

2020

Annual Report



Company history

„For more than 30 years, we have been transforming information technology for the benefit of customers“

30 years of useful technologies

1990

Establishment of PosAm. To date, there are three employees in the company who have been with us from the beginning. That year, the company achieved revenue of some EUR 85,500, calculated from the former Czechoslovak koruna.

1994

We acquired a project in the company Slovenské elektrárne. Later in 1996, we implemented an office information system for this client.

1996

We started to supply for the Ministry of Finance of the Slovak Republic an application for the state budget called Budgetary Information System (RIS). At that time, the Ministry of Finance used for the preparation and administration of the state budget traditional methods such as pencils and large sheets of paper.

1999

We became the largest seller of HP personal computers in Slovakia. As the company also grew in the number of employees every year, it invested 26 million SKK in the construction of a new building.

2001

We supplied our customer, Allianz – Slovenská poisťovňa, a.s., with the Allegro information system, which the insurance company used for the sale of insurance products.

2005

We were granted the "Recognized for Excellence in Europe" award based on an international audit according to the EFQM model as the first Slovak company.

2007

We managed the processes in our company at a high level, which was confirmed by obtaining internationally accredited certifications ISO 20000 for services and ISO 27001 for information security. In this combination, our company was the first company in the information technology segment from the countries of Central and Eastern Europe.

2010

PosAm became part of the Deutsche Telekom Group (DTAG), thereby confirming and strengthening its position as a leading IT company in Slovakia.

2015

We became the third largest provider of operational IT services in Slovakia.

2017

We launched the Dionýz Ilkovič Award. Each year, the public can nominate teachers and non-teaching staff for the Dionýz Ilkovič Award for the development of extracurricular activities for primary and secondary school pupils.

2019

We signed a contract with a new customer in the Czech Republic. PosAm would provide a system for managing more than 3,000 field service workers at ČEZ Distribuce.

The Dionýz Ilkovič Foundation was founded. In addition to the moral appreciation of teachers, it aims to improve the material conditions for working with talents.

1991

We sold 75 Apple personal computers. HP printers and plotters were also added to the company's portfolio.

1995

The sale of personal computers at PosAm accelerated, and in 5 years the number of installations reached 1,900.

1998

We achieve the highest levels of certification from Lotus Development, Inc.: Principal Level and Certified Lotus Professional. They documented a top level of development on the Lotus platform. The quality of PosAm products was also confirmed by the fact that all solutions were "Lotus certified".

2000

PosAm already reached 10 successful years in a row. During all that years, we were among the top ten IT companies in Slovakia. For our clients and employees, we offered much nicer but especially more efficient premises in a new building in Bratislava on Odborárska Street.

2004

We put into operation the communication and technological infrastructure for the State Treasury of the Slovak Republic. We managed this task during the full operation of the State Treasury.

2006

PosAm carried out the outsourced Operational Support of Terminal Equipment in Slovenské elektrárne, a.s. The nationwide coverage and the model of taking over the customer personnel brought significant positive results for both parties after less than a year of providing the service. It was possible to reduce customer costs by 30% and improve the quality of services provided, which was appreciated by up to 95% of users.

2008

We implemented a consolidation project for KIA Motors Slovakia, where we put into operation the most modern storage equipment from Hitachi Data Systems and contributed to ensuring continuous production operations.

2013

We launched the Register of Financial Statements for the Ministry of Finance of the Slovak Republic.

2016

We delivered a new system for managing sales channels for Západoslovenská energetika, a.s.

2018

The leader of the Slovak market of GPS vehicle monitoring, Commander Services, s.r.o., became a wholly-owned subsidiary of PosAm, spol. s r.o.

Our smart parking solution ParkDots became part of the smart city portfolio of the Deutsche Telekom Europe group.

2020

In August we celebrated 30 years of the company's existence.

1990 years
of useful
technologies

How we did
in 2020

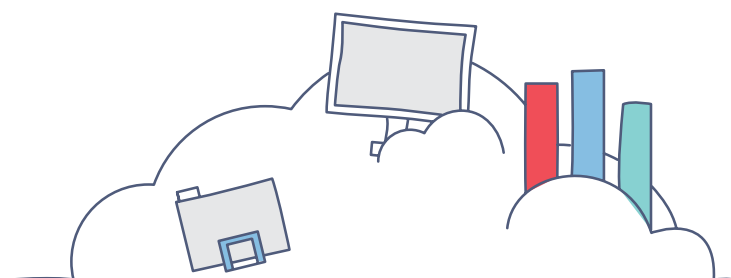
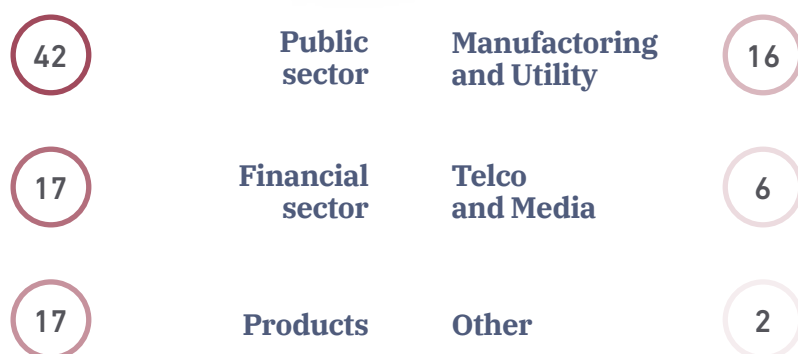
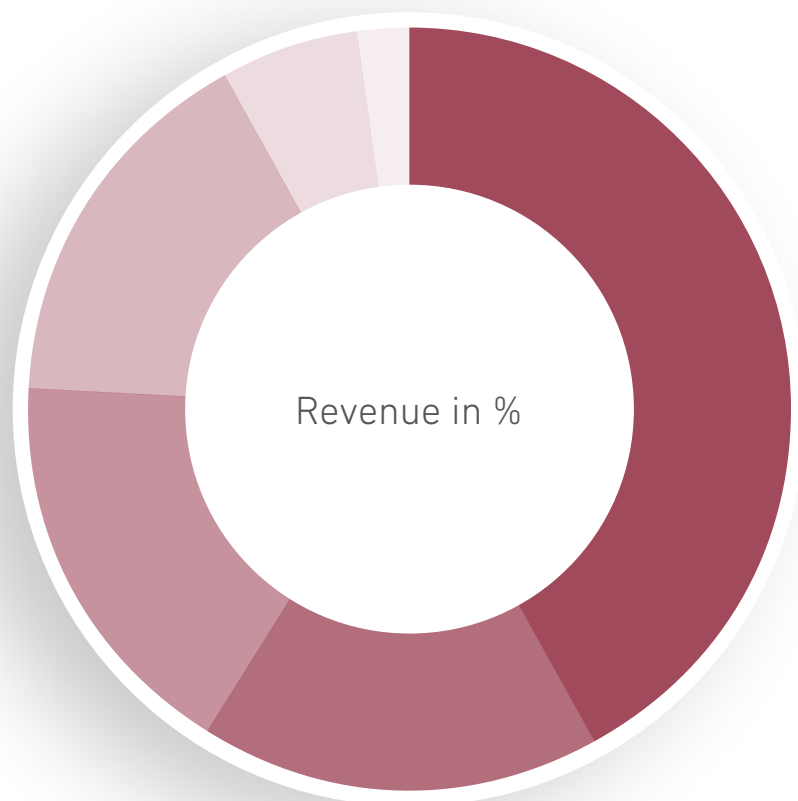
3,129*

thousand EUR
EBITDA

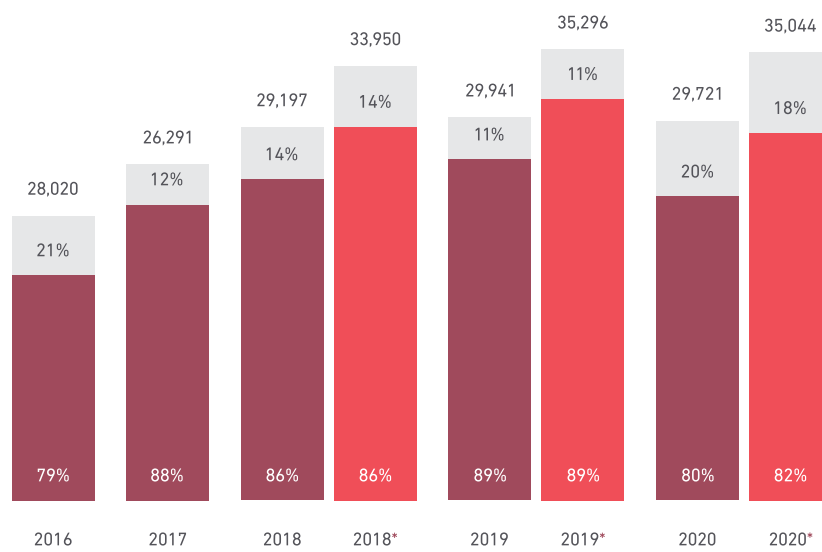
35,044*

thousand EUR
Revenue



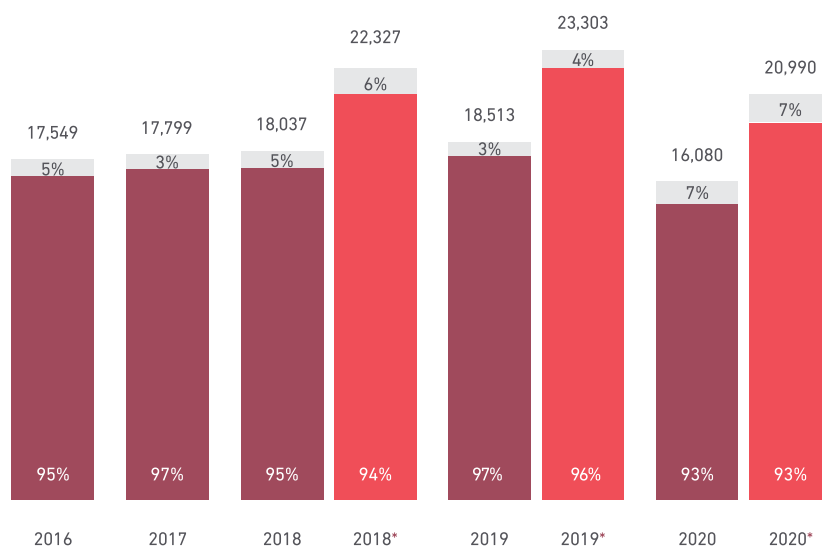


*Pro forma consolidated data including the subsidiary company Commander Services, s.r.o.



