANIMALE, S.A., Zone Industrielle de la Ballastiere, 335 00 Libourne, France. Consolidated financial statements prepared the company Ceva Sante Animale S.A.. These consolidated financial statements are available at the registered office of the listed company.

**II. INFORMATION ABOUT COMPANY'S BODIES**

**1. Guarantees and other collaterals provided to members of Company's bodies**

There were no guarantees and other collaterals provided to the members of Company's bodies.

**2. Loans provided to the members of of Company's bodies**

There were no loans provided to the members of Company's bodies.

**II. INFORMATION ABOUT ACCEPTED PROCEDURES**

- The Company applies accounting principles and procedures in accordance with the Act on Accounting and Accounting Procedures for Entrepreneurs effective in the Slovak Republic. The accountancy is kept in the monetary units of Slovak currency, i.e. in euros.
- The financial statements 2021 were prepared using the going concern assumption that the Company will continue in operation for the foreseeable future.
- The accountancy is kept according to compliance of time and substance connection of costs and revenues. As the basis are included all costs and expenses relating to the accounting period, regardless of their settlement date. No significant repeating costs and revenues relating to the last and first month of the accounting period are not accrued.
- When measuring assets and liabilities, applying the prudent principle, i. e. are followed all risks, losses and impairments relating to assets and liabilities that are known at the date of the preparation the financial statements.

**Notes to individual financial statements  
prepared as of December 31, 2021**

5. The moment of accounting for revenues - revenues are recognized when the delivery terms fulfill, because in this time are transferred the significant risks and ownership rights to the customer.
6. Long-term and short-term receivables, payables, loans and borrowings - receivables and payables are recognised in the balance sheet as long-term or short-term according to the remaining period of their maturity as at the date of preparation of the financial statements. Part of long-term receivables and part of the long-term payables with maturities no longer than one year from the date to which the financial statements are recognised as short-term receivables or short-term payables in the balance sheet.
7. Use of estimates - the preparation of financial statements requires that the Company's management makes estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of preparation of the financial statements and also the reported amounts of revenues and expenses during the year. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are not recognized retrospectively, but instead 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.

As of 31 December 2021, the Company reported provisions for bonuses, rebates and "free goods" under its business policy in the amount of EUR 322 508. As of 31 December 2021, the Company recorded a provision for the remaining part of the costs for a lawsuit on determining the validity of the employment relationship termination by notice and immediate employment relationship termination and on wage compensation in the amount of EUR 17 455.

8. Comparative information - if figures for the preceding accounting period in the individual sections of the Financial Statements are not comparable owing to a change in the accounting policies and accounting principles, an explanation of the incomparable figures is provided in the Notes to the Financial Statements.

**9. Method of valuation of individual items of assets and liabilities – initial valuation**

By acquisition the cost principle applies. Valuation of individual items of assets and liabilities is as follows:

- a) Non-current tangible and intangible assets purchased are valued at acquisition cost, which includes the amount of consideration given to acquire the assets and related costs (e.g. transportation costs, assembly, etc.).
- b) Inventories purchased:
  - Purchased material – at acquisition cost. The Company set that it purchased material - office, cleaning, sanitation equipment directly accounted to consumption.
  - Purchased goods – at acquisition cost that includes the purchase price and related costs (e.g. transport, discount, etc.). Disposals of inventories are accounted under batch of goods at stock prices, while deviations released. The Company stores inventories and also carries out direct deliveries to the customer.
- c) Receivables:
  - at inception or acquired free – at nominal value,
  - acquired against payment (assignment) or acquired by contribution to share capital – at acquisition cost.
- d) Cash, stamps and vouchers are valued at their nominal value.
- e) Accruals on the asset side of the balance sheet - at expected nominal value.
- f) Liabilities:
  - at inception – at nominal value,
  - assumed liabilities – at acquisition cost.
- g) Provisions – at expected amount of liability.
- h) Accruals on the liability side of the balance sheet - at expected nominal value.
- i) Current income tax – according to Slovak Act on Income Tax current income taxes are determined based on accounting profit before tax at the rate of 21 % after adjustments for some items for tax purposes.

