

**AUDIT OF INTERIM FINANCIAL
STATEMENTS**

as of October 7th, 2020

AXON COVIDAX a. s.

INDEPENDENT AUDITOR'S REPORT

To the Shareholder and Board of Directors of the company AXON COVIDAX a. s.:

Opinion

We have audited the accompanying interim financial statements of AXON COVIDAX a. s. (further referred to as „the Company“), which comprise the balance sheet as at October 7th, 2020, the income statement for the period from 3 to 7 October 2020 and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying interim financial statements give a true and fair view of the financial position of the Company as at October 7th, 2020, and of its financial performance for the for the period from 3 to 7 October 2020 in accordance with the Act on Accounting No. 431/2002 Coll. as per later amendments (further referred to as „the Act on Accounting“).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the provisions of the Act No. 423/2015 Coll. on Statutory Audit and on amendments and supplements to the Act on Accounting No. 431/2002 Coll. as per later amendments (hereinafter the “Act on Statutory Audit”) related to ethical requirements, including the Code of Ethics for Auditors, that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The Company was incorporated on October 3rd, 2020 and it does not meet the criteria for obligatory audit of financial statements in accordance with the Act on Accounting. The audit of the interim financial statements as at October 7th, 2020 was conducted on a voluntary basis. The data in the financial statements for the prior reporting period are data from the Company's opening balance sheet as at October 3rd, 2020.

Responsibilities of the Statutory Body for the Financial Statements

Statutory body of the Company is responsible for the preparation and fair presentation of these financial statements in accordance with the Act on Accounting,

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In case of inconsistencies, please refer to the official Slovak version.

and for such internal controls as statutory body determines are 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, statutory body 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs 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 ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We 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 statutory body.
- Conclude on the appropriateness of statutory body'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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our 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.

BDO Audit

BDO Audit, spol. s r. o.
Licence UDVA No. 339



October 15th, 2020
Pribinova 10
Bratislava, Slovak Republic


Ing. Lucia CVEKOVÁ
Licence UDVA No. 1167



Designation a	ASSETS SIDE b	Line No. c	Current accounting period		Prior accounting period
			1	Gross – part 1 Correction – part 2	
				Net – 2	Net – 3
	TOTAL ASSETS lines 02+33+74	01		175964	175964
					176000
A.	Non-current assets lines 03+11+21	02			
A.I.	Non-current intangible assets - total (lines 04 through 10)	03			
A.I.1	Capitalised 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 other non-current intangible assets (041) - /093/	09			
7.	Advance payments made for non-current intangible assets (051) - /095A/	10			
A.II	Non-current tangible assets total (lines 12 through 20)	11			
A.II.1	Land (031)-/092A/	12			
2.	Structures (021) - /081, 092A/	13			
3.	Separate movable assets and sets of movable assets (022)-/082, 092A/	14			

Designation a	ASSETS SIDE b	Line No. c	Current accounting period		Prior accounting period
			1	2	
			Gross – part 1 Correction – part 2	Net – 2	Net – 3
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 adjustments to acquired assets (+/- 097) +/- 098	20			
A.III.	Non-current financial assets - total (line 22 through 32)	21			
A.III.1	Shares and ownership interests in affiliated undertakings (061A, 062A, 063A) - /096A/	22			
2.	Shares and participation interest excl. affiliated undertakings (062A)-096A/	23			
3.	Other realisable shares and ownership interests (063A)-/096A/	24			
4.	Loans granted to affiliated undertakings (066A) - /096A/	25			
5.	Loans under participation interest excl. affiliated undertakings (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 SIDE b	Line No. c	Current accounting period		Prior accounting period
			1	Gross – part 1	
				Correction – part 2	
8.	Loans and other non-current financial assets with maturity up to 1 year (066A, 067A, 069A,06XA) - /096A/	29			
9.	Bank accounts with binding period longer than 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.	Current assets lines 34 + 41 + 53 + 66 + 71	33	175964	175964	
					175964
B.I	Inventories - total (lines 35 through 40)	34			
B.I.1	Raw materials (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			
6.	Advance payments made for inventory (314A) - /391A/	40			
B.II	Non-current receivables - total (line 42 + line 46 through 52)	41			
B.II.1	Trade receivables, total (lines 43 through 45)	42			