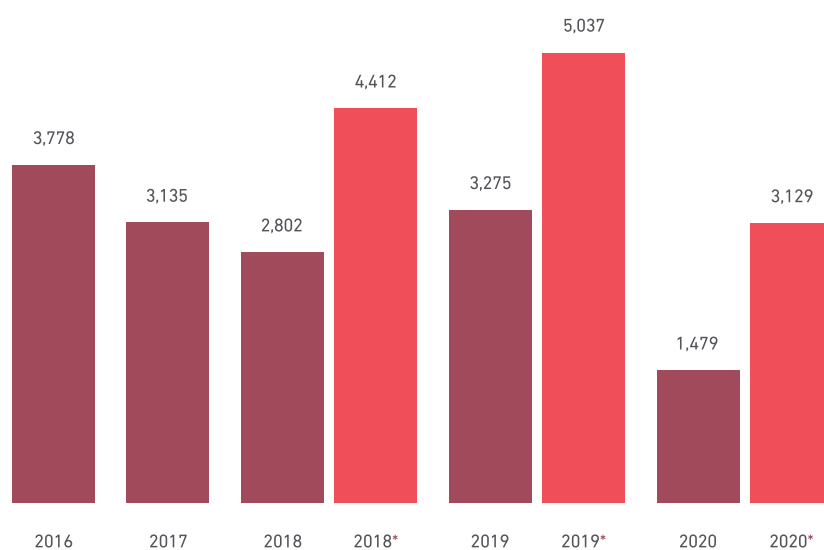
Services and goods revenue development in thousand EUR

● services ● goods

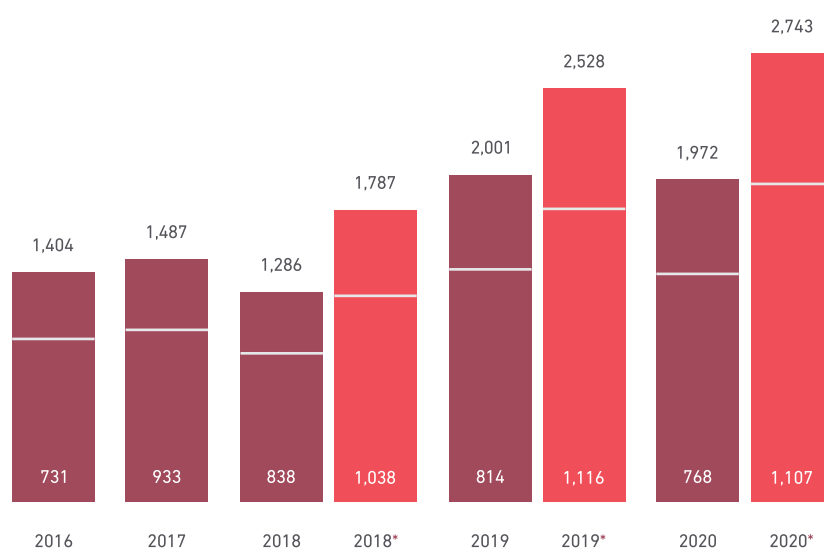


Development of total performance from services and goods in thousand EUR

● 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 2020

ParkDots Consolidated in Microsoft Azure

In February, we successfully completed the change of the cloud platform by shutting down the production part of ParkDots in the cloud of the original provider. In addition to the change of the platform, we also moved our development environment to the cloud. This had been running in PosAm until then. ParkDots has thus been consolidated into the Microsoft Azure cloud. Thanks to the extensive offer of advanced PaaS services, we have been able to replace a large range of service components with ready-made services from the cloud. In addition to the reduction in labour, after a year of operation we can also see higher operational reliability.

Termination of PosAm hardware repair service in Žilina

In May, we finalised a painful, but for the future of our company an important decision - to terminate our hardware repair service operation in Žilina. We have gradually outsourced this activity to a partner channel. This ended a long period of our repair service operation, for which we were awarded several times by the manufacturers and held the first two places for service quality in Slovakia. We have established a partnership with MB TECH BB s.r.o. All our colleagues from Žilina have joined the new employer and will continue to provide services for PosAm through the partner company.

Wrocław on ParkDots Map

The international ambitions of the ParkDots platform were fulfilled in one of the key projects of 2020. In cooperation with its partner T-Mobile Polska, PosAm succeeded in a tender for the supply of a parking system in one of the largest cities in Poland. The city needed to solve the uncontrolled movement of tourist buses. Since October, the ParkDots application has informed bus drivers about available places for short-term parking as well as about long-term parking lots, and reliably navigated them to the parking area. Besides that, sensors monitoring parking lots reserved for the disabled and the ParkDots application with support for the visually impaired and blind are an inclusive solution for people with disabilities. The satisfied local government has already announced their intention to expand the system and implement other functionalities.

Slovak Telekom Customer Base under the Management of Commander Services

Our subsidiary Commander Services has taken over the customer base of Slovak Telekom with approximately 2,600 monitored vehicles and more than 200 customers under its management. Thus, Commander Services has replaced third party services, strengthening its presence on the domestic market, gaining valuable technical experience and increasing the creation of the added value in the Slovak Telekom Group.



Successful Recertification Audit

At PosAm we strive for quality. Our comprehensive integrated quality management system is a prerequisite for achieving the best results for the benefit of our customers. The high level of our internal processes and the ability to continuously improve them are also confirmed by certificates from Det Norske Veritas Germanischer Lloyd (DNV GL). In 2019, we had a "major" recertification audit, which recorded the lowest number of findings and suggestions for improvement. The October 2020 maintenance audit confirmed this trend.

Mobile ID

Since November 1. 2020, the Mobile ID solution developed for our customer DEUS has been in live operation. The mID application significantly simplifies and accelerates the electronic communication of citizens with institutions from both the public and private spheres. Mobile ID moves your identity to the smartphone and allows you to handle official affairs via a smartphone running Apple iOS or Google Android, without compromising data security and in compliance with applicable legal standards. Proof of acceptance of the solution by its users is the Cena Rádia Slovensko ITAPA 2020 Award, which was obtained by the vote of citizens – the target group for which the app is intended.

Advanced Analytics in ParkDots

Parking is no longer about tickets behind the wind-screen. It is undergoing a real digital revolution. ParkDots enables digitalisation of the processes and the entire complex agenda associated with parking (online parking payments, virtual parking cards, etc.). Together with integration into third-party parking systems and various technologies and sensors, this progress has resulted in data explosion. We want our customers to be able to effectively analyse their data and get the most out of it, reflecting their individual needs. By connecting the ParkDots platform to the renowned BI tool Qlik, we have gained the necessary flexibility and are thus able to provide our customers with full-fledged reporting tool with high utility value.

Part of the ČEZ Distribuce Project in Full Operation

In complicated conditions of the ongoing pandemic and various subsequent restrictions, in October we successfully completed and handed over to the customer the MEASUREMENT phase of the ČEZ Distribuce JS ŘOT (Unified Personnel Management System in the Field) project. Since October, the fully functional solution for the MEASUREMENT phase has been used by 650 field workers and 100 dispatchers. The project continues with the implementation of a solution for STATIONS and NETWORKS.

Jupiter in Tatra Banka's Portfolio

One of the largest banks in Slovakia has again undertaken a pioneering journey in the field of disk arrays. At the end of the year, we delivered the latest generation of storage from Hitachi Vantara to the bank. The high end VSP 5000 system, also called Jupiter for its huge performance, is now the only one of its kind in Slovakia in the portfolio of the country's most innovative bank. Its implementation will bring the bank higher quality and speed of data processing.

End-user Devices Support for SPP – Distribúcia, a.s.

Only the day before Christmas Eve, we took care of the terminal equipment in SPP-D. As a part of the service, we manage more than 10,000 devices for almost 1,300 users in 46 locations in Slovakia. The service includes provision of service desk, with both remote and on-site support. We believe that we have gained another satisfied customer.

The Dionýz Ilkovič Foundation Presented the Dionýz Ilkovič Award 2020

For the fourth time, the Dionýz Ilkovič Foundation has awarded the prestigious the Dionyz Ilkovič Award to teachers who develop talented children through extracurricular activities in the field of natural sciences. This year, the foundation also announced the winner of a special category for online education. Branislav Gröhling, the Minister of Education, Science, Research and Sport of the Slovak Republic, took over the patronage of the fourth year of the award. The award ceremony took place on 2 December 2020 in the online environment. During the online dinner, the Foundation announced the establishment of a transparent bank account to help teachers and students who need to co-finance their extracurricular projects in the field of natural sciences. Our company has deposited a starting amount of € 10,000!

A portrait of Marián Marek, a middle-aged man with short, graying hair, wearing a dark blazer over a light blue patterned shirt. He is sitting and looking slightly to the side with a thoughtful expression. The background is a dark, textured surface.

The global pandemic confronted us with new challenges

Marián Marek
Chief Executive Officer

Ladies and gentlemen,

2020 was an exceptional year for all of us. The global pandemic confronted us with new challenges. I am glad that our company has passed this test. Over the course of the year, we were able to ensure a full-fledged operation of information systems for our customers, and provide them with care for their end devices.

On the other hand, despite the overall decent revenue of the PosAm group at the amount of EUR 35,044 thousand, we were unable to reiterate the very good profitability of the previous year. Its significant decline to 9% can be attributed to a combination of several factors.

Primarily, it is a timely concurrence and an underestimation of the complexity of two large SW projects of acquisitional nature. The first of these projects is focused on the consolidation of fragmented parts of corporate information system into a compact, fully orchestrated whole. This type of modernisation is essential for all companies that strive to implement the digitisation trend in their business. We believe that this is a forward-looking reference. There will be many more opportunities of this kind on the market than simply a demand for building new information systems. The second project focuses on the automated planning of field technicians' work using a combination of algorithmic and optimisation approaches. This is a new approach offering a significantly higher business value of the solution or, significant cost savings. We believe that with long-term growth of labour costs and estimated annual savings of 10-15%, this is a very promising area, too.

Secondly, there are weaker results in the area of information support for parking in cities, which can also be attributed to the pandemic. The decline in economic activity has also been significantly reflected in the budgets of the municipalities in all Deutsche Telekom Europe countries, and thus, despite the good business development at the beginning of the year, virtually all open opportunities have been postponed to a later period, and new ones have not emerged.

Our subsidiary, Commander, which is focused on GPS monitoring of vehicles, has coped significantly better with the effects of the pandemic, and it has succeeded to grow and increase revenue by 2% even under the circumstances. This was also possible due to the successful acquisition of customers of a „smaller player“ from 2019 and the product consolidation, which we carried out during the year within our parent company Slovak Telekom.

We have achieved stable performance, comparable to

previous years, in virtually all other product areas and with our long-term customers, with only one exception. We have grown significantly in supplying data storage solutions. This above-standard demand was caused by an increase in the volume of electronic communication brought about by the pandemic.

We have paid great attention to technological development in order to increase utility value and to reduce costs. The proportion of IS operated in the cloud as well as the proportion of automated generation of infrastructure as SW code increased considerably. Besides that, our selected SW solutions were enriched with the superior Qlik reporting tool, which takes interactive data display to a whole new level. We have created a knowledge base for more efficient modularisation of our SW solutions.