**Notes to individual financial statements  
prepared as of December 31, 2021**

- j) Deferred income tax – accounts for temporary differences between the carrying value of assets and the carrying value of liabilities presented in the balance sheet and their tax base, tax losses which are possible to carry forward to future periods and unused tax deductions which are possible to carry forward to future periods. By determination of the amount of deferred income tax was used income tax rate applicable in the subsequent accounting period i. e. 21%. As of 31 December 2021, the Company recorded a deferred tax asset in the amount of EUR 110 073.

Calculation of deferred tax assets:

	31 Dec 2021	31 Dec 2020
Temporary differences between the carrying value of assets and the carrying value of liabilities and their tax base		
– deductible	524 156	506 101
– taxable		
Tax losses carried forward for future periods		
Unused tax deductions and other tax claims		
Income tax rate (in %)	21	21
<b>Deferred tax asset</b>	<b>110 073</b>	<b>106 281</b>

**10. Method of valuation of individual items of assets and liabilities – subsequence valuation**

- a) Expected risks, losses and impairments relating to assets and liabilities are reflected in provisions, value adjustments and depreciation.
- **Provisions** – are accounted at the expected amount of the liability. To the date on which the financial statements prepared, assessing their amount and relevance.
  - **Value adjustments** – are accounted in the amount of reasonable presumption of impairment compared to its carrying value, as follows:
    - to goods under judgement the expiration of the goods according to the group rules and review of the physical inventory result,
    - to overdue receivables based on group rules as well as individual assessment.

Value adjustments are based on the precautionary principle, if it is reasonable to assume that there was a decrease in the value of assets compared to its carrying value. The value adjustment in the amount of reasonable presumption of impairment compared to its carrying value. Value adjustments are cancelled or changed their amount, if there is a change assumption of impairment.

Asset	Estimation of impairment	Created value adjustments
Inventories	14 026	14 026
Receivables	9 262	9 262

- **Depreciation plan**

Non-current assets are depreciated according to a depreciation plan that was set based on an estimate of their useful lives. Assets are depreciated over their estimated useful lives corresponding to future economic benefits from assets. Accounting depreciations are linear. Amortisation of assets starts in the month in which was put into use.

The estimated useful lives according to the depreciation plan are:

Type of assets	Estimated useful life	Annual depreciation rate
Technical improvement of leased building	during the leased period	
Machinery and equipment	4-6 years	25% - 16.67%
Fixed assets	6 years	16.67%

Tax depreciation of non-current assets are applied at rates specified in the Act on Income Tax applicable to linear depreciation. Depreciation methods, useful lives, and carrying values are reviewed as of each balance sheet date and adjusted if appropriate.

**Notes to individual financial statements  
prepared as of December 31, 2021**

**11. Translation of foreign currency to the Slovak currency**

Assets and liabilities denominated in foreign 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 National Bank of Slovakia as at the date preceding the date of the accounting transaction. Advance payments made and advance payments received in foreign currencies are not retranslated as of the Balance Sheet date. The purchase and sale of foreign currency for the euro and for the transfer of cash from an bank account opened in a foreign currency to an account in the euro and the account established in euro to an account in the foreign currency used rate at which these amounts were purchased or sold. If the sale or purchase of foreign currency is performed at a different rate than offered by a commercial bank in the foreign exchange list, then is used the rate in the foreign exchange list that commercial bank offers on the day of the transaction settlement. If the purchase or sale is not made with a commercial bank, then is used the reference exchange rate determined and announced by the ECB or the NBS on the day preceding the date of the transaction settlement.

**12. Change of accounting principles and methods**

The accounting policies and general accounting principles have been consistently applied.

**13. Corrections of significant errors of previous accounting periods**

Correction of prior periods errors - If the Company identifies a significant error concerning previous accounting periods during the current accounting period, it corrects this error in accounts 428 - Retained earnings from previous years and 429 - Accumulated losses from previous years, i.e., with no impact on net profit/loss of the current accounting period. Corrections of insignificant errors of previous accounting periods are recorded in the current accounting period in the relevant expense or income account.

