

# useful techno logies:

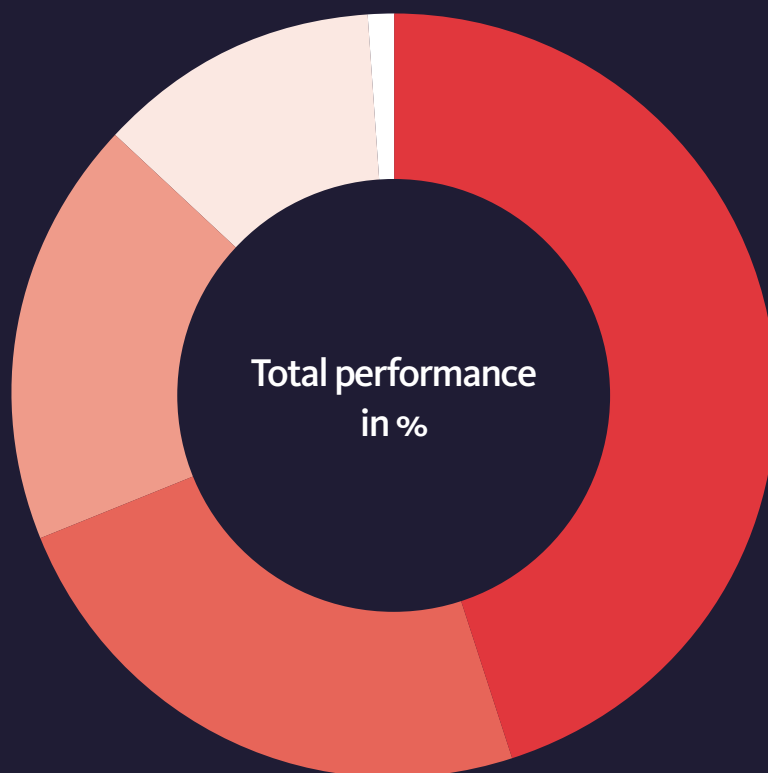


**5,037\***

**thousand EUR**  
EBITDA

**23,303\***

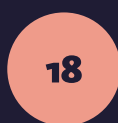
**thousand EUR**  
Total performance



Public sector



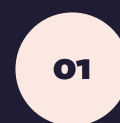
Products



Manufacturing  
and Utility

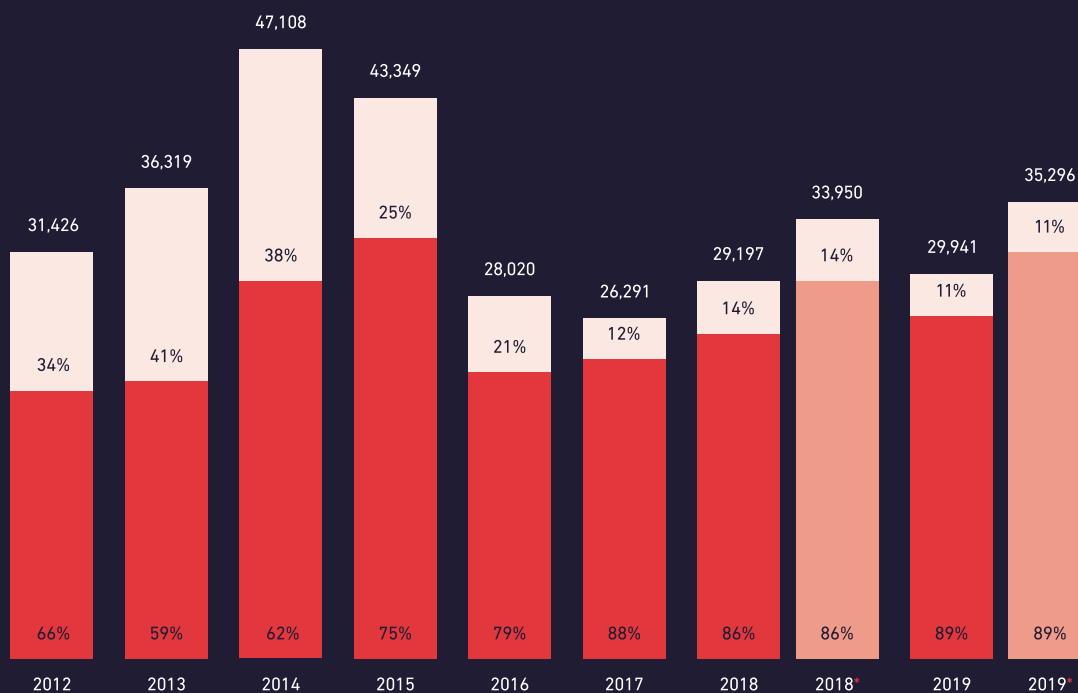


Financial sector



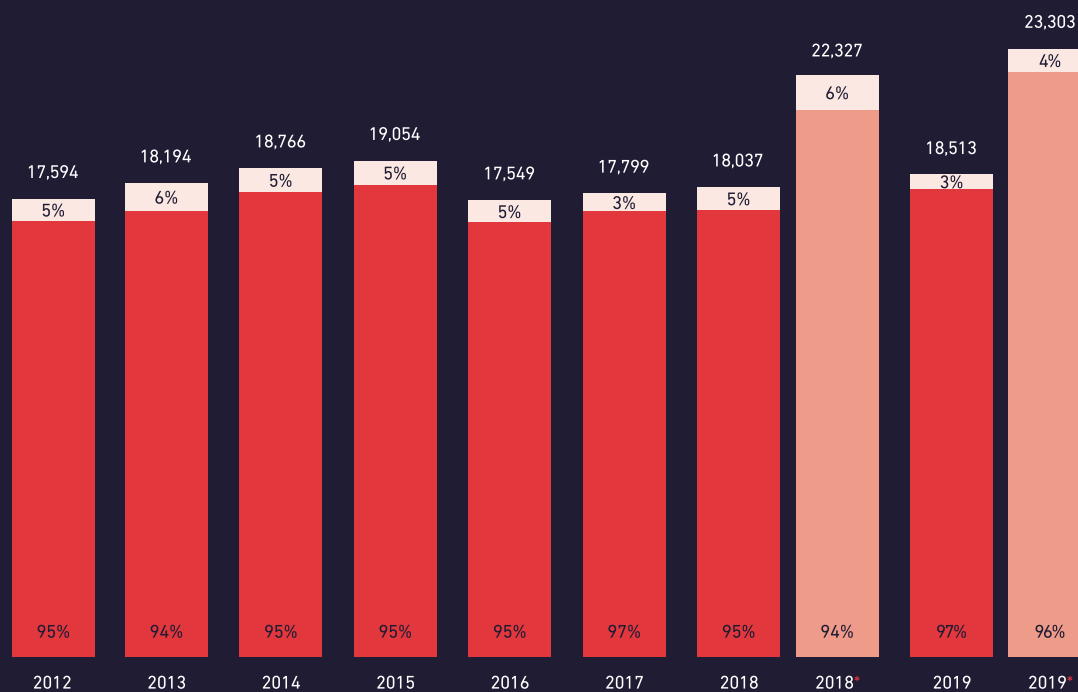
Other

\*Pro forma consolidated data including the subsidiary company Commander Services, s.r.o.



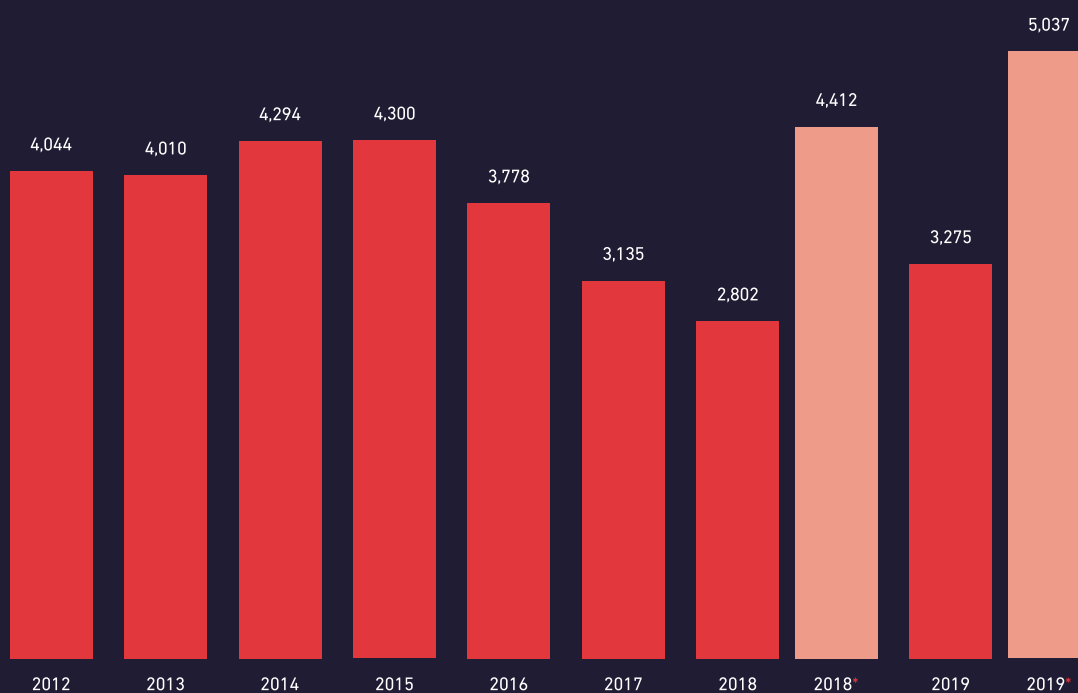
Services and goods revenue development in thousand EUR

● services ● goods

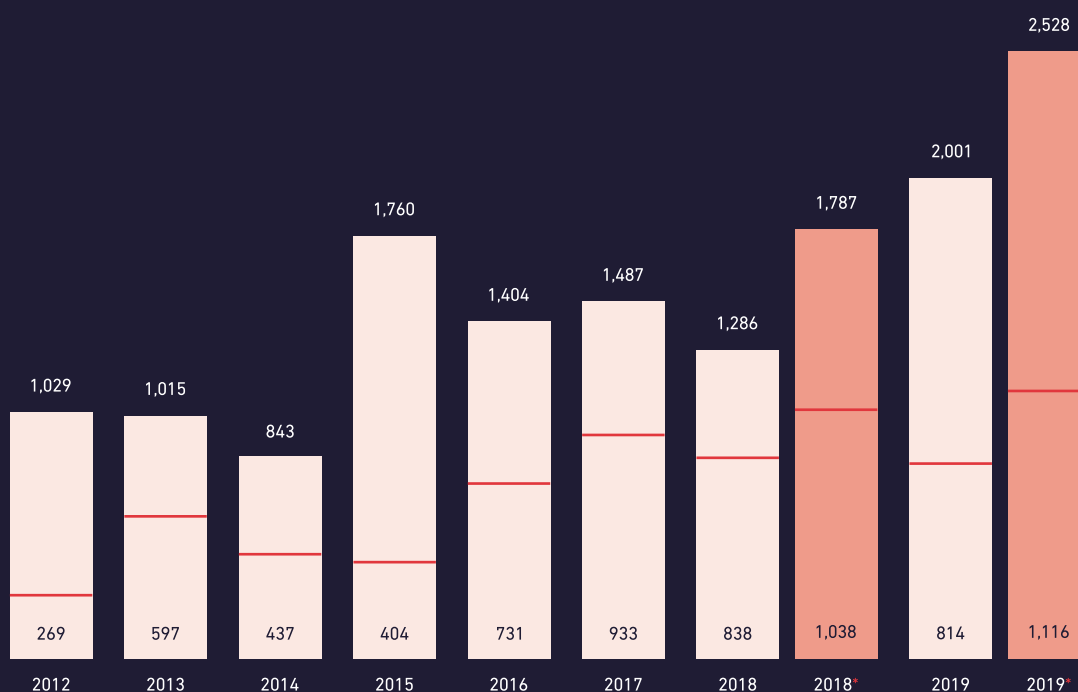


Development of total performance from services and goods in thousand EUR

● services ● goods



Development of EBITDA in thousand EUR



Development of capital expenditures  
in thousand EUR

● total CAPEX      ■ product development

\*Pro forma consolidated data including the subsidiary company Commander Services, s.r.o.

Definition of total performance: Total performance represents revenues adjusted for externally subcontracted deliveries adjusted for capitalization and balance of warranty provisions.

# Top events and projects in 2019:

## **As part of the TOOP project, we are helping to create the IT architecture for the European Single Digital Gateway initiative:**

EU Member States are obliged by 2023 to provide citizens and companies with access to digital online services based on the “Once-only” principle, which will simplify their administration within the EU. The aim is to reduce the burden on citizens and businesses, and to facilitate the fulfilment of legal obligations across the various EU states, saving up to 855,000 hours and a minimum of EUR 11bn a year. In Slovakia it's a part of the test concept implemented within the TOOP project, the Register of Financial Statements of the Ministry of Finance of SR by PosAm.

## **ParkDots monitoruje oprávnenosť parkovania na vyhradených miestach v Karlovej Vsi v Bratislave:**

The Karlova Ves district in Bratislava has improved parking for residents with disabilities. As the first in Slovakia, they introduced automatic monitoring of eligibility to park in designated parking places for severely disabled persons.

## **Successful test of ZSE Drive Intelligent parking with the ParkDots platform:**

ParkDots has been monitoring the availability of parking spaces reserved for charging electric cars at one of the busiest stations near Fresh Market in Bratislava. The results of the pilot project very quickly convinced ZSE about the usefulness of this solution. They plan to expand the ZSE Drive Intelligent Parking service to the entire ZSE Drive network of charging stations.

## **ParkDots provides current information on the occupancy of the park and ride parking lot in Malacky:**

Drivers in Malacky can use a new park and ride parking lot near the railway and bus stations, with a capacity of 91 spaces. The parking lot operates on the principle of “smart parking”, which means that the occupancy of each location is recorded by sensors and this information is available to drivers in real time via the ParkDots mobile app and city information boards.

### **Long-term successful cooperation with VSD confirmed by a valuable award:**

PosAm was awarded the “Reliable Supplier in Innovation” award for 2018 by the energy company Východoslovenská energetika Holding a.s. The award is even more valuable as our company received it at the expense of suppliers in the customer’s core business. We have been the only IT company to receive it over the years. After several awards from the banking sector, this is another award for us confirming our high level of corporate services and solutions, this time also in the energy sector.