The long-term advanced management level has been confirmed by a major re-certification audit of the whole integrated management system.

We are pleased that, despite the limitations, we were able to contribute again to the awards for the best teachers in the field of natural sciences from secondary schools and especially in the creation of online content. This serves as our encouragement for teachers whose work is socially underappreciated, even though it is very important.

Last year, we celebrated the 30th anniversary of PosAm. Although we did not achieve the best financial results, we did not idle about. We focused on accelerating our innovation programs. The combination of experience and

„The combination of experience and the courage to move to new, technologically challenging areas is our way to be a useful partner for our customers in a rapidly changing world in the coming years.“

the courage to move to new, technologically challenging areas is our way to be a useful partner for our customers in a rapidly changing world in the coming years. In conclusion, I would like to thank all the employees of our group. The impact of a high proportion of work from home on our performance was minimal. I realise that it was not easy to maintain full work performance, especially for parents with children who learned from home. . You have my profound respect and deep appreciation.

A portrait of Robert Genszký, Chief Financial Officer of The PosAm Group. He is a middle-aged man with dark hair, smiling at the camera. He is wearing a light blue long-sleeved button-down shirt and dark blue jeans. He is sitting on a brown leather chair, with his hands resting on his thighs. The background is a dark, textured wall.

The PosAm Group on a solid footing

Robert Genszký
Chief Financial Officer

After the record year of 2019, we were unable to repeat the excellent results in 2020. The onset of the pandemic, combined with austerity measures in the parts of the customer base across all sectors, as well as the financially demanding projects under way, resulted in the worsening of the economic results of the PosAm Group.

Despite the difficult market situation, the company's sales revenue reached the level of EUR 29,712 thousand, which represents only a slight decrease of 0,8%. After a pro forma consolidation of revenue of the Commander Services subsidiary, we also recorded a decrease of 0.7%, with a total level of EUR 35,044 thousand. In the revenue structure, the proportion of hardware deliveries increased compared to the previous year, which largely compensated for the revenue shortfall in the area of software development. This was driven by the demand of our customers for storage solutions in connection with the growing demands for digitalisation and the transition to work from home and subsequent infrastructure requirements.

The higher proportion of hardware deliveries with lower margins as well as the increased subcontracting costs in key projects in the Czech Republic translated into deteriorated performance, amounting to EUR 16,080 thousand and, after counting the result of Commander, a total of EUR 20,990 thousand, which represents a fall of 9.9% compared to the previous year.

All of this has also negatively affected the EBITDA indicator (earnings before interest, taxes, depreciation and amortization), where we reached the amount of EUR 1,479 thousand. After counting for the result of

Commander Services, we achieved EBITDA of EUR 3,129 thousand, which means a 38% year-on-year decrease.

Despite difficult market conditions, our subsidiary Commander Services performed well. Although the original growth ambitions could not be met, we successfully continued to expand our customer base

„I can say that the PosAm Group is on a solid footing that enables it to cope with the negative factors.“

through both organic growth and product consolidation with the parent company Slovak Telekom. As a result, we recorded a year-on-year increase in revenue from EUR 5,564 thousand to EUR 5,663 thousand.

Unfortunately, the high expectations of our platform Parkdots, which offers smart urban parking solutions, were not reflected in the economic performance, as most of the key opportunities under development were postponed not only in the domestic but also in other European markets.

Despite the worsening economic performance that we recorded last year, I can say that the PosAm Group is on a solid footing that enables it to cope with the negative factors that the very specific year 2020 brought about and is ready to meet the challenges of 2021.

A portrait of Anton Janetka, a middle-aged man with dark hair, wearing a light blue button-down shirt and dark trousers. He is standing with his hands on his hips against a dark, textured background. The text is overlaid on the bottom left of the image.

It was a challenging year in all respects

Anton Janetka
Chief Sales Officer

From a business point of view, it was one of the most challenging years in the history of the company. The Covid-19 pandemic had the greatest impact in commercial segments. It has significantly changed the purchasing behaviour of customers. The energy sector was affected by the reduction in energy consumption during industrial disruption, which caused the postponement of purchasing decisions on the side of our customers. On the other hand, customers in the finance and telecommunications sectors have sought to accelerate their digital transition programmes. This has been demonstrated by increasing investment in application solutions for online communication, as well as by strengthening infrastructure especially in the area of data storage systems.

In the insurance segment we implemented the first stage of the NFEL (Nový Front-End Elektronické Likvidace – a new front-end for electronic claims settlement) project in Generali Česká pojišťovna and we also continued the development of the Škody Živě portal, which ensures the communication between the insurance companies and car repair shops in the insurance claims settlement. Our activities in Allianz – Slovenská poisťovňa Company were also developmental. After many successful years of delivering software solutions that supported indirect sales through agents and brokers, we were given the opportunity to implement projects for direct online sales. We have started intensive cooperation on solutions within the framework of international supply and implementation of the “Customer Journey” strategy, which brings consolidation of sales systems and communication strategies toward insurance clients throughout the region.

In the banking segment we have significantly strengthened the Tatra banka infrastructure by supplying the largest storage systems of the G5000 series from Hitachi Vantara.

We have also completed larger infrastructure deliveries in the telecommunications segment for Slovak Telekom and T-Mobile Česká republika, which were strengthening their data infrastructure in the pandemic period.

In the energy segment, the JSŘOT (Jednotný Systém Řízení Osádek v Terénu – Unified Personnel Management System in the Field) project, which we deliver for ČEZ Distribuce, was clearly the most important one. To the customer's satisfaction with the quality of the delivered solution, we handed over the “Measurements” part in October, but this success was overshadowed by a delay of several months in the implementation of the entire delivery. In VSD (Východoslovenská distribučná – Eastern Slovak Distribution) we have continued to expand our Mobile Workforce activities by supplying a mobile client for distribution network operation. In the area of services, we won a contract for the operation of terminal equipment at SPP – Distribúcia Company at the end

of the year. We consider this to be evidence of our competitiveness in this area, especially in case of customers with a network of branches throughout Slovakia.

In the public administration segment, we have implemented a new Mobile ID service within the DCOM (Data Centre of Municipalities and Cities) project, which significantly simplifies electronic communication between the citizen and the institution from the state or private sphere. Instead of visiting the office personally, all the client has to do is to install the application, verify their identity and authorise the necessary documents with the electronic equivalent of a handwritten signature. In December, the Mobile ID project won the Radio Slovakia Award ITAPA 2020. It is worth mentioning the support of dozens of municipalities that we, in cooperation with Microsoft, have provided free of charge by organising online work of local councils through the deployment and support of the MS Teams collaboration tool. In 2020, we continued our work for the Ministry of Finance on functional extension of the RIS project (Budget Information System) and on implementation of new legislative requirements in the area of public finance management.

„We are confident that the current turbulent times offer an opportunity to IT companies, which bring real benefits to their customers“

One of the main topics of implementation in the course of 2020 was the provision of application support for the processing of consolidation of financial statements of the municipalities of the Slovak Republic.

The year 2020 tested us in all aspects. Many of our major customers have changed their preferences in IT procurement substantially. Deliveries for our key software commercial projects abroad have become very complicated. It turns out that we still have reserves, especially in the supply of complex solutions that require significant consulting support. Restrictions in personal contact certainly did not help the situation neither the cross-border travel restrictions. On the other hand, 2020 was a record year in terms of infrastructure sales, especially storage systems, which will further strengthen our highest platinum partnership with Hitachi Vantara.

We are confident that the current turbulent times offer an opportunity to IT companies, which bring real benefits to their customers in terms of increased efficiency, both in interaction with their partners and in the operation of their application and infrastructure environments. We believe that we are well prepared for this trend and we can convince about it not only our existing but also potential customers.

A portrait of Tomáš Kysela, a man with short dark hair and glasses, wearing a dark blue suit jacket over a light blue button-down shirt. He is sitting in a wooden chair, leaning forward with his hands resting on his knees. The background is a textured, dark grey wall.

**We are able to implement
even the most demanding
IT projects**

Tomáš Kysela
Chief Technology Officer

Thanks to the implementation of two large software projects over the course of last year, the importance of the preparation phase of complex software projects became visible. It is not possible to start any large software projects just by defining a huge set of diverse business requirements; it is rather necessary to develop them into a structured form – the so-called business architecture.

We can imagine this as a “3D model” of a building. The “3D model” shows how the different requirements can be aligned into a feasible form. Subsequent delivery (technical drawings, rough construction, completion of interiors of individual floors) is straightforward, because it is based on a well-coordinated foundation. The same applies to the delivery of a complex software solution. Paradoxically, an exact sequence of steps or straightforward instructions on how to build a “3D model” for a complex software project is not an explicit part of any of the methodologies used in the creation of software. That is why we have focused our attention on this subject in the past period and prepared a methodological guide based on the globally recognised TOGAF methodology, which also carries elements of modern software architectures (microservices, SOA, DDD) in its DNA.


From the technology point of view, last year we successfully expanded our front-end creation capabilities in Angular with an effective status management technique and by bringing data to the screen using NgRx technology. We continued to transform the IT environments through automation, the concept of infrastructure as

code and a multi-cloud philosophy. Thanks to a well-tuned suite of open-source tools and in-depth knowledge of how to deal with specific situations, we offer transformation into automated IT environments as a consulting product. We actively promote this ambition in various professional forums (ITSMF, PosAm TechDays).

Our laboratory of artificial intelligence, optimisation and machine learning is also progressing. In this field, we have achieved good results in optimising the utilization and routes of technicians in the field by combining domain heuristics and optimisation algorithms. At the same time, we have become members of the I4DI (Innovation for Digital Infrastructure) consortium, in which we and our partners are looking for ways of aligning the growing demands of modern machine learning techniques with the strategy of building data centres of the future.

„The success of the delivery of complex software projects is decided already during their preparation, in the so-called business design phase.”

We believe that the progress in all three important areas (methodology, technology, algorithms) combined with long-term reliability and stability makes us the ideal partner for customers who plan to implement even the most demanding IT projects.

A portrait of Michal Bróska, a man with short dark hair, a beard, and glasses, smiling. He is wearing a blue textured blazer over a light-colored button-down shirt. A colorful patterned pocket square is visible in his blazer's pocket. He is seated against a dark, textured background. The text 'Commander was able to strengthen its market position even during the mobility crisis' is overlaid in white on the lower left of the image.

**Commander was able
to strengthen its market
position even during
the mobility crisis**

Michal Bróska

Chief Product Management

Last year was marked by a pandemic. Experts called the citizens to reduce mobility. We saw deserted cities, empty motorways and trains, or the sky without planes. Both ParkDots and Commander are closely linked to mobility, which suffered from the crisis in 2020.