In 2021, the Company did not account for any corrections of significant errors of past periods

**III. INFORMATION ABOUT DATA IN THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT**

**9. Liabilities**

9.1. The structure of liabilities according to maturity

<i>Item</i>	<i>31 Dec 2021</i>	<i>31 Dec 2020</i>
<b>Long-term liabilities:</b>		
Liabilities due within 1-5 years	2 738	1 578
Liabilities due over 5 years	-	-
<b>Total long-term liabilities</b>	<b>2 738</b>	<b>1 578</b>

9.2. Liabilities secured by a lien or another form of security

Liabilities are not secured by a lien or another form of security.

**IV. OTHER ASSETS AND OTHER LIABILITIES**

**1. Contingent liabilities**

The Company has no contingent liabilities that are not recorded in the current accounts and are not included in the balance sheet.

Many parts of Slovak tax legislation remain untested and there is uncertainty about the interpretation that the tax authorities may apply in a number of areas. The effect of this uncertainty cannot be quantified and will only be resolved as legislative precedents are set or when the official interpretations of the authorities are available. Management is not aware of any circumstances that would cause any significant costs for the Company.

**2. Contingent asset – none**

**3. Other financial commitments - none**

**4. Leasehold property**

The Company leases office and warehouse from third parties. The lease contract for office is valid till 1.5.2025.

**Notes to individual financial statements  
prepared as of December 31, 2021**

The Company has a contract for the operating lease of vehicles and services related to the operation of vehicles from third parties. The agreed lease period is 42 – 66 months and the number of leased vehicles as of 31.12.2021 is 4 pcs.

**5. Property leased to other parties - none****V. EVENTS OCCURRING BETWEEN THE BALANCE SHEET DATE AND THE DATE OF PREPARATION OF FINANCIAL STATEMENTS**

After 31 December 2021, there are no events having a significant impact on assets, liabilities and result of the Company.

So far, the Company hasn't noticed and sales managers do not expect any decrease in sales due to influence of COVID-19. However, as the situation is constantly changing, future development can differ. Management of the Company will continue to monitor the potential impact and take all possible steps to mitigate any adverse effects on the Company and its employees.



**Annual report  
for 2021**

**CEVA ANIMAL HEALTH SLOVAKIA, s. r. o.  
BRATISLAVA**

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## 1 BASIC INFORMATION ABOUT COMPANY

Ceva Animal Health is a global healthcare company specializing in pharmaceutical products and vaccines for pet, ruminants, swine, and poultry. Ceva aims to contribute to the protection and improvement of the welfare of animals with their veterinary products. Company CEVA ANIMAL HEALTH SLOVAKIA, s.r.o. operates in Slovakia and the Czech Republic. The company is located at Prievozská 5434/6A, 821 09 Bratislava.

The Company is registered as a limited liability company in the Companies Register of the District Court Bratislava I, Section Sro, file No. 10583/B, under identification number 35 685 824. The Company was established by the Foundation Deed in the form of notarial deed No. N 117/95, NZ 117/95 on 13 September 1995 and by Amendment No. 1 of 18 January 1996. The Company was incorporated on 11 March 1996.

The Company used the original business name “SANOFI ANIMAL HEALTH SLOVAKIA, limited liability company” from the date of its incorporation until 30 March 2000. On the basis of the decision of the extraordinary General Meeting held on 17 January 2000, the Company changed its business name to “CEVA ANIMAL HEALTH SLOVAKIA, s.r.o.

In 2021 Dr. Péter Gábor Kozák was responsible for the Company’s executive management as its executive director (from 2.4.2019)

Acting on behalf of the Company: On behalf the Company acts Executive Director.

Shareholder: CEVA SANTE ANIMALE, S.A.