Designation a	ASSETS SIDE b	Line No. c	Current accounting period		Prior accounting period
			1	2	
			Gross – part 1 Correction – part 2	Net – 2	Net – 3
1a	Trade receivables from affiliated undertakings (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	43			
1b	Trade intercompany receivables excl. receivables from affiliated undertakings (311A, 312A, 313A, 314A, 315A, 31XA) - 391A	44			
1c	Other trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - 391A	45			
2.	Net value of contract (316A)	46			
3.	Receivables from affiliated undertakings (351A) - 391A	47			
4.	Other receivables in participation interest excl. affiliated undertakings (351A) - 391A	48			
5.	Receivables from partners, members and association (354A, 355A, 358A, 35XA, 398A) - 391A	49			
6.	Receivables from derivative transactions (373A, 376A)	50			
7.	Other receivables (335A, 336A, 33XA, 371A, 374A, 375A, 378A) - 391A	51			
8.	Deferred tax asset (481A)	52			
B.III	Current receivables - total (lines 54 + 58 + 65)	53			
B.III.1	Trade receivables (lines 55 through 57)	54			
1a	Trade receivables from related parties (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	55			
1b	Trade intercompany receivables excl. related-party receivables (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	56			

Designation a	ASSETS SIDE b	Line No. c	Current accounting period		Prior accounting period
			1	2	
			Gross – part 1	Net – 2	
			Correction – part 2		Net – 3
1c	Other trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	57			
2.	Net value of contract (316A)	58			
3.	Receivables from a subsidiary and a parent (351A) - /391A/	59			
4.	Other intercompany receivables excl. receivables from related parties (351A) - /391A/	60			
5.	Receivables from partners, 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			
8.	Receivables from derivative transactions (373A, 376A)	64			
9.	Other receivables (335A, 33XA, 371A, 373A, 374A, 375A, 378A) - 391A	65			
B.IV	Current financial assets (lines 67 through 70)	66			
B.IV.1	Current financial assets in related parties (251A, 253A, 256A, 257A, 25XA) - /291A, 29XA)	67			
2.	Current financial assets excl. assets in related parties (251A, 253A, 256A, 257A, 25XA) - /291A, 29XA)	68			
3.	Own shares and ownership interests (252)	69			
4.	Acquisition of current financial assets (259, 314A) - /291A/	70			

Designation a	ASSETS SIDE b	Line No. c	Current accounting period		Prior accounting period
			1	Net – 2	
			Correction – part 2		Net – 3
B.V	Financial accounts lines 72 + 73	71	175964	175964	
					175964
B.V.1	Cash (211, 213, 21X)	72			
2.	Bank accounts (221A, 22X +/- 261)	73	175964	175964	
					175964
C	Accruals/deferrals - total (lines 75 through 78)	74			
					36
C.1	Prepaid expenses - long-term (381A, 382A)	75			
2.	Prepaid expenses - short-term (381A, 382A)	76			
					36
3.	Accrued income - long-term (385A)	77			
4.	Accrued income - short-term (385A)	78			

Designation a	LIABILITIES SIDE b	Line No. c	Current accounting period	Prior accounting period
			4	5
	TOTAL EQUITY AND LIABILITIES lines 80 + 101 + 141	79	175964	176000
A.	Equity line 81 + 85 + 86 + 87 + 90 + 93 + 97 + 100	80	172964	176000
A.I.	Registered capital - total (lines 82 through 84)	81	160000	160000
A.I.1	Share capital (411 or +/-491)	82	160000	160000
2.	Change in share capital +/- 419	83		
3.	Receivables related to unpaid share capital (/ - /353)	84		
A.II	Share premium (412)	85		
A.III	Other capital funds (413)	86		
A.IV	Legal reserve funds line 88 + line 89	87	16000	16000
A.IV.1	Legal reserve fund and non-distributable fund (417A, 418, 421A, 422)	88	16000	16000
2.	Reserve fund or own shares and own ownership interests (417A, 421A)	89		