ParkDots entered 2020 with good business development throughout the region where Deutsche Telekom Europe operates. The work in progress at the turn of the years filled us with optimism. However, anti-pandemic measures significantly hampered both acquisition and implementation activities. Municipalities bore additional budgetary and organisational burdens on their shoulders and, of course, reassessed investment priorities. We are aware that local governments are entering next year with revenue shortfalls and will be all the more looking at the utility value of the delivered solutions.

Nevertheless, we can include several successes in our portfolio. One of them is the delivery of a project for the city of Wrocław, which in cooperation with ParkDots solves the issue of tourist parking in the historic centre. In the summer months, we added the most important parking garages and shopping centres in Bratislava to our portfolio. Thanks to our application, drivers eliminate contact with parking machines, which contributes to improved hygiene and the fulfilment of anti-pandemic measures.

In August, we succeeded in a tender announced by the city of Pardubice for the supply of a unique identification system for parked vehicles using an occupancy sensor and a Bluetooth identifier located in the vehicle. At the end of the year, we verified this acquisition success in rigorous acceptance testing, by which the city confirmed the functionality of the solution with high reliability. We said goodbye to the old year by winning a contract for the supply of a camera car, which will

roam the streets of Bratislava's borough of Petržalka and ensure compliance with the parking policy.

Our subsidiary Commander was able to strengthen its market position during this mobility crisis. Firstly, thanks to its own efficient sales channel in Slovakia and the Czech Republic, which booked the sale of more than 7,780 new monitoring units.

The second growth factor was the consolidation of the Slovak Telekom customer base with approx. 2,500 monitored vehicles, which Commander took under its administration in the second half of the year. We will also continue with consolidation in the Czech market,

„We are aware that local governments are entering next year with revenue shortfalls and will be all the more looking at the utility value of the delivered solutions.“

where we reached an agreement with the vehicle monitoring provider for our sister company T-Mobile at the end of the year. Implementation is planned during the next year.

At the same time, we saw a higher drop in customers at Commander than was usual in previous years. The decline was mainly due to the difficult economic situation of small entrepreneurs, who felt the effects of anti-pandemic measures the most. In this difficult period, the Commander was able to help many customers through special conditions or instalment sales.

A portrait of Ronald Fleischman, a man with short dark hair, wearing a dark blue blazer over a light blue button-down shirt. He is sitting in a wooden chair, smiling slightly at the camera. The background is a dark, textured wall.

**We worked hard despite
limited personal contact**

Ronald Fleischman
Chief Human Resources Office

There is no doubt that in 2020 the pandemic heavily affected everyday social life. Our company switched to a work-from-home mode literally overnight. Thanks to the specialists who take care of the internal systems and infrastructure, we have not noticed any difference from a technical point of view. However, personal contact has been severely affected. And this is the key to the work of the Human Resources Division. We have, therefore, sought innovative ways to maintain mutual relationships, corporate awareness, and corporate culture. We have transferred the activities related to providing our employees with information to the virtual space. Personal meetings with company management have been replaced by video conferencing. To compensate for the lack of personal contact and person-to-person connection, we have regularly published colleagues' stories about the way they manage isolation and the "home office" mode.

In 2020, we launched an activity focused on developing talents. We consider young talented employees to be crucial for the future of our company. We identified a group of young colleagues who would become part of this specialised project. During the following year, all of them will take part in an assessment aimed at identifying and defining their strengths. On the basis of the results, we will prepare an individual development programme, which will give them room for personal growth and development of their potential. We believe that this will bring programme participants greater motivation and commitment to future assignments.

In addition to the development and education of our employees, we also have long been working with students at technical universities, whom we offer to start a professional career during study. We have found skilled programmers from Full-Stack Academy 2020. We also continued to teach the subject "Internet and Mobile Applications" at the Faculty of Economic Informatics of the University of Economics in Bratislava. For project managers, we have organised a development centre, which brought us interesting results for further work with them.

Even in this difficult year, we managed to strengthen the teams where necessary. We were able to obtain several key positions in the ČEZ and RIS projects. It is our pleasure to work with ambitious young people who are interested in taking on new knowledge with the help of more experienced colleagues, e.g., in the PosAm machi-

ne learning and data analysis technological laboratory. Despite the success in filling some positions, we still feel a deficit of capable young people ready for new job challenges.

Despite the hardships of 2020, we did not leave our commitment to continuous improvement. We have very carefully selected and planned internal audits and topics that resonate in our company and that have a direct impact on the quality and efficiency of work and our competitiveness. During the year, we gradually implemented the tasks resulting from the 2019 "big" recertification audit. A subsequent regular audit carried out by DNV in October 2020 confirmed not only the fulfilment of the tasks resulting from the big audit but also the continuing trend of reducing new findings. Our company achieved excellent results, and the measures to cope with the first wave of the Covid-19 pandemic were also assessed as excellent.

During the year, we brought a series of improvements to the directors of divisions that made their work more efficient (applications: Tasks, Evaluation of the effectiveness of measures from internal audits). We participated in the development of a division work assessment system – a pilot solution called Ranking of the Information Systems Operation Division Services – which we want to extend to other departments, especially the Software Development Division. We will continue with the set trend of continuous improvement and we are pleased that more and more people are getting involved and give us feedback not only on the proposals but also on the implementation of the individual measures.

„Despite the success in filling some positions, we still feel a deficit of capable young people ready for new job challenges.“

From a personal point of view, we feel a shift in the quality of our employees, and we are entering the next year with a good and strong team. We believe that circumstances will allow us to fulfil our objectives and we will soon return to a work routine based on personal contacts.

We support education and knowledge transfer

At PosAm, we are convinced that our activities should not only provide business outcomes, but they need to have a broader social dimension. If our society as a whole is to advance, the most talented must take the lead. PosAm supports the development of talents and the sharing of experience and knowledge in the field of natural sciences. And we do so at all levels of education, 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

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

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-scalable 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

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.

PosAm working time fund for education

PosAm invests many resources in the development of its internal employees. The forms vary according to individual preferences. For example, each employee of PosAm implementation divisions has a working time fund available – approximately 100 hours – which they can devote to their own education during the year. Someone prefers online resources, while others prefer professional conferences. We try to align the needs of the company with the interests of the employee. We organise meetings of internal professional communities on a weekly basis, which serve as a platform for the exchange of experience and knowledge between colleagues from different projects. Once a year, the company arranges PADS (PosAm Application Development Symposium), an internal professional conference that provides colleagues with news from conferences they attended and knowledge from the deployment of new technologies in projects.





The Dionýz Ilkovič Award 2020

For the fourth time, the Dionýz Ilkovič Foundation has awarded a prestigious award – the Dionyz Ilkovič Award – to teachers who develop talented children through extracurricular activities in the field of natural sciences. This year, the foundation also announced the winner of a special category for online education. Branislav Gröhling, the Minister of Education, Science, Research and Sport of the Slovak Republic, took over the patronage of the fourth year of the award. The award ceremony took place on 2 December 2020 in the online environment. During the online dinner, the Foundation announced the establishment of a transparent account to help teachers and students who need to co-finance their extracurricular projects in the field of natural sciences. Our company has deposited a starting amount of € 10,000 to this account!

Awards for on-line education

Mgr. Jozef Zvolenský

Primary School at Skýcov

„I am always trying to give a bit of fun into my videos. Mathematics is a challenging and unpopular subject for most children but humour makes it more manageable for them.“



The winner

RNDr. Marcel Tkáč

Catholic Joint School
of Saint Nicholas in Prešov

„Teaching is my mission. After turning forty, I realised that it wouldn't even have to be chemistry but any other subject. Just so I can teach.“

Finalist

RNDr. Mária Spišáková, PhD.

Grammar School of Pavol Horov
in Michalovce

„No student should be underestimated; anyone can learn programming. It's a really great feeling when you see how excited they are and they practice it themselves at home.“

Finalist

Mgr. Anton Belan, PhD.

School for Highly Gifted Children and the
Secondary Grammar School in Bratislava

„When I started to teach at this school, I naively thought that I would always explain the basics of the subject to the students and they would try it out for the rest of the lesson. And during that time, I would help them to solve any problems or explain questions. In the end, however, they had a million questions that I didn't even have time to answer, so I wrote it all down.“

Organizational structure

Sales Division	Product management division	Project management division	Consulting division	Software Development division
Sales Groups	Marketing & PR			Software Analysis
Public administration	ParkDots			Graphic Design & UX
Industry & Telco	Fleet			Development
Banking & insurance	Bike Sharing			Test and Deployment
Allianz				Development Teams
Servio				
Presales				
Machine Learning and Data Analysis Lab				



System integration division	Division of IS operations	Managed Services division	Finance division	Human Resources and IMS
	Infrastructure Operations	Service Management	Controlling	Human Resources
	Operations Teams	Service desk	Accounting, Tax & Treasury	Reception and Assistants
		Sales and Procurement	Internal Information Systems	Integrated Management System
		On-site Support		

Number of employees

total year end: **352***
year 2020 average: **340***

Structure of education in %

secondary school: **35**
bachelors: **8**
university: **56**
postgraduate: **1**

Ratio between men and women in %

men: **79**
women: **21**

Basic structure of employees in %

SW development and services: **66**
Sales & marketing: **19**
Admin & management: **15**

Structure of employees by age in %

30 years and younger: **20**
31-35 years: **19**
36-40 years: **14**
41-45 years: **15**
46-50 years: **18**
50 years and older: **24**

Location overview in %

Bratislava: **63**
Banská Bystrica: **7**
Košice: **11**
Žilina: **9**
Levice: **7**
Zvolen: **1**
Czech Republic: **2**

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

Company facts

Name: PosAm, spol. s r. o.

Foundation date: 22. 8. 1990

Company ID: 313 650 78

Tax ID: 2020315440

VAT ID: SK 2020315440

Registered seat: Bajkalská 28, 821 09 Bratislava
Registered at the commercial register of the district court Bratislava I, section: Sro, insert: 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. Marián Marek
Ing. Dušan Švalek
Bc. Tomáš Ryšavý

Proxy

Ing. Ronald Fleischman
Ing. Miroslav Bielčík

Registered capital

170 000 EUR

PosAm, spol. s r.o.

The company PosAm s.r.o. (corp. reg. no. 00683 272) was incorporated on 22.8.1990. On the basis of a decision of its general meeting (21.12.1993) the company on 3.1.1994 was split 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. (corp. reg. no. 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 at 3.1.1994 was deleted from the commercial register. In 2002 the company PosAm Bratislava spol. s r.o. changed its trade name to PosAm spol. s r.o.