### **Quality background for gifted pupils, students and their teachers:**

For the third year in a row, the Dionýz Ilkovič Award (CDI) sought out exceptional teachers and non-teaching staff throughout Slovakia, who develop the talent of gifted students in science subjects outside of the regular curriculum. In 2019, PosAm decided to take the project a step further. This year’s winner will receive the award from the Dionýz Ilkovič Foundation for the first time and will also become a member of the CDI Alumni club. The Dionýz Ilkovič Foundation aims to improve the material conditions for working with talent, in addition to the moral appreciation of teaching.

### **The Dionýz Ilkovič Award 2019 was awarded to a physics and astronomy teacher from Trenčín:**

The winner of the third year of the Dionýz Ilkovič Award (CDI) was teacher Zdenka Baxová from the Gymnasium of Ľudovít Štúr in Trenčín. In the finals, she met equally impressive teachers: - computer science teacher Angelika Hanesz from the Primary School with the Hungarian teaching language in Buzica, and Ivan Hnát from the Gymnasium of F.V. Sasínek in Skalica, who today enjoys a well-earned pension after decades of work with pupils in the field of chemistry. The finalists and the winner were decided upon by an expert jury led by Doc. RNDr. Martin Plesch, PhD., from the Slovak Academy of Sciences, President of the International Young Physicists' Tournament. The awards were received by the finalists on 7 November 2019 during a gala evening at the Slovak Philharmonic in Bratislava.

### **We applied domain knowledge in Česká pojišťovna:**

At the end of the year, PosAm made its mark in Česká pojišťovna with its project “New front-end for insurance claim settlement”. The aim of the project is to increase the efficiency of the process of non-life insurance claim settlement, thereby increasing client satisfaction. We convinced the customer not only with the price, professional approach and long-term knowledge of the domain, but also with modern architecture based on orchestration of several technologies (Workflow engine and rule engine).



# Company management:



**Marián Marek**  
General Director



**Miroslav Bielčík**  
CFO and COO



**Anton Janetka**  
Sales Director



**Michal Bróska**  
Chief Product Officer

**Tomáš Kysela**  
Chief Technology Officer

**Ladislav Bogdány**  
Operation and Delivery Director

**Further growth  
of our subsidiary  
Commander Services  
contributed to the  
record results::**

**Marian Marek**  
Chief executive officer



Dear Ladies and Gentlemen,

Assessing 2019 is easy for me, mainly because it was dominated by positives. I am delighted with the premiere breaking of the EUR 5 million barrier in EBITDA and reaching a record level of total performance in the amount of EUR 23.3 million for the PosAm group. I am also proud of the appreciation of our solutions from key customers, as well as our long-term ability to absorb the latest technologies.

In the traditional field of customer solutions, we maintained our position with our long-standing customers in the public and commercial sectors and added ČEZ. We were pleased with the award from Česká pojišťovna (ČP) for the implementation of the “Škody živě” project, which was evaluated as the IT project of the year, as well as an award from Východoslovenská energetika Holding, which rated us as a “reliable supplier in the area of innovation”. Both positive references had a major impact on attaining other major projects in Czech Republic. For ČP it was the creation of a new front-end interface for claims settlement, while for ČEZ it was the support of work planning for technicians in the field. We believe that successful management of the above projects will open the way to a large market of modernization and consolidation of previously built customer solutions.

Further growth of the subsidiary company Commander Services contributed to the record results, as it expanded its portfolio by another 9,599 vehicles. In total, it monitored almost 40 thousand vehicles at the end of the year, confirming its position as the Slovak market leader. Total revenue growth was a major factor in EBITDA growth of 9% to EUR 1.8 million. These results are even more valuable as they were achieved during the intensive development of a new generation of SW solutions that should open the way to markets in neighbouring countries. Sales growth in the new area of parking solutions covered by the ParkDots brand has also contributed to better results, although it is true that it has not fully met our expectations. But the important thing is that, over the past year, we have shifted our parking offer from a set of narrower specialized solutions to an offer of a complete city parking information system. Very encouraging was the

increase in sales, but also the overall business progress at the end of the year on the Polish market.

In the area of infrastructure, we have applied the modern concept of “infrastructure as a code” to our key solutions. Practical experience with their operation confirmed higher reliability, speed of implementation, and lower costs. The acquired knowledge and references open the way for us to establish ourselves on the market in this area. Last year, we once again supported the recognition of outstanding teachers who, in their free time, devote themselves to the development of talented young people in the field of natural sciences. In order to contribute to better conditions for their work in addition to their recognition, we founded the

## **The “Škody živě” project was evaluated as the IT project of the year by Česká pojišťovna:**

Dionýz Ilkovič Foundation. We believe that, thanks to well-known personalities in its board of directors, we will be able to fulfill this expanded ambition.

The year 2019 confirmed that we are able to continually absorb the latest knowledge in all key areas of our business and use them to assert ourselves on the market. I am also pleased that our product-oriented portfolio represented by the Commander and ParkDots brands is gradually becoming a preferred group solution in our parent group Deutsche Telekom. This is the way to fulfil the synergies between the capabilities of a local company focused on development of SW solutions and a large multinational telecommunications operator. My deep thanks for the great results goes to all employees of our group. We know that their professionalism, determination and enthusiasm are what makes our company successful and useful for our customers.

# **A challenging year with good financial results:**

**Miroslav Bielčík**

Chief financial officer and Chief operating officer



In 2019 we achieved record-breaking results in terms of profit generation along with growth in total performance. The group's record numbers were achieved thanks to the traditional area of software delivery, as well as through strategic investment in the subsidiary Commander Services, which provides vehicle monitoring services. We have seen a qualitative shift and highlighted the presence on the market with the ParkDots smart parking system, although we have not yet succeeded in meeting our ambitions in terms of profitability.

The company's revenue reached EUR 29,941 thousand, which represents an increase of almost 3%. Pro forma consolidated revenue including the results of the subsidiary Commander Services increased by 4% and reached EUR 35,296 thousand. This result was due to a significant 14 percent increase in revenue of the subsidiary Commander Services.

We generated a total performance of EUR 18,513 thousand and, together with the subsidiary, it totaled EUR 23,303 thousand, almost EUR 1 million more than the previous year. Performance grew at a similar pace to revenues by 3%, or 4% from a consolidated viewpoint. A very good profitability margin was documented by EBITDA amounting to EUR 3,275 thousand, at an increase of 17%. The consolidated view offers a record of EUR 5,037 thousand, an increase of 14% over the previous year.

The strategic investment into Commander in the area of vehicle fleet monitoring provided a significant boost to the PosAm group's product portfolio for the second year, as well as to the growth of financial indicators. We registered revenue growth for both monthly recurring fees and equipment sales. We transformed a significant part into increased profitability and a part was invested into developing a new version of the system. In addition to Commander's results, we can express satisfaction also with developments in the traditional part of PosAm group. After two years of a stagnation, we saw an increase in profitability, supported by growth in revenue and performance. We managed to acquire and start to implement two important contracts in the Czech Republic, where we built on domain know-how and experience from successfully implemented projects on the domestic market. The internal "start-up" ParkDots started to generate revenue from a growing portfolio of projects on the domestic as well as regional market, but not enough to meet the profit

ambitions. Investments into platform development and market penetration represented a cost burden as in the previous year. However, we were able to offer a comprehensive city parking system to the market, gain interesting contracts abroad and succeed in tenders against competitors. We are trying to build on the synergies within the group in the area of product development and placement on the regional market. A crucial factor in the current and future success of the company, as well as the whole group, are the colleagues who make up PosAm and Commander. Recruiting and retaining quality people is our key challenge. We have implemented a successful project to strengthen brand development in the labour market in cooperation with a multimedia career showroom at [www.welcometothejungle.com](http://www.welcometothejungle.com). We try to introduce

## **A crucial factor in the current and future success of the company, as well as the whole group, are the colleagues who make up PosAm and Commander:**

our corporate DNA on this platform and attract potential new colleagues with an inspirational career. We continued to develop communities, organized the Full-stack academy for talented university students and supported a highly valued community for Domain-Driven Design. We improved and supported the organization of work in stable teams. We consider the principle of continuous improvement to be a part of our corporate culture. Very good results in this area were confirmed by a successful recertification audit for 5 key ISO standards from the reputable auditing firm DNV.

We can express satisfaction when evaluating the year 2019. Fulfillment of the strategy, supported by conservative financial management, creates the prerequisites for further economic growth, continuous satisfaction of our customers, employees, and ultimately, our shareholders.

# **Excellent business results and high customer satisfaction:**

**Anton Janetka**

Chief sales officer





The year 2019 continued the positive trend of 2018. Revenues and profits grew again and we had no shortage of interesting projects. In the utilities sector we managed to conclude and launch one of the most important commercial projects in the history of PosAm. On April 1, 2019 we signed a contract for more than EUR 8.5 million with a new customer in the Czech Republic, where we managed to win a tender at ČEZ Distribuce after a year and a half. PosAm will deliver a system for managing more than 3,000 field service workers that replaces and consolidates three different systems of the customer. The contract includes a 5-year operation period. Last year the analytical phase took place, which is to be followed by the implementation phase in 2020. The first part of the delivery will be put into operation in the second half of 2020. The fully functional system will be deployed into operation in 2021.

In the electricity distribution segment, we won a tender at the end of 2019 for the implementation of a mobile client for Východoslovenská distribučná spoločnosť (VSD) for support of work in the maintenance and operation of the distribution network. This contract represents another recognition of the long-term cooperation, which was awarded the prize for the best IT supplier at VSD in 2019.

Last year, we managed to extend the contract at Slovenské elektrárne for the operation of end-user devices for another 5 years in the amount of EUR 4.7 million. The delivery also includes financing the purchase of hardware for the provision of the service. PosAm has been continuously supplying the service to SE for 14 years and the extension of this contract is a sign of great customer satisfaction.

In the telecommunications segment, the storage system consolidation project for our parent companies continued with the delivery of two new Hitachi storage systems, which consolidated more than 20 legacy storage systems. The new system is significantly more efficient, and T-Mobile will save considerable funds from an operational point of view.

In the insurance segment, the next phase of the “Škody živě” car repair shop portal project continued, which allowed a significant shortening of the time for confirming insurance coverage for car repair shops, literally from hours to minutes. Also, thanks to this high-quality delivery, we won the tender for the “New Front-End for insurance claim settlement”, of which we launched the analysis in the summer of 2019. In 2020, the implementation of the project will continue, and it will enter production in 2021.

Another important customer in this segment – Allianz Slovenská poisťovňa, a.s. – created the conditions for innovation of the ProLík progressive claim settlement solution, which we managed to deliver and put into operation in a very short time. We also introduced a number of technological innovations in the area of sales support delivered by the Allegro Multichannel system. We are actively developing strategic topics in the area of Smart Interaction, information systems for brokers, and we are also constantly looking for ways to support fraud detection processes in the area of claims settlement.

In public administration we continued to expand our two major solutions. For the Ministry of Finance, we have been developing the Budgeting Information Sys-

## **In Czech Republic, we won a tender at ČEZ Distribuce after a year and a half:**

tem for more than two decades. In 2019, we expanded the system to identify and manage corruption risks and in 2020 we will be developing a new application for inspecting and auditing EU funds. This functionality should be used at the start of the new EU programming period. Satisfaction of the Ministry with the delivered services was demonstrated at the end of 2019 by extending the contract for another 3 years. Another strategic project, the Data Centre of Municipalities and Towns (DCOM), has already entered its fifth year of operation. DCOM is currently used by more than 10,000 employees in over 2,100 municipalities, where it provides access to electronic services of self-government for more than 2.2 million citizens. The development so far has confirmed the merits of the project, which was given green light for further development in the stage called DCOM+. Its aim is to extend the system by another 1,000 municipalities.

Success in 2020 will depend on our ability to successfully deliver large-scale projects that are in progress. We also intend to focus on the demand for mobile workforce solutions, to make the most of the experience we have gained in this domain, and to ensure a sufficient supply of projects for the future.



# ParkDots and Commander on a growth wave:

Michał Bróska  
Chief Product Officer



The past year marked a significant milestone in the sales and development of ParkDots and Commander products. Both products advance PosAm into the world of the Internet of Things and smart mobility, expanding the traditional PosAm portfolio.

Through the ParkDots parking system, we continued to gain market share on the domestic market and we implemented several projects abroad. A number of Slovak cities, city districts, and private providers have been added to the portfolio.

On foreign markets, ParkDots has established itself in The Netherlands, Greece, and especially in Poland. ParkDots succeeded in the international tender for Wrocław and delivered a solution for the city of Jelenia Góra. It received a gold medal in the IoT Innovation category at a local competition for the implementation of a parking project in the Greek city of Chania.

In addition to gaining market share, ParkDots developed as a product over the year significantly. The solution for collecting parking fees and occupancy monitoring via IoT sensors has evolved into a comprehensive urban parking system that allows cities to manage parking permissions and inspect the compliance of parking policy by using a camera car from the segment leader.

In addition to the development of ParkDots and Commander products, we have also been working on improving the technological backbone. Both software solutions are directly deployed to Microsoft Azure cloud environments, while meeting the demanding security requirements of the Deutsche Telekom Group. In the cloud, we focused on extensive use of the PaaS offer, which makes a significant contribution to the rapid deployment and cost-effective operation of both products.

Our subsidiary Commander Services recorded a successful year in terms of business and product. The sales team gained almost 10 thousand new vehicles for the monitoring service. These vehicles together with the

existing customer base reached the respectable number of 40 thousand monitored vehicles, confirming the high utility value that Commander provides to its customers. At the same time, this number confirms its leadership position on the Slovak vehicle monitoring market.

These results represent a commitment to their further advancement, especially beyond the borders of Slovakia. Therefore, in the past year we created the conditions for growth abroad. Commander took over All4Car's customer base in the Czech Republic, and at the same time it started to build its own sales channel. Commander has introduced a new, fully cloud-based version of the Commander Control Car monitoring software for

## **In foreign markets, ParkDots has established itself in The Netherlands, Greece, and especially in Poland:**

customer testing, which creates an excellent starting position for further organic and inorganic growth on the domestic and foreign markets.