Designation a	LIABILITIES SIDE b	Line No. c	Current accounting period 4	Prior accounting period 5
A.V.	Other funds created from profit lines 91 + 92	90		
A.V.1	Statutory funds (423, 42X)	91		
2	Other funds (427, 42X)	92		
A.VI.	Differences from revaluation - total lines 94 through 96))	93		
A.VI.1.	Differences from revaluation of assets and liabilities (+/- 414)	94		
2.	Investment revaluation reserves (+/- 415)	95		
3.	Differences from revaluation upon merger, amalgamation or demerger (+/-416)	96		
A.VII	Profit/loss of prior years, lines 98 + 99	97		
A.VII.1	Retained earnings from previous years (428)	98		
2.	Accumulated losses from previous years (-/429)	99		
A.VIII	Net profit/loss for the accounting period after tax +/- line 01 - (lines 81 + 85 + 86 + 87 + 90 + 93 + 97 + 101+ 141)	100	-3036	
B	Liabilities, lines 102 + 118 + 121 + 122 + 136 + 139 + 140	101	3000	
B.I.	Non-current liabilities - total (lines 103 + 107 + 117)	102		
B.I.1	Non-current trade payables - total (lines 104 through 106)	103		
1a	Trade payables to affiliated undertakings (321A, 475A, 476A)	104		
1b	Trade payables excl. receivables from affiliated undertakings (321A, 475A, 476A)	105		
1c	Other trade payables (321A, 475A, 476A)	106		
2.	Net value of contract (316A)	107		
3	Non-current liabilities to affiliated undertakings (471A 47XA)	108		
4.	Other payables under participation excl. affiliated undertakings (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		
10.	Other non-current liabilities (336A, 372A, 474A, 47XA)	115		
11.	Non-current liabilities from derivative transactions (373A, 377A)	116		
12.	Deferred tax liability (481A)	117		

Designation a	LIABILITIES SIDE b	Line No. c	Current accounting period 4	Prior accounting period 5
B.II	Long-term provisions (line 119 + 120)	118		
B.II.1	Legal provisions (451A)	119		
2.	Other provisions (459A, 45XA)	120		
B.III	Long-term bank loans (461A, 46XA)	121		
B.IV	Current liabilities - total (lines 123 + 127 through 135)	122		
B.IV.1	Trade payables – total (lines 124 through 126)	123		
1a	Trade payables to affiliated undertakings (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	124		
1b	Intercompany trade payables excl. receivables from affiliated undertakings (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	125		
1c	Other trade payables (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	126		
2.	Net value of contract (316A)	127		
3.	Other intercompany liabilities (361A, 36XA, 471A, 47XA)	128		
4.	Other payables under participation interest excl. payables to affiliated undertakings (361A, 36XA, 471A, 47XA)	129		
5.	Liabilities to partners and association (364, 365, 366, 367, 368, 398A, 478A, 479A)	130		
6.	Employee liabilities (331, 333, 33X, 479A)	131		
7.	Liabilities related to social security (336A)	132		
8.	Tax liabilities and subsidies (341, 342, 343, 345, 346, 347, 34X)	133		
9.	Liabilities from derivative transactions (373A, 377A)	134		
10.	Other liabilities (372A, 379A, 474A, 475A, 479A, 47XA)	135		
B.V	Short-term provisions lines 137+138	136	3000	
B.V.I	Legal provisions (323A, 451A)	137		
2.	Other provisions (323A, 32X, 459A, 45XA)	138	3000	
B.VI	Current bank loans (221A, 231, 232, 23X, 461A, 46XA)	139		
B.VII	Short-term financial assistance (241, 249, 24X, 473A, /-255A)	140		
C.	Accruals/deferrals - total (lines 142 through 145)	141		
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	
			Current accounting period 1	Prior accounting period 2
*	Net turnover (part of statutory accounting group cl.6)	01		
**	Operating revenues – total (lines03–09)	02		
I	Revenues from the sale of merchandise (604, 607)	03		
II	Revenues from sale of own products (601)	04		
III	Revenues from sale of services (602, 606)	05		
IV	Changes in internal inventory (+/- account group 61)	06		
V	Own work capitalised (account group 62)	07		
VI	Revenues from the sale of non-current assets and raw materials (641, 642)	08		
VII	Other operating income (644, 645, 646, 648, 655, 657)	09		
**	Operating expenses total lines 11 + 12 + 13 + 14 + 15 + 20 + 21+ 24 + 25 + 26)	10	3000	
A	Cost of merchandise sold (504, 507)	11		
B	Consumed raw materials and energy and consumption of other non-inventory supplies (501, 502, 503)	12		
C	Provisions for inventories (+/-) (505)	13		
D	Services (account group 51)	14	3000	
E	Personnel expenses - total (lines 16 to 19)	15		
E.1	Wages and salaries (521, 522)	16		
2	Remuneration of board members of company or cooperative (523)	17		
3	Social security expenses (524, 525, 526)	18		
4	Social expenses (527, 528)	19		
F.	Taxes and fees (account group 53)	20		
G.	Depreciation and value adjustments to non-current intangible assets and property, plant & equipment (lines 22+23)	21		
G.1	Depreciation of non-current intangible assets, property, plant & equipment (551)	22		
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	Provisions for receivables (+/-) (547)	25		
J	Other operating expenses (543, 544, 545 546, 548, 549, 555, 557)	26		
***	Profit/loss from operations (+/-) line 02-line 10)	27	-3000	