Integrated Management System

ISO 9001:2015

Quality Management

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

ISO/IEC 20000-1:2018

IT Service management (ITIL®)

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 Management

IT related sales, services 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 Management

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

ISO 14001:2015

Environmental Management

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

Partnerships

Citrix Solution Advisor Silver

Dell Authorized Service Partner

ESET Gold 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, Cloud Solution Partner Gold

Namirial Spa Value Added Reseller / Distributor

Oracle Gold Partner

RedHat Ready Partner

VMware Solution Provider – Professional

F5 Unity Program Partner (VAR)

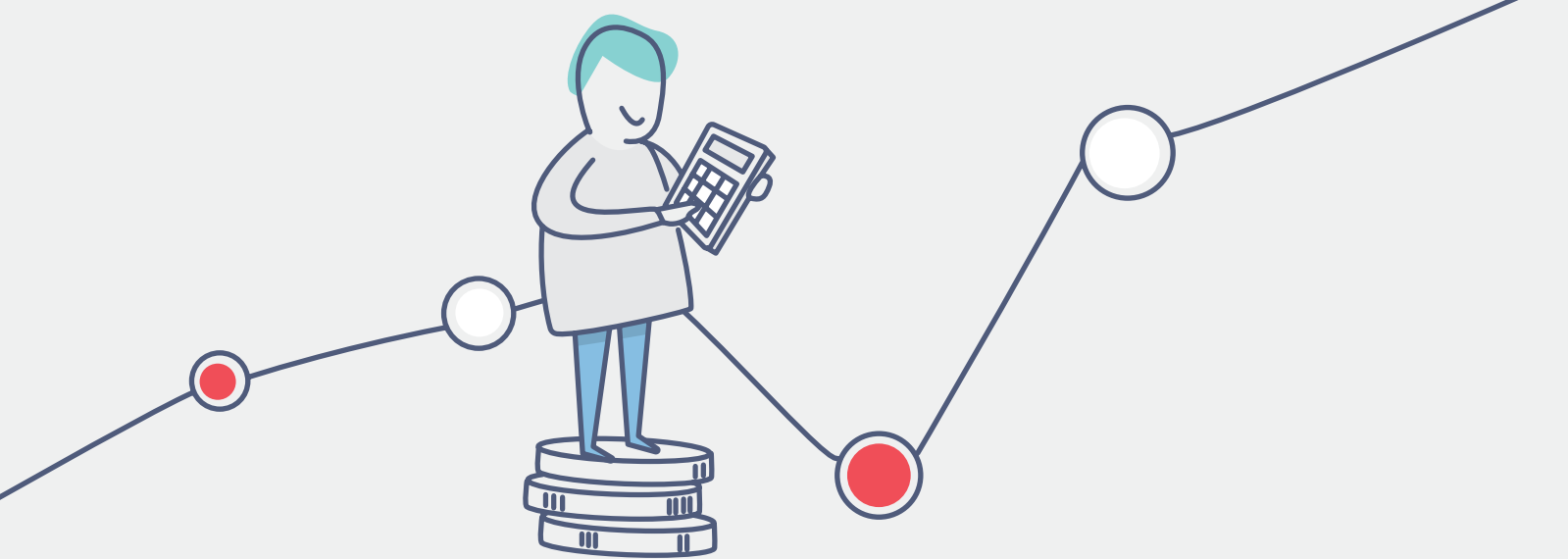
Fortinet Select Partner

Kyocera Authorized Service Partner



Desko Value Added Reseller

Acuant Value Added Reseller

**Financial statements
of the company PosAm, spol. s r. o.
and independent auditor's
report for the year ended
31st december 2020**



FINANCIAL STATEMENTS at 31.12.2020 (in whole euros)

Numerical data is aligned right, other data is aligned left. Unfilled rows are left empty. Data is filled out using block letters (based on this sample), typewriter or a printer, in black or dark blue colour ÁBĀČDEFGHĪJĶLMNOPQRŠTŮVXÝŽ 0123456789		
Tax Identification Number 2020315440 Company's ID No 31365078 SK NACE 62.01.0	Financial statements – Accounting unit <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)	For the period of Month Year from 01 2020 to 12 2020 Immediately preceding period from 01 2019 to 12 2019
Financial Statements include following components <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)		
Business name (Title) of the accounting entity POSAM, SPOL. S R.O.		
Accounting entity's registered office		
Street BAJKALSKÁ Postal Code 821 09 Phone Number 02 / 49239111	Number 28 Municipality BRATISLAVA	
Prepared On: 17.03.2021	Signature of a member of the statutory body of the accounting entity or natural person that is an accounting entity:  	
Approved on: 08.04.2021		

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	31,464,799	7,965,699	23,499,100	24,265,551
A.	Non-current assets (line 03 + line 11 + line 21)	02	17,707,075	7,932,751	9,774,324	9,201,392
A.I.	Non-current intangible assets - total (lines 04 to 10)	03	6,223,283	3,399,401	2,823,882	2,649,555
A.I.1	Capitalized development costs (012) - /072, 091A/	04				
2	Software (013)-/073, 091A/	05	5,605,834	3,322,153	2,283,681	2,174,855
3	Valuable rights (014)-/074, 091A/	06	96,280	77,248	19,032	16,163
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	521,169		521,169	458,537
7	Advance payments for non-current intangible assets (051) - /095A/	10				
A.II.	Property, plant and equipment - total (lines 12 to 20)	11	6,956,506	4,533,350	2,423,156	2,024,551
A.II.1	Land (031) - /092A/	12				
2	Buildings and structures (021) - /081, 092A/	13	273,351	119,093	154,258	178,900
3	Individual movable assets and sets of movable assets (022) - /082, 092A/	14	6,483,261	4,414,257	2,069,004	1,588,123
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	199,894		199,894	257,528
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	12,962,408	32,948	12,929,460	14,376,686
B.I.	Inventories - total (lines 35 to 40)	34	130,801	21,883	108,918	45,264
B.I.1	Material (112, 119, 11X) - /191, 19X/	35	158		158	97
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	80,622	21,883	58,739	45,167
6	Advance payments for inventories (314A) - /391A/	40	50,021		50,021	
B.II.	Non-current receivables - total (line 42 + lines 46 to 52)	41	282,032		282,032	279,395
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	270,028		270,028	267,391
B.III.	Current receivables - total (line 54 + lines 58 to 65)	53	7,082,213	11,065	7,071,148	7,407,875
B.III.1	Trade receivables - total (lines 55 to 57)	54	4,700,429	11,065	4,689,364	5,446,783
1.a	Trade receivables from affiliated undertakings (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	55	1,041,459		1,041,459	1,734,098
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	3,658,970	11,065	3,647,905	3,712,685
2	Net value of a contract (316A)	58	2,041,578		2,041,578	1,552,169
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	311,550		311,550	391,192
8	Receivables related to derivative transactions (373A, 376A)	64				
9	Other receivables (335A, 33XA, 371A, 374A, 375A, 378A) - /391A/	65	28,656		28,656	17,731
B.IV.	Current financial assets - total (lines 67 to 70)	66				
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.V.	Financial accounts (line 72 + line 73)	71	5,467,362		5,467,362	6,644,152
B.V.1	Cash (211, 213, 21X)	72	1,224		1,224	8,255
2	Bank accounts (221A, 22X, +/- 261)	73	5,466,138		5,466,138	6,635,897
C.	Accruals/deferrals - total (lines 75 to 78)	74	795,316		795,316	687,473
C.1	Deferred expenses - long-term (381A, 382A)	75	94,647		94,647	90,953
2	Deferred expenses - short-term (381A, 382A)	76	700,669		700,669	596,520
3	Accrued income - long-term (385A)	77				
4	Accrued income - short-term (385A)	78				

Balance Sheet

Line	LIABILITIES AND EQUITY	line	Current accounting period	Previous accounting period
			EUR	EUR
	TOTAL EQUITY AND LIABILITIES (line 80 + line 101 + line 141)	79	23,499,100	24,265,551
A.	Equity (line 81 + line 85 + line 86 + line 87 + line 90 + line 93 + line 97 + line 100)	80	15,412,575	15,443,811
A.I.	Share capital - total (lines 82 to 84)	81	170,000	170,000
A.I.1	Share capital (411 or +/- 491)	82	170,000	170,000
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	17,000	17,000
A.IV.1	Legal reserve fund and non-distributable reserve (417A, 418, 421A, 422)	88	17,000	17,000
2	Reserve for own shares and ownership interests (417A, 421A)	89		
A.V.	Other profit reserves (line 91 + line 92)	90		
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	13,879,998	12,503,185
A.VII.1	Retained earnings (428)	98	13,879,998	12,503,185
2	Loss carried forward (/-/429)	99		
A.VIII.	Profit/(loss) for the accounting period after taxes +/- line 01 - (line 81 + line 85 + line 86 + line 87 + line 90 + line 93 + line 97 + line 101 + line 141)	100	1,345,577	2,753,626
B.	Liabilities (line 102 + line 118 + line 121 + line 122 + line 136 + line 139 + line 140)	101	7,346,606	8,176,978
B.I.	Non-current liabilities - total (line 103 + lines 107 to 117)	102	44,769	41,262
B.I.1	Non-current trade liabilities - total (lines 104 to 106)	103	10,897	10,897
1.a	Trade liabilities to affiliated undertakings (321A, 475A, 476A)	104		
1.b	Trade liabilities to undertakings in which the company has a participating interest, except for liabilities to affiliated undertakings (321A, 475A, 476A)	105		
1.c	Other trade liabilities (321A, 475A, 476A)	106	10,897	10,897
2	Net value of a contract (316A)	107		
3	Other liabilities to affiliated undertakings (471A, 47XA)	108		
4	Other liabilities to undertakings in which the company has a participating interest, except for liabilities to affiliated undertakings (471A, 47XA)	109		
5	Other non-current liabilities(479A, 47XA)	110		
6	Long-term advance payments received (475A)	111		
7	Long-term bills of exchange to be paid (478A)	112		
8	Bonds issued (473A/-/255A)	113		
9	Liabilities related to the social fund (472)	114	33,872	30,365
10	Other non-current liabilities (336A, 372A, 474A, 47XA)	115		
11	Non-current liabilities from derivative transactions (373A, 377A)	116		
12	Deferred tax liability (481A)	117		
B.II.	Long-term provisions (line 119 + line 120)	118	33,287	55,524
B.II.1	Legal provisions (451A)	119		
2	Other provisions (459A, 45XA)	120	33,287	55,524
B.III.	Long-term bank loans (461A, 46XA)	121		
B.IV.	Current liabilities - total (line 123 + lines 127 to 135)	122	6,276,679	6,608,261
B.IV.1	Trade liabilities - total (lines 124 to 126)	123	4,378,925	4,566,928
1.a	Trade liabilities to affiliated undertakings (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	124	80,479	110,947