The results of the past year moved us into this year with very good work in progress at ParkDots, which we want to transform into positive financial indicators next year. The experience with the sale of ParkDots through the Deutsche Telekom Group sales channel creates perfect conditions for expanding our offer with Commander's portfolio of solutions.

# **We are prepared to deliver complex IT projects:**

**Tomáš Kysela**  
Chief Technology Officer



Last year, the market demand for a capacity to design, successfully deliver and operate large and complex consolidation projects for older, often fragmented information systems (IS) was confirmed. Few companies can develop long-term business knowledge, a wide range of technologies and, last but not least, methodologies specializing in large solutions.

The fact, that we are among the best in this area, is documented by our long-term projects: Budget IS (Ministry of finance), Data Centre of Municipalities and Towns (DEUS), Sales Support System (Allianz - Slovenská poisťovňa), and the development of own smart parking solution (ParkDots). In addition, last year we successfully launched the delivery of a comprehensive IS for workforce management (ČEZ), and we won and launched a new omni-channel system for reporting and handling insurance claims (Generali – Česká pojišťovna).

In the area of technology, in addition to creating multi-channel interfaces with AngularJS technology, we have also started to develop large projects on the popular React platform.

We have successfully deployed our ability to orchestrate a multi-cloud environment using automation and the infrastructure-as-a-code concept (IaaS) in all of our major solutions. Based on our experience, we prepared an attractive product that will enable our new customers to quickly and efficiently gain benefits from automation and IaaS in any IT environment.

A unique feature of the solution is technological homogeneity and a significantly shorter learning curve. Finally, we have intensified the development and use of

knowledge in the field of artificial intelligence, optimization, and machine learning - by establishing a specialized laboratory. Its outputs have been successfully utilized by multiple large projects.

In terms of methodologies, we continued to use the Domain Driven Design methodology, and to successfully popularize it by organizing meetings of architects and analysts in the eponymous community in Bratislava. We unified the methodology of operating large solutions. We consider the most important advancement to be the use of our own unique methodology for decomposing the functionality of large solutions during the design stage, also its connection to other software development methodologies, operations and project management. We are convinced that the new umbrella

## **We have intensified the development and use of knowledge in the field of artificial intelligence:**

methodology and knowledge, which it is concentrated on, is one of the key factors for successful modernization or consolidation of large IS. And it transforms good system integrators into the best ones.

# **The evolution focused on efficiency and quality continues:**

**Ladislav Bogdány**  
Operation and Delivery Director



If I had to evaluate 2019 in one word, I would choose the word “evolution”. For large customers, the focus is on IT in the form of a service to ensure predictability and to reduce operating costs. Manufacturers are taking a piece of the market pie and increasing competitive pressure through direct deliveries. The imaginary scissors between the demands for equal or increasing service volumes for the same or at a lower price at unchanged or higher quality are opening the way for IT service providers. A timely response to these trends, and an emphasis on internal efficiency and quality, allows us to remain competitive even in these challenging conditions.

Operational IT services are still an important part of the company's portfolio and economy. Approximately one fifth of the added value is created in this manner. However, despite our ability to defend and extend existing long-term contracts or acquire new ones, this share has been declining over the long term. This is due to constant pressure on prices by customers as well as a reduction in the volume of hardware deliveries. However, the interest of corporate customers in IT outsourcing is growing, which we still see as an opportunity to be a part of this trend.

In 2019, we successfully maintained and extended our longest service contract for the management of terminal equipment for Slovenské elektrárne a.s., for whom we have been providing quality services for 14 years. But it was not a foregone conclusion.

We succeeded in tough competition thanks to offering the highest quality services for the best price on the market. Our ability to continuously improve and adapt to more complex market conditions contributed to this, as confirmed by a successful audit of the internal management system. We have expanded the network of external partners at the expense of internal capacities. We can therefore provide services aimed at end-user equipment more flexibly and with better coverage of the territory. We have made further progress in automation of processes for entering and approving requests.

The achieved level of staff-less operation was very positively evaluated also by external auditors. In addition to renewing the ISO 20000 certification, we also obtained the ITIL version 4 certificate. We consider this to be confirmation that increasing internal efficiency is not at the expense of quality and level of service.

We confirmed our position as the leader in storage solutions based on Hitachi Vantara technologies. We provided consolidation of IT infrastructure, equipment recovery after the end of its service life, and extension of existing systems for customers in the banking and telecommunications sector. In addition to Slovakia, we also operate on the Czech market, where we provide services of the same quality and with the same SLA. With the delivery of equipment and the launching of operations, we have expanded the provision of printing services for customers in the banking sector.

## **We have confirmed our position as the leader in storage solutions based on Hitachi Vantara technologies:**

It's clear that IT as a service will also be a topic for the upcoming period. The market will mature and change. Customers, manufacturers and other service providers will come up with challenges for which we are getting prepared. We have a clear vision of how we can be useful to our customers in this changing market environment and provide a prospect not only for them but also for our company.

# We are supporting education:

PosAm systematically supports the development of talent and the transfer of experience and knowledge at all levels, from primary schools to IT professionals.



# The Dionýz Ilkovič Foundation:

The foundation aims to create a program to support teachers and students to achieve the best possible results in international competitions and to build a community of teachers and students.

[www.nadi.sk](http://www.nadi.sk)

The Dionýz Ilkovič Foundation was established in 2019. Its task is to organize and further develop the Dionýz Ilkovič Award project, the award given to teachers and non-pedagogical workers from all over Slovakia for extraordinary support and development of extracurricular activities of primary and secondary school pupils in mathematics, physics, chemistry and computer science.

# The Dionýz Ilkovič Award:

We recognize pedagogues for the development of talent in natural sciences at primary and secondary schools

[www.cenadi.sk](http://www.cenadi.sk)

The Dionýz Ilkovič Award is given for the development of extracurricular activities at primary and secondary schools in mathematics, physics, chemistry and computer science. The award can be won by pedagogues and non-pedagogic workers who, with enthusiasm and without adequate reward, sacrifice their time, energy, and often also money, to transfer knowledge to young people. The award was created as a thankyou, tribute and encouragement for those people whose work we want to make visible and reward. The fathers of this idea are the General Director of PosAm, Mr. Marián Marek, and Docent Martin Plesch from the Slovak Academy of Sciences.

# PosAm Full-Stack Academy:

We educate and inspire talented software developers from universities and launch their careers

PosAm Full-Stack Academy offers a comprehensive view of software development. It is focused on the development of modern JavaScript front-ends connected to cloud-scale Java back-ends. As the name suggests, the scope is really broad. From the development environment through various application frameworks, script languages, to the design and implementation of applications themselves. Young software developers from universities can acquire comprehensive theoretical and especially practical knowledge of development of enterprise solutions. The program takes the form of lectures, workshops and work on practical tasks in the implementation of a real project.

# Domain-Driven Design community:

We organize meetings enabling the sharing of knowledge and experience among the IT architect community

[www.dddcommunity.sk](http://www.dddcommunity.sk)

The domain-driven design community is an association of programmers, architects, analysts, and other people related to software development who use state-of-the-art techniques and technologies when implementing applications. The creation of the community was initiated by DDD enthusiasts from PosAm. The aim is to share knowledge and experience in the area of Domain-Driven Design as well as related topics at regular meetings. These can concern analytics, design, architecture, programming, process, or can be focused on testing. The common denominator is to use the DDD approach and to base the design of the application on terms derived from the domain.



# Dionýz Ilkovič Award 2019:

## Winner:

**RNDr. Zdenka Baxová**

Gymnasium of Ľ. Štúr, Trenčín

"Every single success of my students motivates me incredibly."

## Finalist:

**Ing. Angelika Hanesz**

Primary School with the Hungarian teaching language - Alapiskola, Buzica

"The fact that I can do it in my free time and that my family tolerates it is a great gift."

## Finalist:

**PaedDr. Ivan Hnát**

Gymnasium of F. V. Sasínek, Skalica

"The teacher becomes a role model whether he wants it or not."

adácia

SEESA  
KOMUNIKÁ



PIXELFED  
players to

STAGE



# Dionýza Ilkoviča



# Organizational structure:

Sales division:	Division of product management:	Management Division of projects:	Division of consulting services:	Division of software development:
Sales Group Public Administration and Healthcare	Marketing and PR			Department of SW and solution architects
Sales Group Allianz	ParkDots Product			Department of software analysis
Sales Group Banking and Insurance	Bike Sharing Department			Department of graphic design and UX
Sales Group Industry and Telco				Department of development
Department of Presales				Department of testing and SW deployment
Department of bidding				Development teams
Department of products				
Laboratory of machine learning and data analysis				

Number of employees:	Structure of education in %:	Ratio between men and women in %:
total at year end: 336 year 2019 average: 332	secondary school: 35,6 bachelor's: 6,8 master's: 56,6 postgraduate: 1	men: 81 women: 19



## Division of system integration:

Teams

## Division of IS operation:

Department of infrastructure operation

Operations team DCOM

Operations team Data centre

## Division of operational services:

Department of services management

Contact centre

Sales department

Department of technical support

## Division of finance and support processes:

Department of control

Department of accounting, taxes and treasury

Department of IIS

Department of human resources

Department of integrated management system

## Basic structure of employees in %:

SW development and services: 51  
Sales and marketing: 16  
Administration and management: 33

## Age structure of employees in %:

30 years and younger: 21  
31-35 years: 17  
36-40 years: 16  
41-45 years: 16  
46-50 years: 16  
50 years and older: 14

## Location overview in %:

Bratislava: 62  
Banská Bystrica: 8  
Košice: 12  
Žilina: 11  
Levice: 7

## Company facts:

Name: PosAm, spol. s r. o.

Date of establishment: 22 August 1990

Company ID: 313 650 78

TAX ID: 2020315440

VAT ID: SK 2020315440

Registered seat: Bajkalská 28, 821 09 Bratislava  
Business Register maintained by the District Court  
Bratislava I, Section: Sro, record number: 6342/B

## Branches:

Banská Bystrica  
Košice  
Levice  
Žilina

## Partners:

Slovak Telekom, a. s.  
Ing. Marian Marek  
Ing. Peter Hladký  
Ing. Peter Kolesár  
Ing. Milan Drobný  
Ing. Juraj Poláček  
Peter Mihalovič  
Ing. Ronald Fleischman  
Ing. Ladislav Bogdány  
Ing. Katarína Petříková

## Executives:

Ing. Marian Marek  
Ing. Miroslav Majoroš  
Ing. Peter Škodný

## Proxy:

Ing. Milan Drobný  
Ing. Miroslav Bielčík

## Registered capital:

EUR 170 000

## PosAm, spol. s r.o.:

PosAm s.r.o. (Company ID 00683 272) was established on 22 August 1990. On the basis of a decision of its General Meeting (21 December 1993) the company was split on 3 January 1994 into two companies: PosAm Bratislava spol. s r.o. and ASSET Management Slovakia spol. s r.o. The company PosAm Bratislava spol. s r.o. (Company ID 313 650 78) took over from PosAm all its business activities, liabilities and receivables and continued in these business activities, with the exception of property management, which passed to the other company. PosAm Bratislava spol. s r.o. thus became the successor to PosAm s.r.o., which as of 3 January 1994 was deleted from the business register. PosAm Bratislava spol. s r.o. changed its business name in 2002 to PosAm, spol. s r.o.

## **Integrated management system:**

### **ISO 9001:2015**

#### Quality

IT related sales, service and maintenance. Software development, production, sales and implementation. Customer support

### **ISO/IEC 20000-1:2018**

#### Service Management

The service management system of PosAm supporting the provision of IT infrastructure and application services to all customers in accordance with the PosAm service catalogue.

### **ISO/IEC 27001:2013**

#### Information Security

IT related sales, service and maintenance. Software development, production, sales and implementation. Customer support. This all in accordance with the current statement of applicability

### **ISO 45000:2018**

#### Occupational Health & Safety

IT related sales, service and maintenance. Software development, production, sales and implementation. Customer support.

### **ISO 14001:2015**

#### Environment

IT related sales, services and maintenance. Software development, production, sales and implementation. Customer support.



## **Klíčové partnerství:**

Citrix Solution Advisor Silver  
Dell Authorized Service Partner  
ESET Platinum Partner  
Hitachi Vantara Platinum / TrueNorth Partner Program  
HP Enterprise HPE Silver Partner  
HP Partner First Gold  
IBM Business Partner, Service partner  
IBM Silver Program Level  
Microsoft Partner Network  
Namirial Value Added Reseller  
Oracle Gold Partner  
RedHat Advanced Partner  
VMware Solution Provider - Professional

**Financial statements  
of the company  
PosAm spol. s r.o. and  
independent auditor's  
report for the year  
ended 31 december 2019:**



**FINANCIAL STATEMENTS** at 31.12.2019 (in whole euros)

<b>Numerical data is aligned right, other data is aligned left. Unfilled rows are left empty.</b> Data is filled out using block letters (based on this sample), typewriter or a printer, in black or dark blue colour <b>ÁABČDEFGHÍJKLMNOPQRŠTÚVXÝŽ 0123456789</b>		
<b>Tax Identification Number</b> 2020315440 <b>Company's ID No</b> 31365078 <b>SK NACE</b> 62.01.0	<b>Financial statements – Accounting unit</b> <input checked="" type="checkbox"/> ordinary <input type="checkbox"/> small <input type="checkbox"/> extraordinary <input checked="" type="checkbox"/> large <input type="checkbox"/> interim  (to be indicated with x)	<b>For the period of</b>  Month Year from 01 2019 to 12 2019  <b>Immediately preceding period</b> from 01 2018 to 12 2018
<b>Financial Statements include following components</b> <input checked="" type="checkbox"/> Balance Sheet (in whole euros) <input checked="" type="checkbox"/> Income statement (in whole euros) <input checked="" type="checkbox"/> Notes (in whole euros)		
<b>Business name (Title) of the accounting entity</b> POSAM, SPOL. S R.O.		
<b>Accounting entity's registered office</b>		
<b>Street</b> BAJKALSKÁ <b>Postal Code</b> 821 09 <b>Phone Number</b> 02 / 49239111	<b>Number</b> 28 <b>Municipality</b> BRATISLAVA	
<b>Prepared On:</b> 09.03.2020  <b>Approved on:</b> 08.07.2020	<b>Signature of a member of the statutory body of the accounting entity or natural person that is an accounting entity:</b>   	