The Company is included in the consolidated financial statements of CEVA SANTE ANIMALE, S.A. The consolidated financial statements are prepared by CEVA SANTE ANIMALE, S.A., Zone Industrielle de la Ballastiere, 335 00 Libourne, France. These consolidated financial statements may be obtained directly at the registered office of the above-mentioned company.

The Ceva Group has widely recognized expertise in several therapeutic areas:

- pet: cardiology, behaviour, locomotion, dermatology
- poultry: vaccines, vaccination equipment, pharmaceuticals, disinfection
- ruminants: antibiotic treatment, reproductive management, vaccines
- swine: antibiotic treatment, reproductive control, vaccines

### 1.1 Focus of the Company

Since 1993, the Company has been focused on the distribution of veterinary products and medicines (medicines, feed, and supplements) in Slovakia and the Czech Republic from manufacturers from France, Hungary, and Italy. CEVA ANIMAL HEALTH SLOVAKIA, s.r.o. is a subsidiary of Ceva Santé Animale based in France and is one of the growing veterinary pharmaceutical companies in recent years.

Ceva supports and contributes to several welfare and social programs around the world. Work in this area begins with research, development, production, and supply of medicines. The CEOS (Stamp Out Sleeping Sickness) program in Uganda is a good example of this. In the UK, through the Adaptil collars, it supports the largest charity.

Ceva successfully combines profitability with long-term growth. It is represented worldwide through its subsidiaries, research centres, manufacturing facilities and collaborating companies in Europe, North America and Africa, the Middle East, Asia, the Pacific and South America.

As a result of the company's efforts, many research and development (R&D) centers for pharmaceutical products are built in Libourne (France), Kansas City (USA), Paulinia (Brazil) and Cavriago (Italy). Ceva primary focus on biologicals is in Kansas City (USA), Cuernavaca (Mexico), Campinas (Brazil), Budapest (Hungary) and Tokyo (Japan).

Innovation is one of the greatest values, and society places great emphasis on pushing scientific boundaries. Its research teams are localized around the world because the search for talented scientists knows no boundaries.

### **1.2 Scope of business**

According to the actual extract from the Commercial Register the scope of business of the Company is as follows:

- performance of veterinary service consisting in the delivery of veterinary drugs and veterinary products registered and approved in the Slovak Republic,
- intermediation of the purchase and sale of goods and services,
- sale of feed and feeding mixtures,
- intermediary activities within the scope of free trade,
- purchase of goods for their resale to other traders (wholesale),
- purchase of goods for their resale to end consumers (retail),
- intermediary activities in trade, production and services,
- business advisory services within the scope of free trade,
- renting of movables.

### **1.3 Equity**

The share capital of the Company is € 40 ths. and it consists of the shareholder's contribution. The share capital was paid up. The structure of equity:

	<b>As of 1 Jan 2021</b>	<b>Change during year</b>	<b>Profit for year</b>	<b>As of 31 Dec 2021</b>
Share capital	40			40
Other capital funds	44			44
Legal reserve fund	6			6
Retained earnings from previous years	272	294		566
Profit for current year	294	-294	341	341
<b>Total</b>	<b>656</b>		<b>341</b>	<b>997</b>

### **1.4 General Meeting**

The General Meeting held on 30 June 2021 represented by the sole shareholder reviewed and approved the annual financial statements and annual report for the period from 1 January 2020 to 31 December 2020 with the profit in the amount of € 294 ths. The sole shareholder decided to transfer total amount of profit for 2020 to retained earnings - see above mentioned table.

## 2 PROGRESS FOR PREVIOUS YEARS

In 2021, the Company continued its trend as in previous years. It used its own resources and own resources for its business. Progress in the Company is relatively stable. Liabilities do not exceed current assets for the period. This is also reflected in positive equity. The analysis focuses on the main indicators in the Balance Sheet and Profit/Loss Account.

**Environmental Impact:** The Company's activities do not have any negative impact on the environment, as services related to inventory and therefore the management of packaging and its proper disposal are performed under a contract with the external company that stores inventories.