Balance Sheet

Line	LIABILITIES AND EQUITY	line	Current accounting period	Previous accounting period
			EUR	EUR
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	4,298,446	4,455,981
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
6	Liabilities to employees (331, 333, 33X, 479A)	131	652,198	691,901
7	Liabilities from social insurance (336A)	132	510,338	453,195
8	Tax liabilities and subsidies (341, 342, 343, 345, 346, 347, 34X)	133	734,832	645,811
9	Liabilities from derivative transactions (373A, 377A)	134		
10	Other liabilities (372A, 379A, 474A, 475A, 479A, 47XA)	135	386	426
B.V.	Short-term provisions (line 137 + line 138)	136	986,412	1,463,212
B.V.1	Legal provisions (323A, 451A)	137	213,923	200,678
2	Other provisions (323A, 32X, 459A, 45XA)	138	772,489	1,262,534
B.VI.	Current bank loans (221A, 231, 232, 23X, 461A, 46XA)	139	5,459	8,719
B.VII.	"Short-term financial assistance (241, 249, 24X, 473A/-/255A)"	140		
C.	Accruals/deferrals - total (lines 142 to 145)	141	739,919	644,762
C.1	Accrued expenses - long-term (383A)	142		
2	Accrued expenses - short-term (383A)	143		
3	Deferred income - long-term (384A)	144	128,100	146,316
4	Deferred income - short-term (384A)	145	611,819	498,446

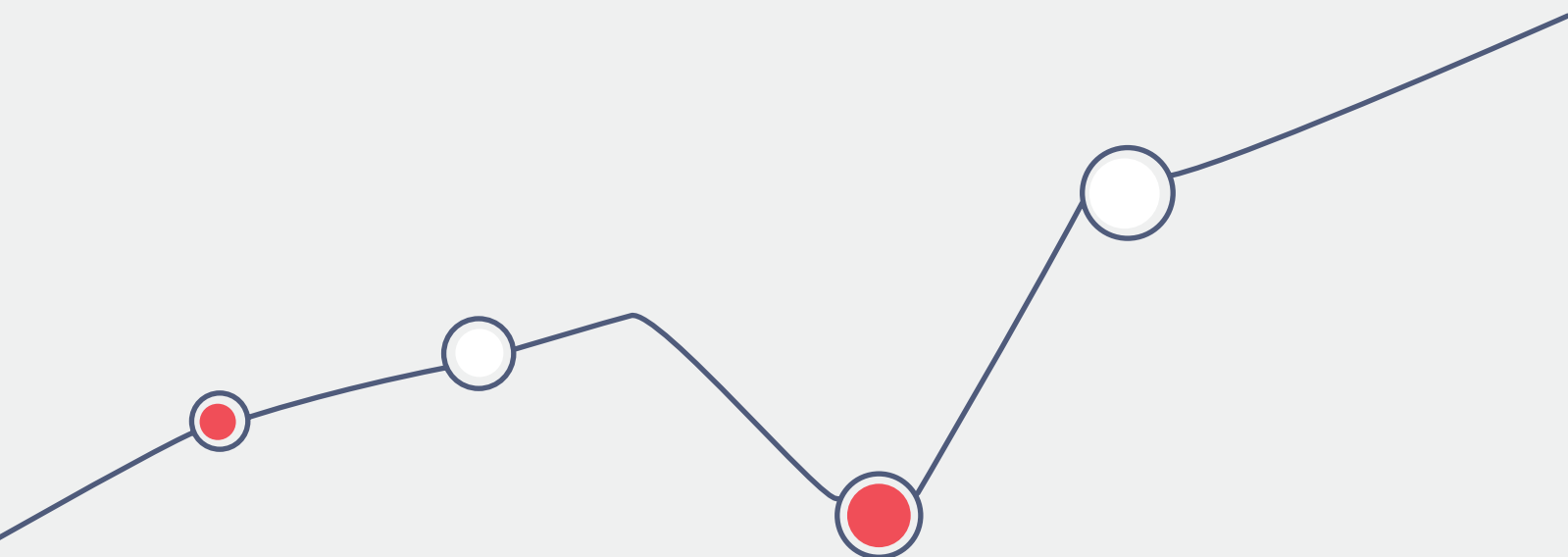
Income statement

Line	TEXT	Line	Current period	Previous period
			EUR	EUR
*	Net turnover (part of account class 6 according to the Act)	01	29,879,928	30,120,083
**	Operating income - total (lines 03 to 09)	02	30,680,946	30,966,136
I	Revenue from the sale of goods (604, 607)	03	5,802,257	3,193,051
II	Revenue from the sale of own products (601)	04		
III	Revenue from the sale of services (602, 606)	05	23,909,956	26,747,999
IV	Changes in internal inventories (+/-) (account group 61)	06		
V	Own work capitalized (account group 62)	07	767,649	814,669
VI	Revenue from the sale of non-current intangible assets, property, plant and equipment, and material (641, 642)	08	24,714	31,384
VII	Other operating income(644, 645, 646, 648, 655, 657)	09	176,370	179,033
**	Operating expenses - total (line 11 + line 12 + line 13 + line 14 + line 15 + line 20 + line 21 + line 24 + line 25 + line 26)	10	30,499,970	29,030,509
A	Cost of goods sold (504, 507)	11	4,635,282	2,651,832
B	Consumption of materials, energy, and other non-storable supplies (501, 502, 503)	12	696,707	925,889
C	Valuation allowances for inventories (+/-) (505)	13	629	7,534
D	Services (account group 51)	14	10,770,695	11,766,152
E	Personnel expenses - total (lines 16 to 19)	15	12,434,327	11,994,746
E.1	Wages and salaries (521, 522)	16	9,017,136	8,757,403
2	Remuneration of members of the company's bodies or members of a cooperative (523)	17		
3	Social security expenses (524, 525, 526)	18	3,147,829	3,014,011
4	Social expenses (527, 528)	19	269,362	223,332
F	Taxes and fees (account group 53)	20	20,862	22,937
G	Amortization and valuation allowances for non-current intangible assets, and depreciation and valuation allowances for property, plant and equipment (line 22 + line 23)	21	1,298,157	1,339,726
G.1	Amortization of non-current intangible assets and depreciation of property, plant and equipment (551)	22	1,298,157	1,339,726
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	5,028	16,251
I	Valuation allowances for receivables (+/-) (547)	25	-1,878	840
J	"Other operating expenses (543, 544, 545, 546, 548, 549, 555, 557)"	26	640,161	304,602
***	Profit/(loss) from operations (+/-) (line 02 - line 10)	27	180,976	1,935,627
*	Added value (line 03 + line 04 + line 05 + line 06 + line 07) - (line 11 + line 12 + line 13 + line 14)	28	14,376,549	15,404,312
**	Income from financing activities - total (line 30 + line 31 + line 35 + line 39 + line 42 + line 43 + line 44)	29	1,182,096	1,092,745
VIII	Revenue from the sale of securities and shares (661)	30		
IX	"Income from non-current financial assets (lines 32 to 34)"	31	1,172,351	1,090,915
IX.1	Yields on securities and ownership interests in affiliated undertakings (665A)	32	1,172,351	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		
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		
XI.	Interest income (line 40 + line 41)	39		100
XI.1	Interest income from affiliated undertakings (662A)	40		
2	Other interest income (662A)	41		100
XII.	Foreign exchange gains (663)	42	9,745	1,730
XIII.	Gains on the revaluation of securities and income from derivative transactions (664, 667)	43		
XIV.	Other income from financing activities (668)	44		

Income statement

Line	TEXT	Line	Current period	Previous period
			EUR	EUR
**	Expenses for financing activities - total (line 46 + line 47 + line 48 + line 49 + line 52 + line 53 + line 54)	45	20,132	10,410
K	Securities and shares sold (561)	46		
L	Expenses for current financial assets (566)	47		
M	Valuation allowances for financial assets (+/-) (565)	48		
N	Interest expense (line 50 + line 51)	49		
N.1	Interest expense for affiliated undertakings (562A)	50		
2	Other interest expense (562A)	51		
O	Foreign exchange losses (563)	52	11,302	2,952
P	Expenses for the revaluation of securities and expenses for derivative transactions (564, 567)	53		
Q	Other expenses for financing activities (568, 569)	54	8,830	7,458
***	"Profit/(loss) from financing activities (+/-) (line 29 - line 45)"	55	1,161,964	1,082,335
****	Profit/(loss) for the accounting period before taxes (+/-) (line 27 + line 55)	56	1,342,940	3,017,962
R	Income tax (line 58 + line 59)	57	-2,637	264,336
R.1	Income tax - current (591, 595)	58		278,453
2	Income tax - deferred (+/-) (592)	59	-2,637	-14,117
S	Transfer of the share in the net profit/(loss) to shareholders (+/-596)	60		
****	Profit/(loss) for the accounting period after taxes (+/-) (line 56 - line 57 - line 60)	61	1,345,577	2,753,626

Notes to the financial statements at 31st December 2020



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 2020 the Company had 266 of active employees (as at 31 December 2019: 262) out of which 43 were management (2019: 47).

Item	31 December 2020	31 December 2019
Average number of staff	261	262
Number of staff at balance sheet date of which:	266	262
Management	43	47

5. Legal reason for preparing the financial statements

The Company's financial statements at 31 December 2020 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 2020 to 31 December 2020.

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 8 July 2020.

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 2020.

8. The Company's bodies

	31.12.2020	31.12.2019
Executives:	Ing. Marián Marek (from 09 February 2010)	Ing. Marián Marek (from 09 February 2010)
	Ing. Dušan Švalek (from 23 May 2020)	Ing. Miroslav Majoroš (until 22 May 2020)
	Bc. Tomáš Ryšavý (from 23 May 2020)	Ing. Peter Škodný (until 22 May 2020)
Proxy:	Ing. Miroslav Bielčík (from 09 February 2010)	Ing. Miroslav Bielčík (from 09 February 2010)
	Ing. Ronald Fleischman (from 24 July 2020)	Ing. Milan Drobny (until 23 July 2020)

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

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, Žilina	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

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.

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 EUR 1,000 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 EUR 1,000 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.

s) Comparatives

Some comparatives for the prior period in the current-year financial statements were changed in order to ensure better comparability with data presented for the current period. The changes in the presentation of the comparatives did not affect the total amount of assets, equity or the result of operations of the previous period.