BALANCE SHEET:

Line	ASSETS	Line	Current period			Previous period
			Gross	Correction	Net	
			EUR	EUR	EUR	EUR
	TOTAL ASSETS (line 02 + line 33 + line 74)	01	31,367,662	7,102,111	24,265,551	23,231,184
A.	Non-current assets (line 03 + line 11 + line 21)	02	16,239,934	7,038,542	9,201,392	8,560,026
A.I.	Non-current intangible assets - total (lines 04 to 10)	03	5,451,173	2,801,618	2,649,555	2,452,610
A.I.1	Capitalized development costs (012) - /072, 091A/	04				
2	Software (013)- /073, 091A/	05	4,905,924	2,731,069	2,174,855	2,283,715
3	Valuable rights (014)- /074, 091A/	06	86,712	70,549	16,163	28,347
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	458,537		458,537	140,548
7	Advance payments for non-current intangible assets (051) - /095A/	10				
A.II.	Property, plant and equipment - total (lines 12 to 20)	11	6,261,475	4,236,924	2,024,551	1,580,130
A.II.1	Land (031) - /092A/	12				
2	Buildings and structures (021) - /081, 092A/	13	272,013	93,113	178,900	204,784
3	Individual movable assets and sets of movable assets (022) - /082, 092A/	14	5,731,934	4,143,811	1,588,123	1,356,190
4	Perennial crops (025) - /085, 092A/	15				
5	Breeding and draught animals (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	257,528		257,528	19,156
8	Advance payments for property, plant and equipment (052) - /095A/	19				
9	Valuation allowance for acquired assets (+/- 097) +/- 098	20				
A.III.	Non-current financial assets - total (lines 22 to 32)	21	4,527,286		4,527,286	4,527,286
A.III.1	Shares and ownership interests in affiliated undertakings (061A, 062A, 063A) - /096A/	22	4,527,286		4,527,286	4,527,286
2	Shares and ownership interests in undertakings in which the company has a participating interest, except for shares and ownership interests in affiliated undertakings (062A) - /096A/	23				
3	Other realizable securities and ownership interests (063A) - /096A/	24				
4	Loans to affiliated undertakings (066A) - /096A/	25				
5	Loans to undertakings in which the company has a participating interest, except for loans to 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				
8	Loans and other non-current financial assets with time remaining to maturity of no more than one year (066A, 067A, 069A, 06XA) - /096A/	29				
9	Bank accounts with a notice period of more than one year (22XA)	30				
10	Acquisition of non-current financial assets (043) - /096A/	31				
11	Advance payments for non-current financial assets (053) - /095A/	32				
B.	Current assets (line 34 + line 41 + line 53 + line 66 + line 71)	33	14,440,255	63,569	14,376,686	13,976,106
B.I.	Inventories - total (lines 35 to 40)	34	90,099	44,835	45,264	66,789
B.I.1	Material (112, 119, 11X) - /191, 19X/	35	97		97	237
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	90,002	44,835	45,167	66,552
6	Advance payments for inventories (314A) - /391A/	40				
B.II.	Non-current receivables - total (line 42 + lines 46 to 52)	41	279,395		279,395	265,278
B.II.1	Trade receivables - total (lines 43 to 45)	42	12,004		12,004	12,004

## BALANCE SHEET:

Line	ASSETS	Line	Current period			Previous period
			Gross	Correction	Net	
			EUR	EUR	EUR	EUR
1.a	Trade receivables from affiliated undertakings (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	43				
1.b	Trade receivables from undertakings in which the company has a participating interest, except for receivables from affiliated undertakings (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	44				
1.c	Other trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	45	12,004		12,004	12,004
2	Net value of a contract (316A)	46				
3	Other receivables from affiliated undertakings (351A) - /391A/	47				
4	Other receivables from undertakings in which the company has a participating interest, except for receivables from affiliated undertakings (351A) - /391A/	48				
5	Receivables from partners, members, and the 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	267,391		267,391	253,274
<b>B.III.</b>	<b>Current receivables - total (line 54 + lines 58 to 65)</b>	<b>53</b>	<b>7,426,609</b>	<b>18,734</b>	<b>7,407,875</b>	<b>9,056,489</b>
<b>B.III.1</b>	<b>Trade receivables - total (lines 55 to 57)</b>	<b>54</b>	<b>5,465,517</b>	<b>18,734</b>	<b>5,446,783</b>	<b>8,537,665</b>
1.a	Trade receivables from affiliated undertakings (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	55	1,266,475		1,266,475	3,202,502
1.b	Trade receivables from undertakings in which the company has a participating interest, except for receivables from affiliated undertakings (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	56				
1.c	Other trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	57	4,199,042	18,734	4,180,308	5,335,163
2	Net value of a contract (316A)	58	1,552,169		1,552,169	426,121
3	Other receivables from affiliated undertakings (351A) - /391A/	59				
4	Other receivables from undertakings in which the company has a participating interest, except for receivables from affiliated undertakings (351A) - /391A/	60				
5	Receivables from partners, members, and the 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	391,192		391,192	78,995
8	Receivables related to derivative transactions (373A, 376A)	64				
9	Other receivables (335A, 33XA, 371A, 374A, 375A, 378A) - /391A/	65	17,731		17,731	13,708
<b>B.IV.</b>	<b>Current financial assets - total (lines 67 to 70)</b>	<b>66</b>				
B.IV.1	Current financial assets in affiliated undertakings (251A, 253A, 256A, 257A, 25XA) - /291A, 29XA/	67				
2	Current financial assets other than those in affiliated undertakings (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				
<b>B.V.</b>	<b>Financial accounts (line 72 + line 73)</b>	<b>71</b>	<b>6,644,152</b>		<b>6,644,152</b>	<b>4,587,550</b>
B.V.1	Cash (211, 213, 21X)	72	8,255		8,255	6,100
2	Bank accounts (221A, 22X, +/- 261)	73	6,635,897		6,635,897	4,581,450
<b>C.</b>	<b>Accruals/deferrals - total (lines 75 to 78)</b>	<b>74</b>	<b>687,473</b>		<b>687,473</b>	<b>695,052</b>
C.1	Deferred expenses - long-term (381A, 382A)	75	90,953		90,953	137,584
2	Deferred expenses - short-term (381A, 382A)	76	596,520		596,520	547,015
3	Accrued income - long-term (385A)	77				
4	Accrued income - short-term (385A)	78				10,453

BALANCE SHEET:

Line	LIABILITIES AND EQUITY	Line	Current accounting period	Previous accounting period
			EUR	EUR
	TOTAL EQUITY AND LIABILITIES (line 8o + line 1o1 + line 141)	79	24,265,551	23,231,184
A.	Equity (line 81 + line 85 + line 86 + line 87 + line 9o + line 93 + line 97 + line 1oo)	8o	15,443,811	13,344,989
A.I.	Share capital - total (lines 82 to 84)	81	17o,ooo	17o,ooo
A.I.1	Share capital (411 or +/- 491)	82	17o,ooo	17o,ooo
2	Change in share capital +/- 419	83		
3	Receivables from subscribed share capital (/-/353)	84		
A.II.	Share premium (412)	85		
A.III.	Other capital funds (413)	86		
A.IV.	Legal reserves (line 88 + line 89)	87	17,ooo	17,ooo
A.IV.1	Legal reserve fund and non-distributable reserve (417A, 418, 421A, 422)	88	17,ooo	17,ooo
2	Reserve for own shares and ownership interests (417A, 421A)	89		
A.V.	Other profit reserves (line 91 + line 92)	9o		
A.V.1	Statutory reserves (423, 42X)	91		
2	Other reserves (427, 42X)	92		
A.VI.	Valuation variances from revaluation - total (lines 94 to 96)	93		
A.VI.1	Valuation variances from the revaluation of assets and liabilities (+/- 414)	94		
2	Valuation variances from equity investments (+/- 415)	95		
3	Valuation variances from the revaluation in case of mergers, fusions, or demergers (+/- 416)	96		
A.VII.	Profit/(loss) of previous years (line 98 + line 99)	97	12,5o3,185	11,848,381
A.VII.1	Retained earnings (428)	98	12,5o3,185	11,848,381
2	Loss carried forward (/-/429)	99		
A.VIII.	Profit/(loss) for the accounting period after taxes +/- / line o1 - (line 81 + line 85 + line 86 + line 87 + line 9o + line 93 + line 97 + line 1o1 + line 141)	1oo	2,753,626	1,3o9,6o8
B.	Liabilities (line 1o2 + line 118 + line 121 + line 122 + line 136 + line 139 + line 14o)	1o1	8,176,978	9,192,883
B.I.	Non-current liabilities - total (line 1o3 + lines 1o7 to 117)	1o2	41,262	282,812
B.I.1	Non-current trade liabilities - total (lines 1o4 to 1o6)	1o3	1o,897	1o,897
1.a	Trade liabilities to affiliated undertakings (321A, 475A, 476A)	1o4		
1.b	Trade liabilities to undertakings in which the company has a participating interest, except for liabilities to affiliated undertakings (321A, 475A, 476A)	1o5		
1.c	Other trade liabilities (321A, 475A, 476A)	1o6	1o,897	1o,897
2	Net value of a contract (316A)	1o7		
3	Other liabilities to affiliated undertakings (471A, 47XA)	1o8		
4	Other liabilities to undertakings in which the company has a participating interest, except for liabilities to affiliated undertakings (471A, 47XA)	1o9		
5	Other non-current liabilities(479A, 47XA)	11o		25o,ooo
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 the social fund (472)	114	3o,365	21,915
1o	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		
B.II.	Long-term provisions (line 119 + line 12o)	118	55,524	53,944
B.II.1	Legal provisions (451A)	119		
2	Other provisions (459A, 45XA)	12o	55,524	53,944
B.III.	Long-term bank loans (461A, 46XA)	121		
B.IV.	Current liabilities - total (line 123 + lines 127 to 135)	122	6,6o8,261	7,454,425
B.IV.1	Trade liabilities - total (lines 124 to 126)	123	4,566,928	5,117,333

## BALANCE SHEET:

Line	LIABILITIES AND EQUITY	Line	Current accounting period	Previous accounting period
			EUR	EUR
1.a	Trade liabilities to affiliated undertakings (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	124	85,675	143,741
1.b	Trade liabilities to undertakings in which the company has a participating interest, except for liabilities to affiliated undertakings (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	4,481,253	4,973,592
2	Net value of a contract (316A)	127		
3	Other liabilities to affiliated undertakings (361A, 36XA, 471A, 47XA)	128		
4	Other liabilities to undertakings in which the company has a participating interest, except for liabilities to affiliated undertakings (361A, 36XA, 471A, 47XA)	129		
5	Liabilities to partners and the association (364, 365, 366, 367, 368, 398A, 478A, 479A)	130	250,000	250,000
6	Liabilities to employees (331, 333, 33X, 479A)	131	691,901	612,549
7	Liabilities from social insurance (336A)	132	453,195	488,878
8	Tax liabilities and subsidies (341, 342, 343, 345, 346, 347, 34X)	133	645,811	983,340
9	Liabilities from derivative transactions (373A, 377A)	134		
10	Other liabilities (372A, 379A, 474A, 475A, 479A, 47XA)	135	426	2,325
<b>B.V.</b>	<b>Short-term provisions (line 137 + line 138)</b>	<b>136</b>	<b>1,463,212</b>	<b>1,390,363</b>
B.V.1	Legal provisions (323A, 451A)	137	200,678	182,131
2	Other provisions (323A, 32X, 459A, 45XA)	138	1,262,534	1,208,232
<b>B.VI.</b>	<b>Current bank loans (221A, 231, 232, 23X, 461A, 46XA)</b>	<b>139</b>	<b>8,719</b>	<b>11,339</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>	<b>644,762</b>	<b>693,312</b>
C.1	Accrued expenses - long-term (383A)	142		
2	Accrued expenses - short-term (383A)	143		
3	Deferred income - long-term (384A)	144	146,316	171,326
4	Deferred income - short-term (384A)	145	498,446	521,986

## INCOME STATEMENT:

Line	TEXT	Line	Current period	Previous period
			EUR	EUR
*	Net turnover (part of account class 6 according to the Act)	01	30,120,083	29,378,814
**	<b>Operating income - total (lines 03 to 09)</b>	<b>02</b>	<b>30,966,136</b>	<b>30,250,259</b>
I	Revenue from the sale of goods (604, 607)	03	3,193,051	4,128,300
II	Revenue from the sale of own products (601)	04		
III	Revenue from the sale of services (602, 606)	05	26,747,999	25,068,694
IV	Changes in internal inventories (+/-) (account group 61)	06		
V	Own work capitalized (account group 62)	07	814,669	837,568
VI	Revenue from the sale of non-current intangible assets, property, plant and equipment, and material (641, 642)	08	31,384	33,877
VII	Other operating income(644, 645, 646, 648, 655, 657)	09	179,033	181,820
**	<b>Operating expenses - total (line 11 + line 12 + line 13 + line 14 + line 15 + line 20 + line 21 + line 24 + line 25 + line 26)</b>	<b>10</b>	<b>29,030,509</b>	<b>28,661,196</b>
A	Cost of goods sold (504, 507)	11	2,651,832	3,261,074
B	Consumption of materials, energy, and other non-storable supplies (501, 502, 503)	12	925,889	714,939
C	Valuation allowances for inventories (+/-) (505)	13	7,534	28,559
D	Services (account group 51)	14	11,766,152	10,807,784
E	<b>Personnel expenses - total (lines 16 to 19)</b>	<b>15</b>	<b>11,994,746</b>	<b>12,304,873</b>
E.1	Wages and salaries (521, 522)	16	8,757,403	8,960,837
2	Remuneration of members of the company's bodies or members of a cooperative (523)	17		
3	Social security expenses (524, 525, 526)	18	3,014,011	3,106,905
4	Social expenses (527, 528)	19	223,332	237,131
F	Taxes and fees (account group 53)	20	22,937	23,407
G	<b>Amortization and valuation allowances for non-current intangible assets, and depreciation and valuation allowances for property, plant and equipment (line 22 + line 23)</b>	<b>21</b>	<b>1,339,726</b>	<b>1,213,084</b>
G.1	Amortization of non-current intangible assets and depreciation of property, plant and equipment (551)	22	1,339,726	1,213,084
2	Valuation allowances for non-current intangible assets and for property, plant and equipment (+/-) (553)	23		
H	Residual value of non-current assets and material sold (541, 542)	24	16,251	11,097
I	Valuation allowances for receivables (+/-) (547)	25	840	9,906
J	"Other operating expenses (543, 544, 545, 546, 548, 549, 555, 557)"	26	304,602	286,473
***	<b>Profit/(loss) from operations (+/-) (line 02 - line 10)</b>	<b>27</b>	<b>1,935,627</b>	<b>1,589,063</b>
*	<b>Added value (line 03 + line 04 + line 05 + line 06 + line 07) - (line 11 + line 12 + line 13 + line 14)</b>	<b>28</b>	<b>15,404,312</b>	<b>15,222,206</b>
**	<b>Income from financing activities - total (line 30 + line 31 + line 35 + line 39 + line 42 + line 43 + line 44)</b>	<b>29</b>	<b>1,092,745</b>	<b>1,456</b>
VIII	Revenue from the sale of securities and shares (661)	30		
IX	<b>"Income from non-current financial assets (lines 32 to 34)"</b>	<b>31</b>	<b>1,090,915</b>	
IX.1	Yields on securities and ownership interests in affiliated undertakings (665A)	32	1,090,915	
2	Yields on securities and ownership interests in undertakings in which the company has a participating interest, except for yields of affiliated undertakings (665A)	33		
3	Other yields on 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 undertakings (666A)	36		