Designation a	Text b	Line No. c	Actual	
			Current accounting period 1	Prior accounting period 2
*	Added value (lines 03 + 04 + 05 + 06 + 07) – (lines 11 + 12 + 13 + 14)	28	-3000	
**	Income from financing activities total lines 30 + 31 + 35 + 39 + 42 + 43 + 44	29		
VIII	Revenues from sale of securities and shares (661)	30		
IX	Income from non-current financial assets total (lines 32 through 34)	31		
IX.1	Income from securities and participation interests in affiliated undertakings (665A)	32		
2.	Income from securities and shares in participating interest, excluding affiliated undertakings (665A)	33		
3.	Other income from long-term securities and shares (665A)	34		
X.	Income from current financial assets (lines 36 through 38)	35		
X.1	Income from current financial assets from affiliated undertakings (666A)	36		
2.	Income from current financial assets in participating interest, excluding affiliated undertakings (666A)	37		
3.	Other income from long-term financial assets (666A)	38		
XI.	Interest income (lines 40 + 41)	39		
XI.1	Interest income from affiliated undertakings (662A)	40		
2.	Other interest income (662A)	41		
XII	Exchange rate gains (663)	42		
XIII	Gains on revaluation of securities and income from derivative transactions (664, 667)	43		
XIV	Other income from financial activities (668)	44		
**	Costs of financing activities – total (lines 46 + 47 + 48 + 49 + 52 + 53 + 54)	45	36	
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 expense for affiliated undertakings (562A)	50		
2.	Other interest expense (562A)	51		
O.	Exchange rate losses (563)	52		
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	36	

Designation a	Text b	Line No. c	Current accounting period 1	Prior accounting period 2
***	Profit/loss from financing activities (+/-) (line 29 – line 45)	55	-36	
****	Profit/loss for the accounting period before tax (+/-) line 27 + line 55)	56	-3036	
R	Income tax (line 58 + line 59)	57		
R.1	Current income tax (591, 595)	58		
2.	Deferred income tax (+/-) (592)	59		
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	-3036	

1. GENERAL INFORMATION

All data are in EUR.

AXON COVIDAX a. s. was established as a joint-stock company on 21 August 2020 and it was entered in the Commercial Register on 03 October 2020 (Commercial Register of Bratislava I District Court in Bratislava, Section Sa, Insert No. 7146/B).

Registered office: Dvořákovo nábrežie 10
Bratislava – Staré Mesto city district 811 02
Slovak Republic

AXON COVIDAX a.s. operates in the area of immunotherapy.