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 2020	-	4,905,924	86,712	-	-	458,537	-	5,451,173
Additions	-	-	-	-	-	778,110	-	778,110
Disposals	-	-	(6,000)	-	-	-	-	(6,000)
Transfers	-	699,910	15,568	-	-	(715,478)	-	-
31 December 2020	-	5,605,834	96,280	-	-	521,169	-	6,223,283
Accumulated depreciation								
1 January 2020	-	2,731,069	70,549	-	-	-	-	2,801,618
Additions	-	591,084	12,699	-	-	-	-	603,783
Disposals	-	-	(6,000)	-	-	-	-	(6,000)
Transfers	-	-	-	-	-	-	-	-
31 December 2020	-	3,322,153	77,248	-	-	-	-	3,399,401
Valuation allowances								
1 January 2020	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
31 December 2020	-	-	-	-	-	-	-	-
Net book value								
1 January 2020	-	2,174,855	16,163	-	-	458,537	-	2,649,555
31 December 2020	-	2,283,681	19,032	-	-	521,169	-	2,823,882

The Company internally developed software and activated related costs of EUR 762,542 in 2020 (in 2019: EUR 814,669), out of which EUR 699,910 has been put in use in 2020 (in 2019: EUR 447,536). 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 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

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 2020	-	272,013	5,731,934	-	-	-	257,528	-	6,261,475
Additions	-	-	-	-	-	-	1,193,764	-	1,193,764
Disposals	-	-	(403,066)	-	-	-	(95,667)	-	(498,733)
Transfers	-	1,338	1,154,393	-	-	-	(1,155,731)	-	-
31 December 2020	-	273,351	6,483,261	-	-	-	199,894	-	6,956,506
Accumulated depreciation									
1 January 2020	-	93,113	4,143,811	-	-	-	-	-	4,236,924
Additions	-	25,980	673,511	-	-	-	-	-	699,491
Disposals	-	-	(403,065)	-	-	-	-	-	(403,065)
Transfers	-	-	-	-	-	-	-	-	-
31 December 2020	-	119,093	4,414,257	-	-	-	-	-	4,533,350
Valuation allowances									
1 January 2020	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
31 December 2020	-	-	-	-	-	-	-	-	-
Net book value									
1 January 2020	-	178,900	1,588,123	-	-	-	257,528	-	2,024,551
31 December 2020	-	154,258	2,069,004	-	-	-	199,894	-	2,423,156

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 (2019: 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 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	-	-	-	-	-	665,111
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

3. Non-current financial assets

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

[illegible]

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. 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

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 2020, 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 reserves	Amount of contributions to Capital funds from contributions	Carrying amount of the non-current financial assets
Controlling influence							
Commander Services, s.r.o., Bratislava	100%	100%	2,760,682	1,155,182	1,600,000		4,527,286
Total							4,527,286

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 2020	Set-up of VA	Release of VA due to extinction of title	Release of VA due to derecognition of assets	31 December 2020
Merchandise	44,835	10,062	(9,433)	(23,581)	21,883
Total inventories	44,835	10,062	(9,433)	(23,581)	21,883

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 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
Total inventories	56,774	12,087	(4,554)	(19,472)	44,835

5. Construction contracts

In 2020 revenues from construction contracts amounted to EUR 11,056,683 (2019: EUR 11,278,059).

Item	2020	2019
Contractual revenues	11,056,683	11,278,059
Costs of construction contract	10,167,874	6,472,486
Gross profit / loss	888,809	4,805,573

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

Item	2020	2019	Cumulative amount from beginning of construction contract until 31 December 2020	Cumulative amount from beginning of construction contract until 31 December 2019
Revenues from construction contract	1,340,685	1,552,169	2,626,598	1,552,169
Costs of construction contract	4,354,773	1,188,983	5,409,706	1,188,983
Gross profit / loss	(3,014,088)	363,186	(2,783,109)	363,186

Amount of construction contract	31 December 2020	Cumulative amount from beginning of construction contract until 31 December 2020	31 December 2019	Cumulative amount from beginning of construction contract until 31 December 2019
Amounts invoiced for work performed on the construction contract	-	-	-	-
Adjustments of invoiced amounts according to percentage of completion or using the zero profit method	2,041,578	2,041,578	1,552,169	1,552,169
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. The expected loss from construction contract was recorded as other operating expenses.

6. Receivables

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

Receivables	1 January 2020	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 2020
Current trade receivables, of which:	18,734	5,474	(7,352)	(5,791)	11,065
Other trade receivables	18,734	5,474	(7,352)	(5,791)	11,065
Other current receivables	-	-	-	-	-
Current receivables total	18,734	5,474	(7,352)	(5,791)	11,065

Prior period information is presented 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

In 2020 the Company set-up an allowance for overdue receivables of EUR 5,474 (2019: EUR 12,239).

In 2020 the Company has released allowances set-up in previous years which were no longer required in the amount of EUR 7,352 (2019: EUR 11,399).

Allowances of EUR 5,791 has been written-off in 2020 due to disposal of overdue receivables (2019: EUR 32,161).

Long-term receivables of the Company are within the due period. The ageing structure of receivables of the Company at 31 December 2020 is presented in the following table:

Item	Within due period	Overdue	Total receivables
Current trade receivables, of which:	4,202,091	487,273	4,689,364
Trade receivables from affiliated undertakings	933,803	107,656	1,041,459
Other trade receivables	3,268,288	379,617	3,647,905
Other current receivables, of which:	2,381,784	-	2,381,784
Net value of a contract	2,041,578	-	2,041,578
Tax assets and subsidies	311,550	-	311,550
Other receivables	28,656	-	28,656
Current receivables total	6,583,875	487,273	7,071,148

Prior period information is presented in the following table:

Item	Within due period	Overdue	Total receivables
Current trade receivables, of which:	5,279,114	167,669	5,446,783
Trade receivables from affiliated undertakings	1,675,783	58,315	1,734,098
Other trade receivables	3,603,331	109,354	3,712,685
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	170,109	7,407,875

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 2020	31 December 2019
Prepaid expenses - long-term of which:	94,647	90,953
Hardware support	74,732	75,720
Software support	19,089	14,525
Other	826	708
Prepaid expenses - short-term of which:	700,669	596,520
Hardware support	71,103	137,632
Software support	558,802	408,711
Other	70,764	50,177
Accrued income - long-term:	-	-
Accrued income - short-term:	-	-
Total	795,316	687,473

The balance of prepaid expenses in the year 2020 has increased compared to 2019 by EUR 107,843, 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 2019	Recognised in equity	Recorded as expense of income	31 December 2020
Non-current assets	(197,146)	-	25,335	(171,811)
Valuation allowance to inventories	44,835	-	(22,952)	21,883
Valuation allowance to receivables	4,221	-	(3,684)	537
Provisions	1,318,059	-	72,738	1,390,797
Other	103,322	-	(58,880)	44,442
Total	1,273,291	-	12,557	1,285,848
Tax rate (in %)	21	21	21	21
Deferred tax asset calculated	267,391	-	2,637	270,028
Deferred tax asset recognized	267,391	-	2,637	270,028
Deferred tax liability	-	-	-	-

E. EQUITY AND LIABILITIES

1. Equity

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

Item	1 January 2020	Additions	Disposals	Transfers	31 December 2020
Share capital	170,000	-	-	-	170,000
Legal reserve fund and non-distributable reserve	17,000	-	-	-	17,000
Retained earnings	12,503,185	-	-	1,376,813	13,879,998
Profit/loss for current accounting period	2,753,626	1,345,577	(1,376,813)	(1,376,813)	1,345,577
Total equity	15,443,811	1,345,577	(1,376,813)	-	15,412,575

Prior period information is presented in the following table:

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
Total equity	13,344,989	2,753,626	(654,804)	-	15,443,811

The 2019 accounting profit of EUR 2,753,626 was distributed as follows:

Item	2019
Transfer to retained earnings	1,376,813
Profit distribution to shareholders/members	1,376,813
Total	2,753,626

The statutory body will propose to distribute the 2020 profit together with the approval of these financial statements.

2. Provisions

An overview of changes in provisions for 2020 is shown in the following table:

Item	1 January 2020	Set-up	Use	Release	31 December 2020
Long-term provisions of which:	55,524	-	(22,237)	-	33,287
Legal long-term provisions	-	-	-	-	-
Other long-term provisions of which:	55,524	-	(22,237)	-	33,287
Provision for warranty repairs and guarantee	55,524	-	(22,237)	-	33,287
Short-term provisions of which:	1,463,212	986,412	(1,424,899)	(38,313)	986,412
Legal short-term provisions of which:	200,678	213,923	(200,678)	-	213,923
Holiday provision	200,678	213,923	(200,678)	-	213,923
Other short-term provisions of which:	1,262,534	772,489	(1,224,221)	(38,313)	772,489
Provision for warranty repairs and guarantee	162,758	41,587	(159,254)	(3,504)	41,587
Provision for bonuses	935,187	689,401	(901,988)	(33,199)	689,401
Provision for the annual report and audit	26,407	26,941	(24,797)	(1,610)	26,941
Provision for contractual obligations	121,995	-	(121,995)	-	-
Provision for the unbilled supplies	16,187	14,560	(16,187)	-	14,560
Total provisions	1,518,736	986,412	(1,447,136)	(38,313)	1,019,699

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 2020.

Provision for bonuses reflects the Company's commitment to its employees in connection with the bonuses recognized for year 2020.

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 2019	Set-up	Use	Release	31 December 2019
Long-term provisions of which:	53,944	22,374	(20,974)	-	55,524
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
Short-term provisions of which:	1,390,363	1,463,212	(1,246,400)	(143,963)	1,463,212
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
Total provisions	1,444,307	1,485,586	(1,267,194)	(143,963)	1,518,736

3. Liabilities

Structure of liabilities by remaining time to maturity at 31 December 2020 is shown in the following table:

Item	Liabilities				Total liabilities
	More than five years	From one to five years	Due within one year	Overdue liabilities	
Non-current trade liabilities, of which:	-	10,897	-	-	10,897
Other trade liabilities	-	10,897	-	-	10,897
Other non-current liabilities, of which:	-	33,872	-	-	33,872
Social fund payables	-	33,872	-	-	33,872
Non-current liabilities - total	-	44,769	-	-	44,769
Current trade liabilities of which:	-	-	3,961,516	417,409	4,378,925
Trade liabilities to affiliated undertakings	-	-	80,479	-	80,479
Other trade liabilities	-	-	3,881,037	417,409	4,298,446
Other current liabilities of which:	-	-	1,897,754	-	1,897,754
Liabilities to partners and the association	-	-	-	-	-
Liabilities to employees	-	-	652,198	-	652,198
Liabilities from social insurance	-	-	510,338	-	510,338
Tax liabilities and subsidies	-	-	734,832	-	734,832
Other liabilities	-	-	386	-	386
Current liabilities - total	-	-	5,859,270	417,409	6,276,679

Prior period information is presented in the following table:

Item	Liabilities				Total liabilities
	More than five years	From one to five years	Due within one year	Overdue liabilities	
Non-current trade liabilities, of which:	-	10,897	-	-	10,897
Other trade liabilities	-	10,897	-	-	10,897
Other non-current liabilities, of which:	-	30,365	-	-	30,365
Social fund payables	-	30,365	-	-	30,365
Non-current liabilities - total	-	41,262	-	-	41,262
Current trade liabilities of which:	-	-	3,798,733	768,195	4,566,928
Trade liabilities to affiliated undertakings	-	-	55,993	54,954	110,947
Other trade liabilities	-	-	3,742,740	713,241	4,455,981
Other current liabilities of which:	-	-	2,041,333	-	2,041,333
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
Current liabilities - total	-	-	5,840,066	768,195	6,608,261

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..