## INCOME STATEMENT:

Line	TEXT	Line	Current period	Previous period
			EUR	EUR
2	Income from current financial assets in undertakings in which the company has a participating interest, except for income of affiliated undertakings (666A)	37		
3	Other income from current financial assets (666A)	38		
<b>XI.</b>	<b>Interest income (line 40 + line 41)</b>	<b>39</b>	<b>100</b>	
XI.1	Interest income from affiliated undertakings (662A)	40		
2	Other interest income (662A)	41	100	
XII.	Foreign exchange gains (663)	42	1,730	1,456
XIII.	Gains on the revaluation of securities and income from derivative transactions (664, 667)	43		
XIV.	Other income from financing activities (668)	44		
<b>**</b>	<b>Expenses for financing activities - total (line 46 + line 47 + line 48 + line 49 + line 50 + line 51 + line 52 + line 53 + line 54)</b>	<b>45</b>	<b>10,410</b>	<b>8,118</b>
K	Securities and shares sold (561)	46		
L	Expenses for current financial assets (566)	47		
M	Valuation allowances for financial assets (+/-) (565)	48		
<b>N</b>	<b>Interest expense (line 50 + line 51)</b>	<b>49</b>		
N.1	Interest expense for affiliated undertakings (562A)	50		
2	Other interest expense (562A)	51		
O	Foreign exchange losses (563)	52	2,952	2,247
P	Expenses for the revaluation of securities and expenses for derivative transactions (564, 567)	53		
Q	Other expenses for financing activities (568, 569)	54	7,458	5,871
<b>***</b>	<b>"Profit/(loss) from financing activities (+/-) (line 29 - line 45)"</b>	<b>55</b>	<b>1,082,335</b>	<b>-6,662</b>
<b>****</b>	<b>Profit/(loss) for the accounting period before taxes (+/-) (line 27 + line 55)</b>	<b>56</b>	<b>3,017,962</b>	<b>1,582,401</b>
<b>R</b>	<b>Income tax (line 58 + line 59)</b>	<b>57</b>	<b>264,336</b>	<b>272,793</b>
R.1	Income tax - current (591, 595)	58	278,453	470,416
2	Income tax - deferred (+/-) (592)	59	-14,117	-197,623
S	Transfer of the share in the net profit/(loss) to shareholders (+/-596)	60		
<b>****</b>	<b>Profit/(loss) for the accounting period after taxes (+/-) (line 56 - line 57 - line 60)</b>	<b>61</b>	<b>2,753,626</b>	<b>1,309,608</b>

# **Notes to the financial statements at 31 December 2019:**



## A. GENERAL

### 1. Business name and address

PosAm, spol. s r.o.  
Bajkalská 28  
821 09 Bratislava

PosAm spol. s r. o. (the „Company“) is a limited liability company established on 21 December 1993 on the basis of a Memorandum of Association, and incorporated on 3 January 1994 with the Commercial Register of the District Court Bratislava I, Section s.r.o., Insert No.: 6342/B. The Company is located at Bajkalská 28, Bratislava, The Slovak Republic. Its business registration number is 31 365 078. The Company does not have any foreign branch.

### 2. Core business activities of the Company

- development and sale of internally developed software
- provision of IT services
- sale of hardware and software licenses

### 3. Unlimited liability

The Company is not a shareholder with unlimited liability in other legal entities.

### 4. Number of staff

As at 31 December 2019 the Company had 262 of active employees (as at 31 December 2018: 264) out of which 47 were management (2018: 34).

Item	31 December 2019	31 December 2018
Average number of staff	262	279
Number of staff at balance sheet date of which:	262	264
Management	47	34

### 5. Legal reason for preparing the financial statements

The Company's financial statements at 31 December 2019 have been prepared as ordinary financial statements in accordance with § 17 Sec. 6 of the Slovak Accounting Act (Act No. 431/2002 Coll. on Accounting, as amended) for the accounting period from 1 January 2019 to 31 December 2019.

### 6. Date of approval of the financial statements for the previous accounting period

The General Meeting approved the Company's financial statements for the previous accounting period on 20 March 2019.

### 7. Date of approval of the Company's auditor

On 4 August 2011, the General Meeting approved PricewaterhouseCoopers Slovensko, s.r.o. as auditor of the Company's financial statements for financial year ended 2019.

### 8. The Company's bodies

	31.12.2019	31.12.2018
Executives:	Ing. Marián Marek	Ing. Marián Marek
	Ing. Miroslav Majoroš	Ing. Miroslav Majoroš
	Ing. Peter Škodný	Ing. Peter Škodný
Proxy:	Ing. Miroslav Bielčík	Ing. Miroslav Bielčík
	Ing. Milan Drobný	Ing. Milan Drobný

## B. THE CONSOLIDATED GROUP

The Company is a parent company, and it is exempt from the obligation to prepare consolidated financial statements and consolidated annual report as, together with its subsidiary Commander Services s.r.o., it is included in the consolidated financial statements of Slovak Telekom, a. s., Bajkalská 28, 817 62, Bratislava, the Slovak Republic which is part of the consolidated financial statements of Deutsche Telekom Group.

The consolidated financial statements of the Deutsche Telekom Group are prepared by Deutsche Telekom AG, Friedrich Ebert Alie 140, 53113 Bonn, Germany. These consolidated financial statements are available at the registered addresses of the companies stated above.

## C. ACCOUNTING METHODS AND GENERAL ACCOUNTING PRINCIPLES

### a) Basis of preparation

The Company's financial statements have been prepared in accordance with the Slovak Accounting Act and related accounting procedures, on a going concern basis.

The Company keeps its books on the accrual basis of accounting which means that all revenues and costs are recognized when generated or incurred (and not when cash is received or paid), and they are recorded in the books and reported in the financial statements of the periods to which they relate.

All monetary amounts in the financial statements are stated in whole Euros, unless stated otherwise.

The Company consistently applied the accounting methods and the general accounting principles.

### b) Non-current intangible and tangible assets

#### Non-current intangible assets

Acquired non-current intangible assets are stated at cost, which includes the acquisition price and the related acquisition costs.

Internally generated, non-current assets are stated at their own cost, which includes all direct costs spent on production, mainly personal costs, as well as indirect costs related to production.

Non-current assets acquired free of charge are stated at fair value.

Costs related to technical improvement of non-current intangible assets increase the acquisition costs and are recognized in the year of realization, while repairs and maintenance are expensed as incurred.

The amortization plan for non-current intangible assets has been prepared on the basis of their expected economic useful lives relating to the recovery of future economic benefits from these assets. Amortization begins as of the first day of the month in which the asset was first put into use.

The expected economic useful life, the depreciation method and the annual depreciation rate for non-current intangible assets are presented in the following table:

	Expected economic useful life in years	Depreciation method	Annual depreciation rate in %
website www.posam.sk	3	Straight-line	33.33
Municipalities management portal	5	Straight-line	20.00
Purchased Software	4	Straight-line	25.00
Internally generated software (AMC, bSign)	4	Straight-line	25.00
Internally generated software (dScan)	5	Straight-line	20.00
Internally generated software (SERVIO NG, MRP)	8	Straight-line	12.50
Internally generated software (ParkDots)	6	Straight-line	16.66
Valuable rights (licenses)	10	Straight-line	10.00

In the case of a diminution in value-in-use of a non-current intangible asset a valuation allowance is set up as the difference between the value-in-use and the carrying amount of the asset.



### Non-current tangible assets

Acquired non-current tangible assets are stated at cost, which includes the acquisition price and the related acquisition costs.

Costs related to technical improvement of non-current tangible assets increase the acquisition costs and are recognized in the year of realization, while repairs and maintenance are expensed as incurred.

The depreciation plan for non-current tangible assets has been prepared on the basis of their expected economic useful lives relating to the recovery of future economic benefits from these assets. Depreciation begins as of the first day of the month in which the asset was first put into use.

The expected economic useful life, the depreciation method and the annual depreciation rate for non-current tangible assets are presented in the following table:

	Expected economic useful life in years	Depreciation method	Annual depreciation rate in %
Machinery and equipment (except monitors, servers, UPS)	4	Straight-line	25.00
Machinery and equipment - Monitors, servers, UPS	6	Straight-line	16.66
Machinery and equipment (service equipment)	7	Straight-line	14.29
Machinery and equipment (commercial equipment)	5	Straight-line	20.00
Kitchen industrial furniture	6	Straight-line	16.66
EZS security system	10	Straight-line	10.00
Vehicles	6	Straight-line	16.66
Furniture and Fixtures	6	Straight-line	16.66
Mobile phones	2	Straight-line	50.00
Other non-current tangible assets (safe deposits, air conditions)	12	Straight-line	8.33
Technical improvement of leased spaces	5	Straight-line	20.00
Technical improvement of leased spaces - FBC Bajkalská, Žilín	10	Straight-line	10.00

In the case of a diminution in value-in-use of a non-current tangible asset a valuation allowance is set up as the difference between the value-in-use and the carrying amount of the asset.

### c) Securities and ownership interests

When acquired, securities and ownership interests are stated at cost, which includes the acquisition price and the related acquisition costs.

At the balance sheet date, securities and ownership interests are stated at same value as at the date of acquisition.

### d) Inventories

Acquired inventories are stated at cost, which includes the acquisition price and the related acquisition costs less discounts. A discount granted to inventories already sold or used is accounted for as the reduction of costs of inventories sold or used. The Company used method A for the accounting treatment of inventories. For stock withdrawal, the FIFO-method is used. (FIFO - the first price for the valuation of additions of inventories is used as the first price for the valuation of stock disposal).

If the acquisition or production cost of inventories is higher than their net realizable value at the balance sheet date, a valuation allowance for inventories is set up in the amount of the difference between their book value and their net realizable value. For slow-moving stock, recorded on the stock for more than one year and for more than two years, the Company creates an allowance of 50 % and 100 % of their value, respectively. For spare parts inventory, an allowance is created at 100% of their value, provided that the Company records this inventory as being in stock for more than four years.

### e) Contract manufacturing

The Company uses construction contracts accounting policy in respect of the internally developed software solutions. If the result of construction contract can be reliably estimated and it can be reasonably expected that the contract will not be unprofitable, the revenues and income related to the accounting period are accounted for using the percentage-of-completion method, and the extent to which the contract is completed is determined in aggregate at the balance sheet date by reviewing work already performed.

Contract manufacturing costs are recognized when incurred. Costs incurred in the current year but relating to future contract activities are not included when calculating the extent to which the contract is completed.

At the balance sheet date, the aggregate difference between payments requested so far for performing the contract manufacturing, and the contract manufacturing value determined by using the percentage-of-completion method are reported on the balance sheet as the net contract value with a corresponding credit to revenues.

The amounts requested by a contractor for work performed during contract manufacturing are recognized as trade receivables with a corresponding credit to contract revenues. Advance payments received by the contractor before the respective work was completed are recognized either as advance payments received, or as long-term advance payments received.

If it is expected at the balance sheet date that costs will be higher than revenues, a loss from construction contracts is recognized immediately. The amount of the expected loss is determined regardless of whether or not the work on contract manufacturing has started, regardless of the extent to which the contract is completed, or the amount of profits which are expected to be made from other contracts which are not considered to be manufacturing under one contract.

An expected loss from contract manufacturing is recognized as other operating expenses. In the accounting period in which either a loss from contract manufacturing is no more probable or a reduction or offset of a loss from contract manufacturing can be expected, the reduction of other operating expenses is recognized.

### f) Receivables

When initially recognized, receivables are stated at their nominal value. Assigned receivables and receivables resulting from a contribution to share capital are stated at cost. A valuation allowance is set up for bad and doubtful debts. For receivables due more than 90 days and of the individual value lower than 1,000 EUR the Company creates allowance of 100% of a receivable's value. For receivables due more than 30 days and of the individual value higher than 1,000 EUR an allowance is created as a difference between the nominal and the present value of a receivable, taking into consideration assessment of an individual receivable and risk of non-collection of receivable.

**g) Financial accounts**

Financial accounts consist of cash, bank account balances and vouchers.

**h) Prepaid expenses and accrued income**

Prepaid expenses and accrued income are recognized at an amount reflecting the accrual principle (matching income and expense in the same accounting period).

**i) Valuation allowances**

Valuation allowances are recorded based on the accounting principle of prudence if it can justifiably assume that the value of an asset has been impaired when compared to its value in the books. A valuation allowance is recognized in the amount of a justified assumption for an impairment of an asset when compared to its value in the books.

**j) Provisions**

Provisions are liabilities representing the Company's present obligation resulting from past events, if it is probable that its settlement will reduce the Company's resources in the future. Provisions are liabilities of uncertain timing or amount, and are stated at the expected amount of the existing liability at the balance sheet date.