The Company's core business activities include:

- Sponsoring clinical trials of drugs;
- Research and development in natural science, technical, social and humanitarian sciences;
- Informative testing, measuring, analyses and controls.

Information about the Group

The Company is a member of AXON HOLDING SE. Neither the Group, nor the Group member companies are liable to prepare consolidated financial statements.

The Company is not a parent company to any other entity.

The Company is not an unlimited partner to any other company.

2. INFORMATION ABOUT THE COMPANY'S BODIES

Members of the statutory bodies as at 07 October 2020

Board of Directors	
Chairman:	Michal Fresser
Member:	Ladislav Satko
Member:	Norbert Žilka
Supervisory Board	
Member:	Ing. Boris Krehel
Member:	Mario Hoffman
Member:	MUDr. Vojtech Parrák

As at 07 October 2020, the Company does not have a branch office abroad.

In the period from 03 October 2020 to 07 October 2020, neither members of the statutory body nor members of supervisory bodies were provided with any loans, guarantees or other forms of security or other financial funds or other supplies, which would be intended for private use by the members and which are subject to clearing.

3 INFORMATION ABOUT ADOPTED PROCEDURES

Legal basis for preparation of the financial statements

The financial statements have been prepared in accordance with Act No. 431/2002 Coll. on Accounting, as amended, under the going concern assumption, as interim financial statements as at 07 October 2020.

AXON NEUROSCIENCE SE, seated at Arch. Makariou & Kalogreon 4, Larnaca 6016, Republic of Cyprus, as the majority owner, as at 07 October 2020 declares that AXON COVIDAX a. s. will continue its business activities as a going concern for at least 12 months from the reporting date of these financial statements.

General accounting policies and methods

Accounting methods and principles have been applied in accordance with the valid wording of the Act on Accounting. The accounting methods and general accounting policies have been consistently applied by the Company.

Use of estimates and judgments:

The preparation of the financial statements requires that the Company's management apply judgements, estimates and assumptions that have impact on application of accounting methods and accounting policies and the reported balances of assets, liabilities, revenues and expenses. The estimates and underlying assumptions are based on past experience and other factors regarded relevant to the existing circumstances and being the basis for determining carrying amounts of assets and liabilities if the amounts are not apparent from other sources. Therefore, actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized on a prospective basis; revisions are recognised in the period in which the estimates are revised (if the revision only affects the current period), or in the period of revision and future periods (if any future periods are affected). Application of the Company's accounting methods and accounting policies does not require use of such judgments which would have a material impact on amounts recognised in the financial statements. The Company did not identify any uncertainty in estimates and assumptions which would expose the Company to a significant risk, and which would lead to a material adjustment in the following accounting period.

The Company prepared the financial statements using the following accounting policies and methods:

a) Receivables

Receivables are valued at nominal value as they arise; assigned receivables and receivables acquired by contribution to registered capital are measured at cost including related incidental costs. The valuation is net of doubtful and bad debts.

Long-term loans and receivables: If the residual maturity of the receivable or the loan exceeds one year, then the valuation of the receivable or the loan is adjusted by value adjustment equal to the difference between the nominal value and the present value of the receivable. Present value of a receivable is calculated as a sum of future cash inflows multiplied by relevant discount factors.

b) Financial accounts

Financial accounts include bank account balances measured at nominal value. An impairment is recognised through value adjustment.

c) Deferred expenses and accrued income

Deferred expenses and accrued income are measured at nominal value and recognised in the amount necessary to comply with the accrual principle.

d) Impairment of assets and value adjustments

Value adjustments are recognised based on the prudence principle, if it can be reasonably assumed that the value of assets has been impaired and fell below the carrying amount of the assets. The value adjustment is recognised in the amount of reasonable estimate of the impairment compared to carrying amount of the assets. Upon change in the estimated amount of impairment, the value adjustments are either reversed or the amount is adjusted.