4. Social fund

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

Item	2020	2019
Opening balance	30,365	21,915
Contributions charged to costs	49,191	46,902
Contributions from profit	-	-
Other set-up	-	-
Total social fund set-up	49,191	46,902
Use	(45,684)	(38,452)
Closing balance	33,872	30,365

5. Accrued expenses and deferred income

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

Item	31 December 2020	31 December 2019
Long-term accrued expenses:	-	-
Short-term accrued expenses:	-	-
Long-term deferred income of which:	128,100	146,316
Hardware support	75,360	70,334
Software support	52,740	39,514
Other	-	36,468
Short-term deferred income of which:	611,819	498,446
Hardware support	101,426	185,217
Software support	467,784	235,686
Other	42,609	77,543
Total	739,919	644,762

The balance of deferred income in the year 2020 has increased compared to 2019 by EUR 95,157, 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	2020	2019
Sale of own work and goods of which:	29,712,213	29,941,050
Sale of services	12,853,273	15,469,940
Sale of goods	5,802,257	3,193,051
Revenues from construction contracts	11,056,683	11,278,059
Other income relating to ordinary activities	167,715	179,033
Total net turnover	29,879,928	30,120,083

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	
	2020	2019	2020	2019	2020	2019
Slovak republic	11,834,906	14,321,860	3,498,744	1,660,784	10,513,577	10,936,126
Czech republic	434,399	552,495	2,206,531	1,397,956	543,106	341,933
Other countries	583,968	595,585	96,982	134,311	-	-
Total	12,853,273	15,469,940	5,802,257	3,193,051	11,056,683	11,278,059

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	2020	2019
Capitalisation of costs – material items of which:	767,649	814,669
Non-current intangible assets capitalised from own work	767,649	814,669
Other material items of other operating income of which:	201,084	210,417
Revenues from sale of tangible and intangible assets	24,714	31,384
Other	176,370	179,033
Financial income of which:	1,182,096	1,092,745
Foreign exchange gains of which:	9,745	1,730
Foreign exchange gains at balance sheet date	8,671	417
Other material financial income of which:	1,172,351	1,091,015
Interest rates	-	100
Yields on securities and ownership interests in affiliated undertakings – Commander	1,172,351	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	2020	2019
Costs of services received of which:	10,770,695	11,766,152
From an Auditor or audit firm of which:	34,201	35,038
Audit of the financial statements	34,201	33,438
Tax consultancy	-	1,600
Other material items of costs of services received of which:	10,736,494	11,731,114
Travel costs	37,101	163,890
Advertisement and marketing costs	107,823	574,504
Costs of legal business advice	292,769	299,696
Personnel and IT advice	290,456	255,729
Telecommunication costs	128,002	133,444
Representation costs	66,628	227,543
Resale services (subcontracted)	8,696,594	8,830,191
Rental of premises	849,774	886,376
Other	267,347	359,741
Other material items of income from operations of which:	2,659,037	2,610,245
Set-up and use/release of valuation allowance for receivables	(1,878)	840
Depreciation and allowance for non-current assets	1,298,157	1,339,726
Consumption of material energy and other non-inventory supplies	696,707	925,889
Other	666,051	343,790
Financing costs of which:	20,132	10,410
Foreign exchange losses of which:	11,302	2,952
Foreign exchange losses at balance sheet date	6,776	442
Other material items of financial expenses of which:	8,830	7,458
Interest and other financial costs	8,830	7,458

2. Personnel costs

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

Item	2020	2019
Personnel costs of which:	12,434,327	11,994,746
Salaries	9,017,136	8,757,403
Social insurance	2,218,667	2,124,149
Health insurance	929,162	889,862
Social security	269,362	223,332

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	2020			2019		
	Tax base	Tax	Tax in %	Tax base	Tax	Tax in %
Profit before taxes of which:	1,342,940			3,017,962		
Expected tax		282,017	21		633,772	21
Tax non-deductible expenses	171,649	36,047	2	322,629	67,752	2
Non-taxable income	(1,172,351)	(246,194)	-18	(1,090,915)	(229,092)	(7)
Impact of unrecognised deferred tax asset	-	-		-	-	
Tax loss carried forward	-	-		-	-	
Change in tax rate	-	-		-	-	
Other	(354,794)	(74,507)	-5	(990,933)	(208,096)	(7)
Total		(2,637)	-		264,336	9
Current income tax		-	-		278,453	10
Deferred income tax		(2,637)	-		(14,117)	(1)
Total income tax		(2,637)	-		264,336	9

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 2020 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 (tablets) for ZSE Energia a.s.	33,068	5
IT equipment (printers) Všeobecná úverová banka, a.s.	136,363	5
IT equipment (printers) VUB Leasing, a.s.	4,354	5
IT equipment (tablets, PC, monitors) Slovenské elektrárne, a.s.	79,937	5,6
IT equipment (printers) Tatra banka a.s.	70,763	5

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, Slovak republic
T-Systems Slovakia s.r.o.	Žriedlová 13, 040 01, Košice, Slovak republic
T-Systems Malaysia Sdn. Bhd.	2340 Century Square, Jalan Usahawan, Cyberjaya 63000 Cyberjaya, Selangor, Malaysia
T-Systems International GmbH	Hahnstrasse 43d, 605 28 Frankfurt am Main, Germany
T-Systems Nederland B.V.	Lage Biezenweg 3, 4131LV, Vianen, Netherlands
T-Systems Hungary Ltd	KONYVEC KALMAN KORÚT 36, 1097, Budapest, Hungary
Deutsche Telekom Pan-Net s.r.o.	Jarabinková 1, 82109, Bratislava, Slovak republic
Deutsche Telekom Pan-Net Romania S.R.L.	Bulevardul Dimitrie Pompei nr. 9-9A, Iride Business Park, Clădirea 20, etaj 3, Sectorul 2, 020335 Bucharest, Romania
Deutsche Telekom Pan-Net Croatia d.o.o.	Vrbani 4, 10000 Zagreb, Croatia
Deutsche Telekom Pan-Net GmbH	Rennweg 97-99, 1A-1030 Vienna, Austria
Deutsche Telekom Pan-Net Greece EPE	99 Kifissias Ave., 15124 Maroussi, 15124 Athens, Greece
Deutsche Telekom Pan-Net Hungary Korlátolt Felelősségű Társaság	Krisztina körút 55, 1013 Budapest, Hungary
Deutsche Telekom Pan-Net Poland S.z o.o	Str. Marynarska 12, 02674, Warsaw, Poland
Deutsche Telekom Services Europe Slovakia s.r.o.	Legionárska 10, 811 07, Bratislava, Slovak republic
T-Mobile Czech republic a.s.	Tomíčková 2144/1, 11 000, Praha 4, Czech republic
mTrust, s.r.o.	Odborárska 21, 831 02, Bratislava, Slovak republic
Magyar Telekom Nyrt.	Könyves Kálmán körút 36, 1097 Budapest, Hungary
VIAMO, a.s.	Odborárska 21, 831 02, Bratislava, Slovak republic
Commander Services s.r.o.	Žitná 23, 831 06, Bratislava, Slovak republic

Transactions with subsidiaries are shown in the following table:

Transaction	Related party	2020	2019
Purchase of assets	Parent company	19,539	17,369
	Subsidiary	-	-
	Other related parties	-	32,340
Sale of assets	Parent company	-	-
	Subsidiary	-	-
	Other related parties	22	25
Purchase of inventories	Parent company	28,053	52,100
	Subsidiary	-	-
	Other related parties	-	-
Sale of inventories	Parent company	964,255	718,890
	Subsidiary	1,237	-
	Other related parties	1,825,331	1,502,471
Purchase of services	Parent company	944,039	953,463
	Subsidiary	16,983	7,233
	Other related parties	166,681	90,566
Sale of services	Parent company	1,104,390	1,401,834
	Subsidiary	313,778	202,446
	Other related parties	1,045,690	1,006,711

Transaction	Related party	31 December 2020	31 December 2019
Trade liabilities	Parent company	26,343	79,044
	Subsidiary	1,790	643
	Other related parties	52,346	31,260
Trade receivables	Parent company	460,307	1,158,044
	Subsidiary	128,677	108,431
	Other related parties	452,475	467,623
Prepaid expenses	Parent company	17,226	17,600
	Subsidiary	-	-
	Other related parties	-	-
Accrued income	Parent company	120,299	87,893
	Subsidiary	6,244	267
	Other related parties	53,615	66,566
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

After 31 December 2020, by the date of preparation of the financial statements, the company entered into negotiations with the customer due to the premature termination and settlement of the unfavorable contract.

Except the above mentioned event, there were no other events that would require disclosure or recognition in the 2020 financial statements.

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	2020	2019
Net result before tax	1,342,940	3,017,962
Adjustments for non-cash transactions:		
Depreciation of non-current assets	1,298,157	1,339,726
Inventories write-off	1,407	899
Change in provision for receivables	(7,669)	(31,321)
Change in provision for inventories	(22,952)	(11,939)
Change in provisions	(499,037)	74,429
Loss / (gain) from the sale of non-current assets	(18,892)	(14,581)
Yields from long-term financial assets	(1,172,351)	(1,090,915)
Other items	90	3,649
Profit from operating activities before changes in working capital	921,693	3 287 909
Changes in working capital:		
Decrease (increase) of trade and other receivables and prepayments	223,633	1,997,558
Decrease (increase) of inventories	(42,109)	32,565
(Decrease) increase of payables and accruals	17,082	(830,077)
Operating cash flows	1,120,299	4,487,955
Cash flows from operating activities		
Operating cash flows	1,120,299	4,487,955
Interest received	-	100
Corporate income tax paid	12,920	(644,684)
Dividends paid	(1,376,813)	(654,804)
Net cash from operating activities	(243,594)	3,188,567
Cash flows from investing activities		
Purchase of non-current assets	(1,876,207)	(2,001,092)
Receipts from the sale of non-current assets	23,920	30,832
Acquisition of financial investments	(250,000)	(250,000)
Dividends received	1,172,351	1,090,915
Net cash from investing activities	(929,936)	(1,129,345)
Cash flows from financing activities		
Receipts / repayments of bank loans	(3,260)	(2,620)
Net cash from financing activities	(3,260)	(2,620)
Increase (decrease) of cash and cash equivalents	(1,176,790)	2,056,602
Cash and cash equivalents at the beginning of the accounting period	6,644,152	4,587,550
Cash and cash equivalents at the end of the accounting period	5,467,362	6,644,152

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 2020, and the Company's 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 2020;
- 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 (ISAs). 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 Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (Code of Ethics) and the ethical requirements of the Slovak Act on Statutory Audit No. 423/2015 and on amendments and supplements to Slovak Act on Accounting No. 431/2002, as amended (hereafter the "Act on Statutory audit") that are relevant to our audit of the financial statements in the Slovak Republic. We have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and the ethical requirements of Act on Statutory audit.

Reporting on other information including the Annual Report

Management is responsible for the other information. The other information comprises the Annual Report (but does not include the financial statements and our auditor's report thereon).

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 other information identified above and, in doing so, to 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.



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 financial year for which the financial statements are prepared 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 regard.

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 the 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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

17 March 2021
Bratislava, Slovak Republic

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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