**Employment:** In 2021 the Company registered at average 5 employees. The situation is comparable to previous year and the Company does not plan to increase the number of employees.

**Risks and Uncertainties:** The Company is exposed to common business and operating risks and uncertainties yearly.

**Other information pursuant to Section 20 of the Act on Accounting:** The Company does not invest in its own research and development, does not report data required under special regulations, and does not have a branch abroad. In 2021, the Company did not acquire its own shares, temporary certificates, ownership interests and shares, including the parent entity.

### 2.1 Key indicators of assets and liabilities

Three asset items have a main position in the balance sheet during the periods under review: inventories, financial assets, and trade receivables. These items affect the evolution of assets in the period under review and therefore inventory and receivables are monitored. In accordance with the group rules, value adjustments were created for inventories in the amount of € 14 ths. and for receivables in the amount of € 9,3 ths. The expiry period of the goods was considered when creating the value adjustments to goods. Assessment of the age structure of receivables did not identify risky receivables and customers' payment discipline is regularly monitored and evaluated.

#### **Balance sheet in € ths.:**

	<i>As of 31 Dec</i>	<i>As of 31 Dec</i>
	<i>2021</i>	<i>2020</i>
Non-current assets	10	13
Inventories - goods	1 558	1 344
Long term receivables	116	112
Short term trade and other receivables	680	675
Tax assets	47	73
Financial accounts	571	535
Prepaid expenses	9	12
<b>Total assets</b>	<b>2 991</b>	<b>2 764</b>
Equity	997	656
Trade and other payables	1 470	1 375
Tax liabilities	36	24
Short term provisions	488	709
<b>Total equity and liabilities</b>	<b>2 991</b>	<b>2 764</b>

Inventories increased compared to balance as of 31 Dec 2020 by € 214 ths. and was 52 % of total assets. The Company leases warehouse space in Pezinok for storing medicines and feed supplies.

Short-term trade receivables as of 31 Dec 2021 are reported in the amount of € 631 ths., which is 21 % of total assets and decreased compared to previous year by € 39 ths.

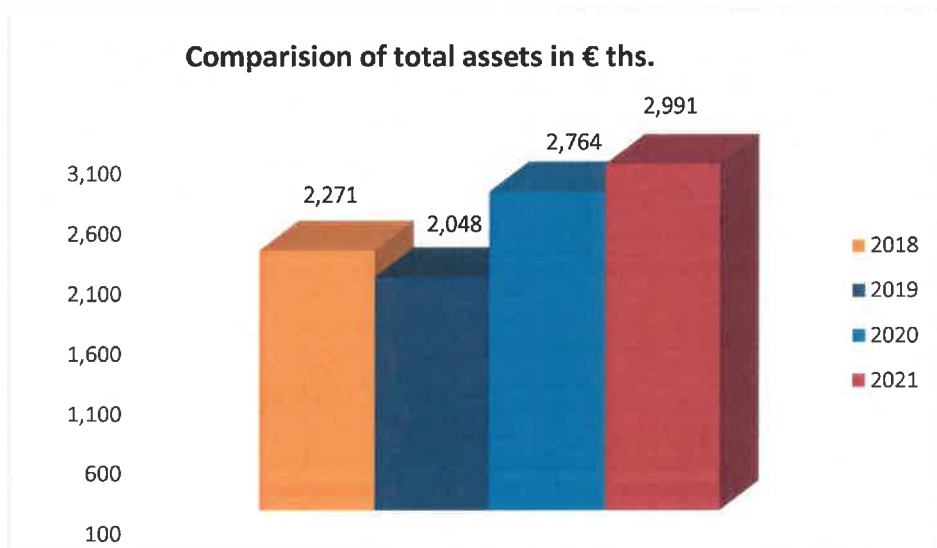
The Company recognizes the deferred tax assets in the amount of € 110 ths., which arose mostly from non-tax provisions for bonuses and rebates for 2021, which the Company provides to its distributors and customers as part of its trade policy.

The balance of financial accounts as of 31 Dec 2021 increased by 36 ths. and are 19 % of the total assets of the Company.