Impairment of financial assets and receivables

At each reporting date, financial assets not measured at fair value are reviewed to determine whether there is any objective evidence of impairment. The following is regarded as an objective evidence of impairment of financial assets: non-performance of debts or debtor's illegal conduct, restructuring of the Company's receivables under terms which would not normally be considered by the Company, indications that the debtor's or the issuer's assets will be subject to bankruptcy, or the fact that the active market for the securities ceased to exist. Another objective evidence of impairment of investments in equity securities is a significant or long-term decrease in their fair value below their cost. Estimated future economic benefits from the Company's investments in shares and ownership interests and estimated future economic benefits from receivables are calculated as present value of estimated discounted future cash flows. The recoverable amount of loans and receivables is determined considering the debtor's capabilities and performance and the value of collaterals and guarantees from third parties.

A value adjustment is reversed if the subsequent increase in the estimated future economic benefits is objectively attributable to the event that occurred after the value adjustment is recognised.

e) Liabilities

Long-term and short-term liabilities are measured at nominal values.

f) Accrued expenses and deferred income

Accrued expenses and deferred income are recognised at nominal value, in the amount necessary to comply with the accrual principle.

g) Equity

Equity is comprised of registered capital, capital funds, legal reserve fund and profit/loss subject to approval.

The Company's registered capital is recognised in the amount recorded in the Commercial Register maintained by the district court. Any increase or decrease in the registered capital based on the General Meeting's resolution which has not been registered as at the reporting date, is recognised as a change in the registered capital. Contributions exceeding the registered capital are recognised as a capital surplus. Other capital funds are comprised of monetary or non-monetary contributions above the amount of the registered capital, donations, etc.

Upon its incorporation, the Company created a reserve fund.

h) Transactions in foreign currencies

Transactions denominated in foreign currencies are converted to EUR using the reference exchange rate determined and announced by the European Central Bank or by the National Bank of Slovakia as of the date preceding the date of the accounting transaction.

Monetary assets and liabilities denominated in foreign currencies are converted using the exchange rate valid as at the reporting date. The resulting foreign exchange differences are recognised through profit or loss.

Purchased or sold cash in foreign currency is converted to EUR using the rate at which the cash was purchased or sold.

Disposal of similar foreign currency in cash or from a foreign currency account is converted to EUR using the price determined by weighted arithmetic average.

i) Revenues

Interest income is recognised on a straight-line basis in relevant accounting periods in accordance with the accrual principle.

j) Comparable data

If, owing to change in accounting methods and accounting principles, amounts for the prior accounting period, for individual components of the financial statements are not comparable, an explanation regarding incomparability of the amounts is given in footnotes.

The data shown in the financial statements as data for the prior reporting period are data from the opening balance sheet prepared as of 03 October 2020. The data in the financial statements for the current period are data as of 07 October 2020.

k) Income tax

Current income tax

Income tax expense is calculated using the valid tax rate applied on the accounting profit adjusted for permanent or temporary non-deductible expenses and non-taxable revenues. The current income tax includes withholding tax on interest income from the bank account.

4. EXPLANATORY AND SUPPLEMENTARY INFORMATION TO THE BALANCE SHEET AND THE INCOME STATEMENT

Information about liabilities

Details about liabilities are summarized in the table below:

Type of liability	Residual maturity below 5 years	Residual maturity above 5 years	Balance Sheet line
Social fund liabilities		0	114
Trade payables		0	123
Employee liabilities		0	131
Social insurance liabilities		0	132
Tax liabilities and subsidies		0	133
Other liabilities		0	135
Short-term provisions	3,000	0	136
Total liabilities	3,000	0	

In the period from 03 October 2020 to 07 October 2020, the Company did not incur any expenses or generate any revenues of extraordinary scope or occurrence.

Information about equity

The Company's registered capital is comprised of 160,000 shares of nominal value EUR 1,00 each.

Upon its incorporation, the Company created a reserve fund in the amount of EUR 16,000.

5. INFORMATION ABOUT EVENTS THAT OCCURRED AFTER THE BALANCE-SHEET DATE

After 07 October 2020, until the reporting date, no such events occurred which would require recognition in the financial statements as at 07 October 2020.