The set-up of a provision is posted to the respective expense account or asset account to which the liability relates. The use of a provision is debited to the respective provision account, with a corresponding credit to the respective liability account. The release of an unnecessary provision, or a part of it, is accounted for using an accounting entry inverse to the recognition of the set-up of the provision.

**k) Liabilities**

When initially recognized, liabilities are stated at their nominal value. Assumed liabilities are stated at cost. If reconciliation procedures reveal that the actual amount of liabilities differs from the amount stated in the books, these liabilities are stated in the books and financial statements at this actual amount.

**l) Employee benefits**

Wages, salaries, contributions to the Slovak state pension and social insurance plans, paid annual leave and paid sick leave, bonuses and other non-monetary benefits (such as medical care) are recognized in the accounting period when incurred.

**m) Income tax due**

The corporate income tax is expensed in the period when the tax liability arises. In the accompanying income statement, the tax expense is calculated on the basis of the profit/(loss) before taxes that has been adjusted for tax-deductible and tax non-deductible items due to permanent and temporary adjustments to the tax base and any tax losses carried forward. The tax liability is stated net of corporate income tax advances that the Company paid during the year. If corporate income tax advances paid during the year exceed the tax liability for the period, the Company records an income tax receivable.

**n) Deferred income tax**

Deferred income tax arises from temporary differences between the carrying amount of assets and liabilities presented in the balance sheet and their tax base.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

To determine deferred income tax, tax rates expected to apply at the date on which the deferred tax is settled are used, i.e. 21%.

**o) Deferred revenues and accrued expenses**

Deferred revenues and accrued expenses are stated at their nominal value, while presented at an amount reflecting the accrual principle (matching income and expenses within the same accounting period).

**p) Leasing (the Company is the lessee)****Operating lease**

The lease costs of assets under operating lease contracts are expensed as incurred over the period of the lease.

**q) Foreign currency**

Assets and liabilities denominated in foreign currency are converted to Euros using the reference exchange rate set and published by the European Central Bank or the National Bank of Slovakia on the day preceding the day of the accounting event, or on the balance sheet date. The resulting foreign exchange differences are recorded to the income statement.

Assets and liabilities in foreign currency are translated to Euros using the exchange rate set and valid on the balance sheet date. The resulting foreign exchange gains and losses are recognized in the income statement.

Purchases and sales of foreign currency are converted to EUR using the exchange rate at which these amounts were purchased or sold.

**r) Revenue recognition**

Sales revenues are stated net of VAT, discounts and deductions (such as rebates, bonuses and credit notes). Sales are accounted at the date of delivery or provision of the service.

Revenue from the sale of hardware equipment and software licenses (merchandise) are accounted for at the moment of risk and ownership transfer, usually upon delivery in accordance with specific delivery terms.

Revenue from the sale of software licenses (services) are accounted for in line with accrual principle.

Revenue from the sale of IT services and internally developed software solutions are accounted for in the accounting period when provided, in accordance with the level of completion of the service. The level of completion is calculated as the ratio of actually provided services to total contracted services.

## D. ASSETS

### 1. Non-current assets

An overview of changes in non-current intangible assets for the current and prior periods is presented in the table below:

Non-current intangible assets	Capitalised development costs	Software	Valuable rights	Goodwill	Other non-current intangible assets	Non-current intangible assets in the process of acquisition	Advances paid for non-current intangible assets	Total
Acquisition cost								
1 January 2019	-	4,640,792	86,712	-	-	140,548	-	4,868,052
Additions	-	-	-	-	-	888,973	-	888,973
Disposals	-	(305,852)	-	-	-	-	-	(305,852)
Transfers	-	570,984	-	-	-	(570,984)	-	-
31 December 2019	-	4,905,924	86,712	-	-	458,537	-	5,451,173
Accumulated depreciation								
1 January 2019	-	2,357,077	58,365	-	-	-	-	2,415,442
Additions	-	679,844	12,184	-	-	-	-	692,028
Disposals	-	(305,852)	-	-	-	-	-	(305,852)
Transfers	-	-	-	-	-	-	-	-
31 December 2019	-	2,731,069	70,549	-	-	-	-	2,801,618
Valuation allowances								
1 January 2019	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
31 December 2019	-	-	-	-	-	-	-	-
Net book value								
1 January 2019	-	2,283,715	28,347	-	-	140,548	-	2,452,610
31 December 2019	-	2,174,855	16,163	-	-	458,537	-	2,649,555

The Company internally developed software and activated related costs of EUR 814,669 in 2019 (in 2018: EUR 837,568), out of which EUR 447,536 has been put in use in 2019 (in 2018: 958,477 EUR). This software is used for internal purposes and for services of the Company's customers.

Prior period information is presented in the following table:

Non-current intangible assets	Capitalised development costs	Software	Valuable rights	Goodwill	Other non-current intangible assets	Non-current intangible assets in the process of acquisition	Advances paid for non-current intangible assets	Total
Acquisition cost								
1 January 2018	-	3,676,914	86,712	-	-	261,457	600	4,025,683
Additions	-	-	-	-	-	842,969	-	842,969
Disposals	-	-	-	-	-	-	(600)	(600)
Transfers	-	963,878	-	-	-	(963,878)	-	-
31 December 2018	-	4,640,792	86,712	-	-	140,548	-	4,868,052
Accumulated depreciation								
1 January 2018	-	1,710,709	46,170	-	-	-	-	1,756,879
Additions	-	646,368	12,195	-	-	-	-	658,563
Disposals	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
31 December 2018	-	2,357,077	58,365	-	-	-	-	2,415,442
Valuation allowances								
1 January 2018	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
31 December 2018	-	-	-	-	-	-	-	-
Net book value								
1 January 2018	-	1,966,205	40,542	-	-	261,457	600	2,268,804
31 December 2018	-	2,283,715	28,347	-	-	140,548	-	2,452,610

## 2. Non-current tangible assets

An overview of changes in non-current tangible assets for current period is presented in the table below:

Non-current tangible assets	Land	Buildings	Individual movable assets and sets of movable items	Perennial crops	Breeding & draught animals	Other non-current tangible assets	Assets under construction	Advances paid for non-current tangible assets	Total
Acquisition cost									
1 January 2019	-	272,013	5,124,589	-	-	-	19,156	-	5,415,758
Additions	-	-	-	-	-	-	1,112,118	-	1,112,118
Disposals	-	-	(263,814)	-	-	-	(2,587)	-	(266,401)
Transfers	-	-	871,159	-	-	-	(871,159)	-	-
31 December 2019	-	272,013	5,731,934	-	-	-	257,528	-	6,261,475
Accumulated depreciation									
1 January 2019	-	67,229	3,768,399	-	-	-	-	-	3,835,628
Additions	-	25,884	639,227	-	-	-	-	-	655,111
Disposals	-	-	(263,815)	-	-	-	-	-	(263,815)
Transfers	-	-	-	-	-	-	-	-	-
31 December 2019	-	93,113	4,143,811	-	-	-	-	-	4,236,924
Valuation allowances									
1 January 2019	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
31 December 2019	-	-	-	-	-	-	-	-	-
Net book value									
1 January 2019	-	204,784	1,356,190	-	-	-	19,156	-	1,580,130
31 December 2019	-	178,900	1,588,123	-	-	-	257,528	-	2,024,551

The insurance of non-current tangible assets is included in the group insurance policy of Slovak Telekom and includes insurance against damages caused by theft, natural disaster and vandalism up to the amount of EUR 25,000 thousand (2018: EUR 25,000 thousand).

Prior period information is presented in the following table:

Non-current tangible assets	Land	Buildings	Individual movable assets and sets of movable items	Perennial crops	Breeding & draught animals	Other non-current tangible assets	Assets under construction	Advances paid for non-current tangible assets	Total
Acquisition cost									
1 January 2018	-	223,105	4,965,785	-	-	-	19,503	17,950	5,226,343
Additions	-	-	-	-	-	-	363,823	79,297	443,120
Disposals	-	-	(252,913)	-	-	-	(792)	-	(253,705)
Transfers	-	48,908	411,717	-	-	-	(363,378)	(97,247)	-
31 December 2018	-	272,013	5,124,589	-	-	-	19,156	-	5,415,758
Accumulated depreciation									
1 January 2018	-	43,444	3,477,680	-	-	-	-	-	3,521,124
Additions	-	23,785	543,632	-	-	-	-	-	567,417
Disposals	-	-	(252,913)	-	-	-	-	-	(252,913)
Transfers	-	-	-	-	-	-	-	-	-
31 December 2018	-	67,229	3,768,399	-	-	-	-	-	3,835,628
Valuation allowances									
1 January 2018	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
31 December 2018	-	-	-	-	-	-	-	-	-
Net book value									
1 January 2018	-	179,661	1,488,105	-	-	-	19,503	17,950	1,705,219
31 December 2018	-	204,784	1,356,190	-	-	-	19,156	-	1,580,130

### 3. Non-current financial assets

An overview of changes in non-current financial assets for current period is presented in the table below:

Non-current financial assets	Shares and ownership interests in affiliates	Shar. and OS interests in part. int., ex. for shar. and OS int. in affil.	Other realisable secur. and OS int.	Loans to affil. undertakings	Loans to under. in which the comp. has a par.int. ex. for loans to affiliated under.	Other loans	Debt secur. and other non-current financ. assets	Loans and other non-curr. financ. assets with time to matur. not ex. one year	Bank acc.with a notice period ex. one year	Acquisi. of non-curr. financ. assets	Advance pay. for non-curr. financial assets	Total
Acquisition cost												
1 Jan. 2019	4,527,286	-	-	-	-	-	-	-	-	-	-	4,527,286
Additions	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
31 Dec. 2019	4,527,286	-	-	-	-	-	-	-	-	-	-	4,527,286
Valuation allowances												
1 Jan. 2019	-	-	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
31 Dec. 2019	-	-	-	-	-	-	-	-	-	-	-	-
Carrying amount												
1 Jan. 2019	4,527,286	-	-	-	-	-	-	-	-	-	-	4,527,286
31 Dec. 2019	4,527,286	-	-	-	-	-	-	-	-	-	-	4,527,286

Prior period information is presented in the following table:

Non-current financial assets	Shares and ownership interests in affiliates	Shar. and OS interests in part. int., ex. for shar. and OS int. in affil.	Other realisable secur. and OS int.	Loans to affil. undertakings	Loans to under. in which the comp. has a par.int. ex. for loans to affiliated under.	Other loans	Debt secur. and other non-current financ. assets	Loans and other non-curr. financ. assets with time to matur. not ex. one year	Bank acc.with a notice period ex. one year	Acquisi. of non-curr. financ. assets	Advance pay. for non-curr. financial assets	Total
Acquisition cost												
1 Jan. 2018	-	-	-	-	-	-	-	-	-	-	-	-
Additions	4,527,286	-	-	-	-	-	-	-	-	-	-	4,527,286
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
31 Dec. 2018	4,527,286	-	-	-	-	-	-	-	-	-	-	4,527,286
Valuation allowances												
1 Jan. 2018	-	-	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
31 Dec. 2018	-	-	-	-	-	-	-	-	-	-	-	-
Carrying amount												
1 Jan. 2018	-	-	-	-	-	-	-	-	-	-	-	-
31 Dec. 2018	4,527,286	-	-	-	-	-	-	-	-	-	-	4,527,286

In January 2018, the Company completed its strategic effort to enter the GPS market for motor vehicles monitoring by purchasing a 100% share in Commander Services, s.r.o., which is the leader in the number of monitored vehicles on the Slovak market.

## Controlling influence

The Company holds certain non-current financial assets in the company Commander Services, s.r.o. and through these placements the Company exercises its controlling influence.

The amount of equity at 31 December 2019, the result of operations for the current period and other information about company Commander Services, s.r.o., is presented in the following table:

Business name and company address	Percentage of share in registered capital	Percentage of voting rights	Amount of equity	Profit/loss	Amount of contributions to Capital reserves funds from contributions	Carrying amount of the non-curr. financ. assets
<b>Controlling influence</b>						
Commander Services, s.r.o., Bratislava	100%	100%	2,777,851	1,172,351	1,600,000	4,527,286
<b>Total</b>						<b>4,527,286</b>

Financial data of Commander Services, s.r.o. are obtained from its audited financial statements.

## 4. Inventories

Movements in the valuation allowance for inventories during the current accounting period is presented in the table below:

Inventories	1 January 2019	Set-up of VA	Release of VA due to extinction of title	Release of VA due to derecognition of assets	31 December 2019
Merchandise	56,774	12,087	(4,554)	(19,472)	44,835
<b>Total inventories</b>	<b>56,774</b>	<b>12,087</b>	<b>(4,554)</b>	<b>(19,472)</b>	<b>44,835</b>

A valuation allowance was set up to reflect a decrease in the net realisable value of inventories. The net realisable value of inventories was impaired mainly as a result of reduced cost of merchandise compared to its present book value and reduced selling prices.

Prior period information is presented in the table below:

Inventories	1 January 2018	Set-up of VA	Release of VA due to extinction of title	Release of VA due to derecognition of assets	31 December 2018
Merchandise	28,214	34,519	(5,959)	-	56,774
<b>Total inventories</b>	<b>28,214</b>	<b>34,519</b>	<b>(5,959)</b>	<b>-</b>	<b>56,774</b>

## 5. Construction contracts

In 2019 revenues from construction contracts amounted to EUR 11,278,059 (2018: EUR 9,742,582).

Further information about open construction contracts as at the balance sheet date is provided in the following tables:

Item	31 December 2019	31 December 2018	Cumulative amount from beginning of construction contract until 31 December 2019	Cumulative amount from beginning of construction contract until 31 December 2018
Revenues from construction contract	1,552,169	426,120	1,552,169	426,120
Costs of construction contract	1,188,983	331,804	1,188,983	331,804
<b>Gross profit / loss</b>	<b>363,186</b>	<b>94,316</b>	<b>363,186</b>	<b>94,316</b>

Amount of construction contract	31 December 2019	Cumulative amount from beginning of construction contract until 31 December 2019	31 December 2018	Cumulative amount from beginning of construction contract until 31 December 2018
Amounts invoiced for work performed on the construction contract	-	-	-	-
Adjustments of invoiced amounts according to percentage of completion or using the zero profit method	1,552,169	1,552,169	426,120	426,120
Amount of advances received	-	-	-	-
Amount of withheld payment	-	-	-	-

Costs and revenues of construction contracts were calculated using percentage of completion method, by assessment as at the balance sheet date of the number of hours delivered.