The Company's own resources are 33 % of the Company's total assets. The equity analysis is presented in part 1.3 of this Annual Report. Equity / Liabilities ratio in € ths. is  $997/1\ 994 = 0,50$ .

The most important item of short-term liabilities in the amount of € 1 447 ths. are trade liabilities, which compared to 2020 increased by € 115 ths. and provisions in the amount of € 488 ths. The Company's total liabilities represent 67 % of the Company's total assets.

The development of the total assets of the Company is shown in the following graph:



## **2.2 Main indicators in profit and loss account**

Comparison of total revenues and costs for the years under review in ths. € is shown in the following table:

	<b>2021</b>	<b>2020</b>
Revenues total	8 864	6 632
Costs total	8 523	6 338
Profit after tax	341	294

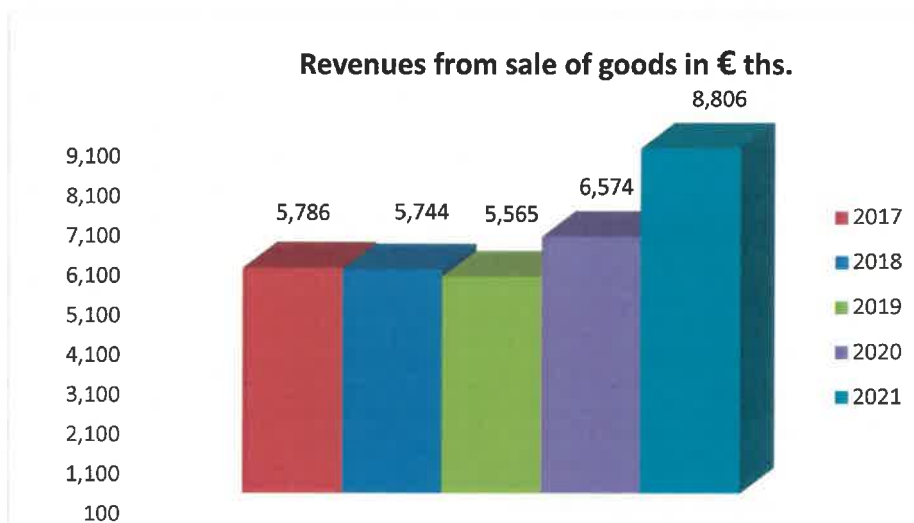
Revenues from the sale of goods in 2021 increased compared to 2020 by 34 %, in the absolute value by € 2 233 ths. Compared to previous year, the cost of sold goods increased by € 2 253 ths. The level of gross margin's percentage in 2021 reaches 26 %.

	2021	2020
Revenues	8 822	6 586
Costs	8 126	5 627
Added value	696	959

The cost of sold goods in 2021 was 76 % of the total costs and in 2020 it was 67 % of the total costs.

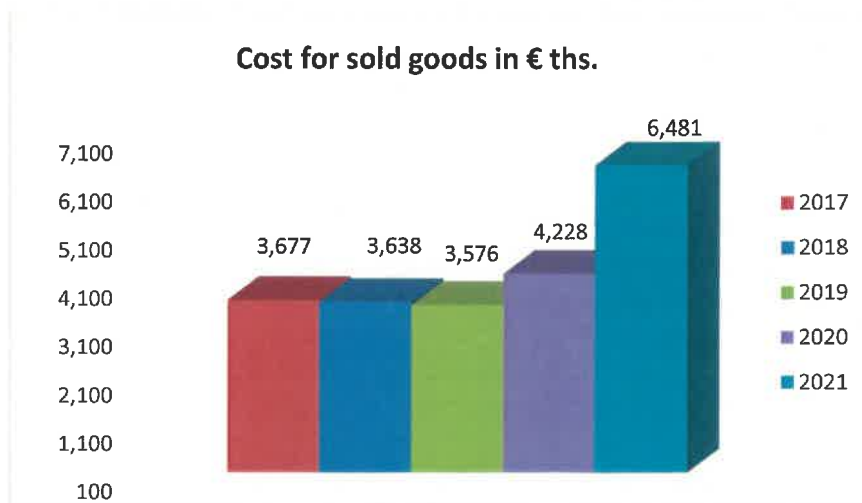
The Company provides rebates and discounts to customers based on individual sales promotion contracts and agreements, achieved turnover and payment discipline. By this way it motivates its business partners and end user clients.