6. PLACE FOR OTHER COMMENTS

Contingent liabilities

As many parts of Slovak tax legislation have not been sufficiently verified in practice, there is an uncertainty about the interpretation that the tax authorities may apply. The effect of this uncertainty cannot be quantified and will only be resolved after legislative precedents or official interpretations of the authorities are available. The Company's management is not aware of any circumstances which could give rise to a material expense for the Company.

7. STATEMENT OF CHANGES IN EQUITY

The below summary show changes in equity for the period from 03 October 2020 to 07 October 2020:

Equity Item	Account No per Chart of Accounts	Opening balance	Additions	Disposals	Transfers (+/-)	Closing balance
Registered capital	(411)	160,000				160,000
Change in registered capital	+/-419					0
Receivables for subscribed capital	(/-353)					0
Share premium	(412)					0
Other capital funds	(413)					0
Legal reserve fund and indivisible fund	(421A, 422, 417A, 418)	16,000				16,000
Asset and liability revaluation reserve	(+/-414)					0
Financial investments revaluation reserve	(+/-415)					0
Revaluation reserve from fusion, merger and de-merger	(+/-416)					0
Reserve fund from own shares and capital contributions	(417A, 421A)					0
Statutory funds	(423, 42X)					0
Other funds	(427, 42X)					0
Retained earnings from prior years	(428)					0
Accumulated losses from previous years	(/-429)					0
Profit/loss of the current reporting period	Line 100			3,036		-3,036
Dividends paid						0
Other equity items						0
Account 491 – Sole trader's equity	(+/-491)					0

8. CASH FLOW STATEMENT

	Current reporting period	Prior reporting period
Cash flows from operating activities	0	0
Cash flows from operations		
Interest paid		
Interest income	0	0
Income tax paid		
Dividends paid		
Cash flows before items of extraordinary scope or occurrence		
Income from items of extraordinary scope or occurrence		
Net cash flows from operating activities	0	0
Cash flows from investing activities		
Purchase of non-current assets		
Proceeds from sale of non-current assets		
Acquisition of non-current assets		
Dividends received		
Net cash flows from investing activities	0	0
Cash flows from financing activities		
Income from increase in registered capital		
Change in short-term loans		
Income from loans		
Repayment of long-term liabilities		
Repayment of received loans		
Net cash flows from financing activities	0	0
(Decrease) increase in cash and cash equivalents	0	0
Cash and cash equivalents at the beginning of the reporting period	175,964	0
Cash and cash equivalents at the end of the reporting period	175,964	175,964
	Current reporting period	Prior reporting period
Cash flows from operations		
Net loss (before interest, tax and items of extraordinary scope or occurrence)	-3,000	0
Adjustment for non-cash operations:	3,000	0
Depreciation of non-current tangible and non-tangible assets		
Value adjustment for receivables		
Value adjustment for inventories		
Value adjustment for non-current tangible assets		
Value adjustment for non-current financial assets		
Unrealised foreign exchange losses		
Unrealised foreign exchange gains		
Loss (profit) on sale of non-current assets		
Yields from non-current financial assets	0	0
Other provisions (unbilled supplies)	3,000	0
Other non-monetary operations	0	0
Loss on operations before change in the working capital	0	0
Change in working capital:	0	0
Decrease (increase) in trade receivables and other receivables (including accrued and deferred assets)	0	0
Decrease (increase) in inventories	0	0
(Decrease) increase in liabilities (including accrued and deferred liabilities)	0	0
Cash flows from operations	0	0

The amounts were calculated using the indirect method.

Cash

Cash means as cash on hand, equivalents of cash on hand, cash in current accounts kept with banks or branches of foreign banks, an overdraft facility, and a part of the balance of the cash in transit account attributable to transfer between the current account and petty cash or between two bank accounts.

Cash equivalents

Cash equivalents mean short-term financial assets that are readily convertible for a beforehand known amount of cash, which do not entail the risk that their value will change considerably during the next three months after the balance sheet date, e.g. time deposits on bank accounts with a maximum of a three-month notice, liquid securities held for trading, and priority shares acquired by the accounting entity, which are due within three months of the balance sheet date.

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