## 6. Receivables

Movements in the valuation allowance for receivables during the accounting period are shown in the following table:

Receivables	1 January 2019	Set-up of valuation allowance	Release of valuation allowance due to cease of justification	Release of VA due to derecognition of the assets	31 December 2019
Current trade receivables, of which:	50,055	12,239	(11,399)	(32,161)	18,734
Other trade receivables	50,055	12,239	(11,399)	(32,161)	18,734
Other current receivables	-	-	-	-	-
Current receivables total	50,055	12,239	(11,399)	(32,161)	18,734

Prior period information is presented in the following table:

Receivables	1 January 2018	Set-up of valuation allowance	Release of valuation allowance due to cease of justification	Release of VA due to derecognition of the assets	31 December 2018
Current trade receivables, of which:	166,898	16,848	(6,942)	(126,749)	50,055
Other trade receivables	166,898	16,848	(6,942)	(126,749)	50,055
Other current receivables	-	-	-	-	-
Current receivables total	166,898	16,848	(6,942)	(126,749)	50,055

In 2019 the Company set-up an allowance for overdue receivables of EUR 12,239 (2018: EUR 16,848). In 2019 the Company has released allowances set-up in previous years which were no longer required in the amount of EUR 11,399 (2018: EUR 6,942). Allowances of EUR 32,161 has been written-off in 2019 due to disposal of overdue receivables (2018: EUR 126,749).

Long-term receivables of the Company are within the due period. The ageing structure of receivables of the Company at 31 December 2019 is presented in the following table:

Item	Within due period	Overdue	Total receivables
Current trade receivables, of which:	5,279,114	186,403	5,465,517
Trade receivables from affiliated undertakings	1,208,190	58,285	1,266,475
Other trade receivables	4,070,924	128,118	4,199,042
Other current receivables, of which:	1,958,652	2,440	1,961,092
Net value of a contract	1,552,169	-	1,552,169
Tax assets and subsidies	391,192	-	391,192
Other receivables	15,291	2,440	17,731
Current receivables total	7,237,766	188,843	7,426,609

Prior period information is presented in the following table:

Item	Within due period	Overdue	Total receivables
Current trade receivables, of which:	8,267,887	319,833	8,587,720
Trade receivables from affiliated undertakings	3,202,502	-	3,202,502
Other trade receivables	5,065,385	319,833	5,385,218
Other current receivables, of which:	516,384	2,440	518,824
Net value of a contract	426,121	-	426,121
Tax assets and subsidies	78,995	-	78,995
Other receivables	11,268	2,440	13,708
Current receivables total	8,784,271	322,273	9,106,544

## 7. Financial accounts

Financial accounts consist of cash in hand, bank accounts and vouchers. Financial accounts are available for the Company's use.

## 8. Prepaid expenses and accrued income

The structure of prepaid expenses and accrued income is presented in the following table:

Item	31 December 2019	31 December 2018
Prepaid expenses - long-term of which:	90,953	137,584
Hardware support	75,720	119,081
Software support	14,525	17,299
Other	708	1,204
Prepaid expenses - short-term of which:	596,520	547,015
Hardware support	137,632	143,772
Software support	408,711	344,385
Other	50,177	58,858
Accrued income - long-term of which:	-	-
Accrued income - short-term of which:	-	10,453
Total	687,473	695,052

The balance of prepaid expenses in the year 2019 has increased compared to 2018 by EUR 2,874, mainly due to prepaid expense related to IT services.



## 9. Deferred tax asset

The calculation of deferred tax asset is shown in the following table:

Item	31 December 2018	Recognised in equity	Recorded as expense of income	31 December 2019
Non-current assets	(208,246)	-	11,100	(197,146)
Valuation allowance to inventories	56,774	-	(11,939)	44,835
Valuation allowance to receivables	7,542	-	(3,321)	4,221
Provisions	1,262,177	-	55,882	1,318,059
Other	87,820	-	15,502	103,322
<b>Total</b>	<b>1,206,067</b>	<b>-</b>	<b>67,224</b>	<b>1,273,291</b>
Tax rate (in %)	21	21	21	21
<b>Deferred tax asset calculated</b>	<b>253,274</b>	<b>-</b>	<b>14,117</b>	<b>267,391</b>
<b>Deferred tax asset recognized</b>	<b>253,274</b>	<b>-</b>	<b>14,117</b>	<b>267,391</b>
<b>Deferred tax liability</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## E. EQUITY AND LIABILITIES

### 1. Equity

Movements in equity and other additional information about equity is shown in the table below:

Item	1 January 2019	Additions	Disposals	Transfers	31 December 2019
Share capital	170,000	-	-	-	170,000
Legal reserve fund and non-distributable reserve	17,000	-	-	-	17,000
Retained earnings	11,848,381	-	-	654,804	12,503,185
Profit/loss for current accounting period	1,309,608	2,753,626	(654,804)	(654,804)	2,753,626
<b>Total equity</b>	<b>13,344,989</b>	<b>2,753,626</b>	<b>(654,804)</b>	<b>-</b>	<b>15,443,811</b>

Prior period information is presented in the following table:

Item	1 January 2018	Additions	Disposals	Transfers	31 December 2018
Share capital	170,000	-	-	-	170,000
Legal reserve fund and non-distributable reserve	17,000	-	-	-	17,000
Retained earnings	11,032,750	-	-	815,631	11,848,381
Profit/loss for current accounting period	1,631,263	1,309,608	(815,632)	(815,631)	1,309,608
<b>Total equity</b>	<b>12,851,013</b>	<b>1,309,608</b>	<b>(815,632)</b>	<b>-</b>	<b>13,344,989</b>

The 2018 accounting profit of EUR 1,309,608 was distributed as follows:

Item	2018
Transfer to retained earnings	654,804
Profit distribution to shareholders/members	654,804
<b>Total</b>	<b>1,309,608</b>

The statutory body will propose to distribute the 2019 profit together with the approval of these financial statements.

### 2. Provisions

An overview of changes in provisions for 2019 is shown in the following table:

Item	1 January 2019	Set-up	Use	Release	31 December 2019
<b>Long-term provisions of which:</b>	<b>53,944</b>	<b>22,374</b>	<b>(20,974)</b>	<b>-</b>	<b>55,524</b>
Legal long-term provisions	-	-	-	-	-
Other long-term provisions of which:	53,944	22,374	(20,974)	-	55,524
Provision for warranty repairs and guarantee	53,944	22,374	(20,974)	-	55,524
<b>Short-term provisions of which:</b>	<b>1,390,363</b>	<b>1,463,212</b>	<b>(1,246,400)</b>	<b>(143,963)</b>	<b>1,463,212</b>
Legal short-term provisions of which:	182,131	200,678	(182,131)	-	200,678
Holiday provision	182,131	200,678	(182,131)	-	200,678
Other short-term provisions of which:	1,208,232	1,262,534	(1,064,269)	(143,963)	1,262,534
Provision for warranty repairs and guarantee	175,819	162,758	(124,757)	(51,062)	162,758
Provision for bonuses	1,002,595	935,187	(911,148)	(91,447)	935,187
Provision for the annual report and audit	25,873	26,407	(25,074)	(799)	26,407
Provision for contractual obligations	-	121,995	-	-	121,995
Provision for the unbilled supplies	3,945	16,187	(3,290)	(655)	16,187
<b>Total provisions</b>	<b>1,444,307</b>	<b>1,485,586</b>	<b>(1,267,194)</b>	<b>(143,963)</b>	<b>1,518,736</b>

Provision for guarantee and warranty repairs reflects the commitment of the Company to its Customers due to warranty repairs, eliminating possible faults of supplied parts and due to the performance related to the provision of enhanced guarantee. Usage of this provision is expected till year 2023.



Provision for holiday reflects the Company's commitment to its employees in respect untaken holiday in year 2019.  
Provision for bonuses reflects the Company's commitment to its employees in connection with the bonuses recognized for year 2019.  
Provision for contractual obligations reflects the Company's commitment to its business partners under the current contracts.

Information for the prior accounting period is shown in the following table:

Item	1 January 2018	Set-up	Use	Release	31 December 2018
<b>Long-term provisions of which:</b>	<b>24,467</b>	<b>44,200</b>	<b>(14,723)</b>	<b>-</b>	<b>53,944</b>
Legal long-term provisions	-	-	-	-	-
Other long-term provisions of which:	24,467	44,200	(14,723)	-	53,944
Provision for warranty repairs and guarantee	24,467	44,200	(14,723)	-	53,944
<b>Short-term provisions of which:</b>	<b>551,954</b>	<b>1,390,363</b>	<b>(525,660)</b>	<b>(26,294)</b>	<b>1,390,363</b>
Legal short-term provisions of which:	230,501	182,131	(230,501)	-	182,131
Holiday provision	230,501	182,131	(230,501)	-	182,131
Other short-term provisions of which:	321,453	1,208,232	(295,159)	(26,294)	1,208,232
Provision for warranty repairs and guarantee	116,753	175,819	(98,229)	(18,524)	175,819
Provision for bonuses	175,632	1,002,595	(167,870)	(7,762)	1,002,595
Provision for the annual report and audit	23,500	25,873	(23,500)	-	25,873
Provision for the unbilled supplies	5,568	3,945	(5,560)	(8)	3,945
<b>Total provisions</b>	<b>576,421</b>	<b>1,434,563</b>	<b>(540,383)</b>	<b>(26,294)</b>	<b>1,444,307</b>

### 3. Liabilities

Structure of liabilities by remaining time to maturity at 31 December 2019 is shown in the following table:

LIABILITIES					
Item	More than five years	From one to five years	Due within one year	Overdue liabilities	Total liabilities
<b>Non-current trade liabilities, of which:</b>	-	<b>10,897</b>	-	-	<b>10,897</b>
Other trade liabilities	-	10,897	-	-	10,897
<b>Other non-current liabilities, of which:</b>	-	<b>30,365</b>	-	-	<b>30,365</b>
Social fund payables	-	30,365	-	-	30,365
<b>Non-current liabilities - total</b>	-	<b>41,262</b>	-	-	<b>41,262</b>
<b>Current trade liabilities of which:</b>	-	-	<b>3,798,733</b>	<b>768,195</b>	<b>4,566,928</b>
Trade liabilities to affiliated undertakings	-	-	30,721	54,954	85,675
Other trade liabilities	-	-	3,768,012	713,241	4,481,253
<b>Other current liabilities of which:</b>	-	-	<b>2,041,333</b>	-	<b>2,041,333</b>
Liabilities to partners and the association	-	-	250,000	-	250,000
Liabilities to employees	-	-	691,901	-	691,901
Liabilities from social insurance	-	-	453,195	-	453,195
Tax liabilities and subsidies	-	-	645,811	-	645,811
Other liabilities	-	-	426	-	426
<b>Current liabilities - total</b>	-	-	<b>5,840,066</b>	<b>768,195</b>	<b>6,608,261</b>

Liabilities to partners and the association represent unpaid part of the acquisition price related to the acquisition of the 100% shares in the company Commander Services, s.r.o.

Prior period information is presented in the following table:

LIABILITIES					
Item	More than five years	From one to five years	Due within one year	Overdue liabilities	Total liabilities
<b>Non-current trade liabilities, of which:</b>	-	<b>10,897</b>	-	-	<b>10,897</b>
Other trade liabilities	-	10,897	-	-	10,897
<b>Other non-current liabilities, of which:</b>	-	<b>271,915</b>	-	-	<b>271,915</b>
Other liabilities	-	250,000	-	-	250,000
Social fund payables	-	21,915	-	-	21,915
<b>Non-current liabilities - total</b>	-	<b>282,812</b>	-	-	<b>282,812</b>
<b>Current trade liabilities of which:</b>	-	-	<b>4,596,980</b>	<b>520,353</b>	<b>5,117,333</b>
Trade liabilities to affiliated undertakings	-	-	88,258	55,483	143,741
Other trade liabilities	-	-	4,508,722	464,870	4,973,592
<b>Other current liabilities of which:</b>	-	-	<b>2,337,092</b>	-	<b>2,337,092</b>
Liabilities to partners and the association	-	-	250,000	-	250,000
Liabilities to employees	-	-	612,549	-	612,549
Liabilities from social insurance	-	-	488,878	-	488,878
Tax liabilities and subsidies	-	-	983,340	-	983,340
Other liabilities	-	-	2,325	-	2,325
<b>Current liabilities - total</b>	-	-	<b>6,934,072</b>	<b>520,353</b>	<b>7,454,425</b>

#### 4. Social fund

The set up and use of the social fund during the accounting period are shown in the following table:

Item	2019	2018
Opening balance	21,915	16,461
Contributions charged to costs	46,902	44,063
Contributions from profit	-	-
Other set-up	-	-
Total social fund set-up	46,902	44,063
Use	(38,452)	(38,609)
Closing balance	30,365	21,915

#### 5. Accrued expenses and deferred income

The structure of accrued expenses and deferred income is presented in the following table:

Item	31 December 2019	31 December 2018
Long-term accrued expenses:	-	-
Short-term accrued expenses:	-	-
Long-term deferred income of which:	146,316	171,326
Hardware support	70,334	90,552
Software support	39,514	24,839
Other	36,468	55,935
Short-term deferred income of which:	498,446	521,986
Hardware support	185,217	158,502
Software support	235,686	295,921
Other	77,543	67,563
Total	644,762	693,312

The balance of deferred income in the year 2019 has decreased compared to 2018 by EUR 48,550, mainly due to deferred income related to IT services.