Revenues from sale of goods for several periods is shown in the following graph:



The structure of the Company's costs for the period under review does not change and consists mainly of costs of sold goods, personnel costs and costs for services and material consumption.

Costs of sold goods for several periods is shown in the following graph:



Revenues and costs situation are presented in the following profit and loss statement in abbreviated form in € ths.:

	<b>2021</b>	<b>2020</b>
Revenues from the sale of goods	8 806	6 573
Revenues from the sale of services	16	13
Other operating income	3	1
<b>Total operating revenues</b>	<b>8 825</b>	<b>6 573</b>
Cost of sold goods	-6 481	-4 228
Value adjustments to goods	3	-9
Consumed material and energy	-1 648	-1 391
Personnel expenses	-282	-542
Depreciation of tangible assets	-4	-3
Other operating expenses	-20	-45
Value adjustments to receivables	-2	-6
<b>Total operating expenses</b>	<b>-8 434</b>	<b>-6 224</b>
Profit from operations	391	363
Loss from financial activities	-9	-27
<b>Profit before tax</b>	<b>382</b>	<b>336</b>
Income tax 21%	-45	-50
Deferred tax 21%	4	8
<b>Profit after tax</b>	<b>341</b>	<b>294</b>

### **2.3 Selected financial indicators**

<b>Index</b>	<b>2021</b>	<b>2020</b>
Current ratio	1,43	1,25
Net working capital in € ths.	865	520
Total assets turnover	2,95	2,38
Turnover of receivables (days)	10,46	7,67
Average debit time of trade receivables	26,12	37,12
Repayments period of trade payables	64,99	86,35
Return on assets (ROA) %	11,42	10,62
Return on equity (ROE) %	34,24	44,76
Return on revenues %	3,87	4,46
Return on costs %	4,06	4,75
Equity ratio	33,34	23,73
Debt ratio	66,66	76,27
EBITDA in € ths.	387	338

### **2.4 Cash flow**

	<b>2021</b>	<b>2020</b>
Total decrease/increase in cash	36	296
Cash and cash equivalents as of 1 January	535	239
Cash and cash equivalents as of 31 December	571	535

### **3 PROPOSAL FOR DISTRIBUTION OF PROFIT AFTER TAX**

In 2021 the Company achieved profit after tax in the amount of € 341 ths. About the distribution of profit will be decided by the General Meeting during 2022.

### **4 EVENTS OF SPECIAL SIGNIFICANCE AFTER THE ENDING OF PERIOD FOR WHICH THE ANNUAL REPORT IS PREPARED**

No significant events occurred after the reporting period. The Company hasn't noticed decrease in sales due to influence of COVID-19. However, as the situation is constantly changing, future development can differ.

### **5 BUSINESS PLAN FOR FOLLOWING YEARS**

The Company tries to find the best possible solution for its customers in the future. As in previous years, the strategic objectives of the Company will be focused primarily on the ability of the Company to generate profit and to ensure the growth of the Company's added value.

The Company keeps innovative thinking focused on the highest quality and continuous improvement. It is not just about product innovation, but constantly searching for and finding new ways to create and keep-up long-term value.

The business plan of the Company is based on its current position on the Slovak and Czech markets. In order to ensure continuity of activity in the market, it is necessary to maintain the success of sales of the offered range of veterinary products, even with more demanding criteria in business and trade policy. For 2022 and next year, the Company plans the same level of sale to its current customers despite the situation regarding COVID-19 pandemic.

### **6 ANNEXES**

- Audit report as of 31 December 2021
- Financial statements as of 31 December 2021