#### F. REVENUES

##### 1. Net turnover

Information about the structure of net turnover of the Company is presented in the table below:

Item	2019	2018
Sale of own work and goods of which:	29,941,050	29,196,994
Sale of services	15,469,940	15,326,112
Sale of goods	3,193,051	4,128,300
Revenues from construction contracts	11,278,059	9,742,582
Other income relating to ordinary activities	179,033	181,820
Total net turnover	30,120,083	29,378,814

##### 2. Revenues from the sale of own work and goods

Revenues from the sale of own work and goods by segments, ie. by type of good, product, service, other activities and by geographic territories are presented in the following table:

Country	Revenues from services provided		Revenues from sales of HW		Revenues from sales of own SW solutions	
	2019	2018	2019	2018	2019	2018
Revenues	15,469,940	15,326,112	3,193,051	4,128,300	11,278,059	9,742,582
Total	15,469,940	15,326,112	3,193,051	4,128,300	11,278,059	9,742,582

### 3. Other income from operating activities

Information about income from the capitalisation of costs and income from operating and financing activities is presented in the table below:

Item	2019	2018
<b>Capitalisation of costs – material items of which:</b>	<b>814,669</b>	<b>837,568</b>
Non-current intangible assets capitalised from own work	814,669	837,568
<b>Other material items of other operating income of which:</b>	<b>210,417</b>	<b>215,697</b>
Revenues from sale of tangible and intangible assets	31,384	33,877
Other	179,033	181,820
<b>Financial income of which:</b>	<b>1,092,745</b>	<b>1,456</b>
Foreign exchange gains of which:	1,730	1,456
Foreign exchange gains at balance sheet date	417	50
Other material financial income of which:	1,091,015	-
Interest rates	100	-
Yields on securities and ownership interests in affiliated undertakings - Commander	1,090,915	-

## G. EXPENSES

### 1. Costs of operating and financial activities

An overview of costs of operating and financial activities, except for personnel costs is presented in the table below:

Item	2019	2018
<b>Costs of services received of which:</b>	<b>11,766,152</b>	<b>10,807,785</b>
From an Auditor or audit firm of which:	35,038	32,675
Audit of the financial statements	33,438	32,675
Tax consultancy	1,600	-
Other material items of costs of services received of which:	11,731,114	10,775,110
Travel costs	163,890	127,186
Advertisement and marketing costs	574,504	534,610
Costs of legal business advice	299,696	242,635
Personnel and IT advice	255,729	206,518
Telecommunication costs	133,444	151,482
Representation costs	227,543	193,421
Resale services (subcontracted)	8,830,191	8,160,059
Rental of premises	886,376	808,012
Other	359,741	351,187
<b>Other material items of income from operations of which:</b>	<b>2,610,245</b>	<b>2,258,906</b>
Set-up and use/release of valuation allowance for receivables	840	9,906
Depreciation and allowance for non-current assets	1,339,726	1,213,084
Consumption of material energy and other non-inventory supplies	925,889	714,939
Other	343,790	320,977
<b>Financing costs of which:</b>	<b>10,410</b>	<b>8,118</b>
Foreign exchange losses of which:	2,952	2,247
Foreign exchange losses at balance sheet date	442	285
Other material items of financial expenses of which:	7,458	5,871
Interest and other financial costs	7,458	5,871

### 2. Personnel costs

An overview of personnel costs is presented in the following table:

Item	2019	2018
<b>Personnel costs of which:</b>	<b>11,994,746</b>	<b>12,304,873</b>
Salaries	8,757,403	8,960,837
Social insurance	2,124,149	2,257,774
Health insurance	889,862	849,131
Social security	223,332	237,131

Social insurance costs include social insurance and other social insurance costs.

## H. INCOME TAXES

The reconciliation of expected to reported income tax is shown in the following table:

Item	2019			2018		
	Tax base	Tax	Tax in %	Tax base	Tax	Tax in %
Profit before taxes of which:	3,017,962			1,582,401		
Expected tax		633,772	21		332,304	21
Tax non-deductible expenses	322,629	67,752	2	278,903	58,570	4
Non-taxable income	(1,090,915)	(229,092)	(7)	-	-	
Impact of unrecognised deferred tax asset	-	-		-	-	
Tax loss carried forward	-	-		-	-	
Change in tax rate	-	-		-	-	
Other	(990,933)	(208,096)	(7)	(562,288)	(118,081)	(8)
<b>Total</b>		<b>264,336</b>	<b>9</b>		<b>272,793</b>	<b>17</b>
Current income tax		278,453	10		470,416	30
Deferred income tax		(14,117)	(1)		(197,623)	(13)
<b>Total income tax</b>		<b>264,336</b>	<b>9</b>		<b>272,793</b>	<b>17</b>

Line Other is related mainly to the superdeduction of research and development expenses for income tax.

## I. OFF-BALANCE SHEET ACCOUNTS

### 1. Property rented to other parties

During the year 2019 the Company rented assets to companies, presented in following table:

Item	Annual rent	Rental period (years)
Rented assets to other parties out of which:		
IT equipment (servers PC notebooks) for mTrust s.r.o.	748	4
IT equipment (tablets) for ZSE Energia a.s.	36,983	5
IT equipment (NTBs) ngena GmbH	11,092	3
IT equipment (printers) Všeobecná úverová banka, a.s.	98,724	5
IT equipment (printers) VUB Leasing, a.s.	2,932	5
IT equipment (tablets, PC, monitors) Slovenské elektrárne, a.s.	570	5,6

## J. RELATED PARTY TRANSACTIONS

### 1. Transactions between the Company and its related parties

The Company had transactions with following related parties:

Company	Address
Slovak Telekom, a.s.	Bajkalská 28, 817 62, Bratislava, Slovenská republika
Zoznam, s.r.o.	Viedenská cesta 3-7, 851 01, Bratislava, Slovenská republika
DIGI SLOVAKIA, s.r.o.	Röntgenova 26, 851 01, Bratislava, Slovenská republika
T-Systems Slovakia s.r.o.	Žriedlová 13, 040 01, Košice, Slovenská republika
T-Systems Czech republic a.s.	Na Pankráci 1685/19, 140 21 Praha, Česká republika
T-Systems ITC Iberia S.A.	Carrer de Sancho de Ávila 110-130, Barcelona, Španielsko
T-Systems International GmbH	Hahnstrasse 43d, 605 28 Frankfurt am Main, Nemecko
T-Systems Nederland B.V.	Lage Biezenweg 3, 4131LV, Vianen, Holandsko
T-Systems Hungary Ltd	KONYVES KALMAN KŐRÚT 36, 1097, Budapešť, Maďarsko
Deutsche Telekom Pan-Net s.r.o.	Jarabinková 1, 821 09, Bratislava, Slovenská republika
Deutsche Telekom Pan-Net Romania S.R.L.	Bulevardul Dimitrie Pompei nr. 9-9A, Iride Business Park, Cladirea 20, etaj 3, Sectorul 2, 020335 Bucharest, Rumunsko
Deutsche Telekom Pan-Net Croatia d.o.o.	Vrbani 4, 10000 Zagreb, Chorvátsko
Deutsche Telekom Pan-Net Czech Republic s.r.o.	Tomíčková 2144/1, Chodov, 148 00, Praha 4, Česká republika
Deutsche Telekom Pan-Net Greece EPE	99 Kifissias Ave., 15124 Maroussi, 15124 Athens, Grécko
Deutsche Telekom Pan-Net Hungary Korlátolt Felelősségű Társaság	Krisztina körút 55, 1013 Budapešť, Maďarsko
Deutsche Telekom Pan-Net Poland S.z o.o	Str. Marynarska 12, 02674, Varšava, Poľsko
Deutsche Telekom Services Europe Slovakia s.r.o.	Legionárska 10, 811 07, Bratislava, Slovenská republika
Deutsche telekom AG, VTI, PG 1025	Friedrich-Ebert-Allee 140, Bonn c/o Postfach 17 67, 49007 Osnabruck, Nemecko
T-Mobile Czech republic a.s.	Tomíčková 2144/1, 11 000, Praha 4, Česká republika
mTrust, s.r.o.	Odborárska 21, 831 02, Bratislava, Slovenská republika
PosAm IT, s.r.o.	Holušická 2221/3, 148 00, Praha, Česká republika
VIAMO, a.s.	Odborárska 21, 831 02, Bratislava, Slovenská republika
Commander Services s.r.o.	Žitná 23, 831 06, Bratislava, Slovenská republika

Transactions with subsidiaries are shown in the following table:

Transaction	Related party	2019	2018
Purchase of assets	Parent company	17,369	10,850
	Subsidiary	-	-
	Other related parties	32,340	-
Sale of assets	Parent company	-	-
	Subsidiary	-	-
	Other related parties	25	-
Purchase of inventories	Parent company	52,100	66,510
	Subsidiary	-	-
	Other related parties	-	-
Sale of inventories	Parent company	718,890	2,383,297
	Subsidiary	-	1,988
	Other related parties	1,502,471	830,626
Purchase of services	Parent company	953,463	916,934
	Subsidiary	7,233	20,028
	Other related parties	90,566	58,917
Sale of services	Parent company	1,401,834	2,398,257
	Subsidiary	202,446	254,118
	Other related parties	1,006,711	1,261,177

Transaction	Related party	31 December 2019	31 December 2018
Trade liabilities	Parent company	79,044	143,059
	Subsidiary	643	681
	Other related parties	5,988	22,029
Trade receivables	Parent company	1,158,044	2,944,617
	Subsidiary	108,431	257,885
	Other related parties	467,623	1,004,495
Prepaid expenses	Parent company	17,600	16,814
	Subsidiary	-	-
	Other related parties	-	-
Accrued income	Parent company	87,893	112,400
	Subsidiary	267	336
	Other related parties	66,566	55,922
Other	Parent company	-	-
	Subsidiary	-	-
	Other related parties	-	-

## 2. Income and benefits of members of the statutory, supervisory and other bodies of the Company

Members of the Company's statutory, supervisory and other bodies received no income for the performance of their duties as a member of that body, nor were they granted any loans or guarantees.

## K. POST BALANCE SHEET EVENTS

General Meeting of the Company approved the change in the position of Executives in January 2020. Mr. Marián Marek, Mr. Dušan Švalek and Mr. Tomáš Ryšavý become new Executives of the Company.

## L. CASH FLOWS STATEMENT

The following expressions have the following meanings as regards information in the cash flow statement:

- Cash: cash, cash equivalents, cash in bank or branches of foreign banks, bank overdrafts and cash in transit relating to a transfer between a current account and cash on hand or between two current accounts,
- Cash equivalents: cash equivalents, financial assets exchangeable for a fixed amount of cash where, at the balance sheet date, there is no risk of a significant change in value in the next three months, i.e. term bank deposits with a notice period not exceeding three months, liquid securities designated for trading, priority shares acquired by the accounting entity and payable within three months of the balance sheet date.

The Company applied the indirect method when creating the cash flow statement:

Item	2019	2018
<b>Net result before tax</b>	<b>3,017,962</b>	<b>1,582,401</b>
Adjustments for non-cash transactions:		
Depreciation of non-current assets	1,339,726	1,213,084
Inventories write-off	899	5,748
Receivables write-off	-	994
Change in provision for receivables	(31,321)	9,906
Change in provision for inventories	(11,939)	28,560
Change in provisions	74,429	867,886
Loss / (gain) from the sale of non-current assets	(14,581)	(19,866)
Yields from long-term financial assets	(1,090,915)	-
Other items	3,649	3,191
<b>Profit from operating activities before changes in working capital</b>	<b>3 287 909</b>	<b>3,691,904</b>
Changes in working capital:		
Decrease (increase) of trade and other receivables and prepayments	1,997,558	(1,606,742)
Decrease (increase) of inventories	32,565	8,627
(Decrease) increase of payables and accruals	(830,077)	1,693,026
<b>Operating cash flows</b>	<b>4,487,955</b>	<b>3,786,815</b>
<b>Cash flows from operating activities</b>		
Operating cash flows	4,487,955	3,786,815
Interest received	100	-
Corporate income tax paid	(644,684)	(379,601)
Dividends paid	(654,804)	(815,632)
<b>Net cash from operating activities</b>	<b>3,188,567</b>	<b>2,591,582</b>
<b>Cash flows from investing activities</b>		
Purchase of non-current assets	(2,001,092)	(1,286,089)
Receipts from the sale of non-current assets	30,832	30,963
Acquisition of financial investments	(250,000)	(4,027,286)
Dividends received	1,090,915	-
<b>Net cash from investing activities</b>	<b>(1,129,345)</b>	<b>(5,282,412)</b>
<b>Cash flows from financing activities</b>		
Receipts / repayments of bank loans	(2,620)	2,006
<b>Net cash from financing activities</b>	<b>(2,620)</b>	<b>2,006</b>
<b>Increase (decrease) of cash and cash equivalents</b>	<b>2,056,602</b>	<b>(2,688,824)</b>
Cash and cash equivalents at the beginning of the accounting period	4,587,550	7,276,374
<b>Cash and cash equivalents at the end of the accounting period</b>	<b>6,644,152</b>	<b>4,587,550</b>



# Independent Auditor's Report

To the Shareholders and Executives of PosAm , spol. s r.o.:

## Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of PosAm , spol. s r.o. (the "Company") as at 31 December 2019, and its financial performance for the year then ended in accordance with the Slovak Act on Accounting No. 431/2002, as amended (the "Accounting Act").

## What we have audited

The Company's financial statements comprise:

- the balance sheet as at 31 December 2019;
- the income statement for the year then ended;
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants issued by the International Federation of Accountants ("Code of Ethics") and other requirements of legislation that are relevant to our audit of the financial statements in the Slovak Republic. We have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

## Reporting on other information in the annual report

Management is responsible for the annual report prepared in accordance with the Accounting Act. The annual report comprises (a) the financial statements and (b) other information.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the annual report and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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The firm's ID No.: 35 739 347.  
Tax Identification No. of PricewaterhouseCoopers Slovensko, s.r.o.: 2020270021.  
VAT Reg. No. of PricewaterhouseCoopers Slovensko, s.r.o.: SK2020270021.  
The firm is registered in the Commercial Register of Bratislava I District Court, Ref. No.: 16611/B, Section: Sro.





With respect to the annual report, we considered whether it includes the disclosures required by the Accounting Act.

Based on the work undertaken in the course of our audit, in our opinion:

- the information given in the annual report for the year ended 31 December 2019 is consistent with the financial statements; and
- the annual report has been prepared in accordance with the Accounting Act.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the annual report. We have nothing to report in this respect.

### Management's responsibilities for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Act, 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.

### 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 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, 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 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 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.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



PricewaterhouseCoopers Slovensko, s.r.o.  
Licence SKAU No. 161



Ing. František Zummer  
Licence UDVA No. 1217

Bratislava, 9 March 2020

Note

Our report has been prepared in Slovak and in English. In all matters of interpretation of information, views or opinions, the Slovak language version of our report takes precedence over the English language version.

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