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Annual Report

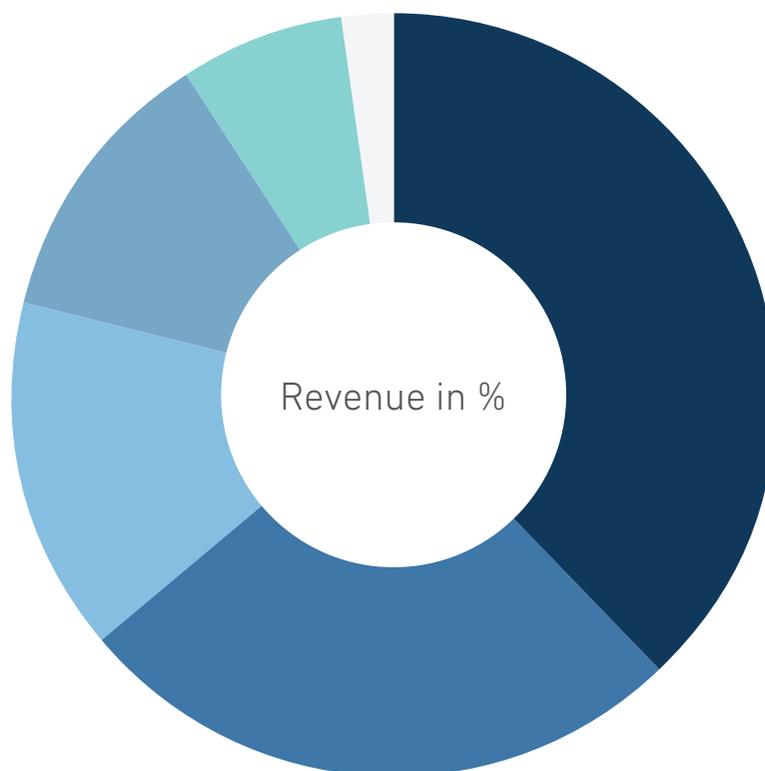
Our solutions are based on deep domain knowledge.

The secret of our success lies in our profound knowledge of our customers' businesses and our ability to deliver useful solutions and services to them. These are focused on the development, integration and management of software works, as well as on the design, implementation and management of virtualised IT infrastructures and the care of endpoint devices.

We focus on better functioning of core and supporting business processes. This enables leading companies in Slovakia and abroad to achieve their business, financial, technological and strategic goals.

2021

Quick view for 2021



38%
Public
sector

26%
Products

15%
Manufacturing
and Utility

12%
Financial
sector

7%
Telco
and Media

2%
Other

29 898*
thousand EUR
Revenue

1 632*
thousand EUR
EBITDA

19 508*
thousand EUR
Performance

23 844
thousand EUR
Revenue

49
thousand EUR
EBITDA

14 133
thousand EUR
Performance

*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.

Successful commencement to regional projects in Allianz

On 29th January, we successfully commissioned the new AMC module for the sale of Allianz insurance of motor vehicles. The Košice team led by Katka Petříková managed the time-consuming and technologically demanding implementation of the regional product, owing to which Allianz-Slovenská poisťovňa was the only one of the 8 countries participating in the project to ensure the full operation of the product sales within the required deadline.

Digitalisation in Commander services

By deploying the Servio application running on MS Azure infrastructure, the subsidiary, Commander Services, has computerised the process of installing GPS monitoring units. With the application, more than 1,000 installations and maintenance are carried out each month through electronic scheduling and assignment of work orders to the technicians in the field. This includes the ability to sign acceptance reports electronically on a mobile phone or tablet screen. Commander thus benefits from a completely paperless process.

FEDESTOR project handed over

On 31st March 2021, we successfully handed over the international FEDESTOR project, aimed at consolidating 21 storage systems from various suppliers, thus improving their efficacy and radically reducing their operating costs. The project also unified data management to cover the needs of T-Mobile CZ and Slovak Telekom and prepared them for the digital revolution and IOT. Support for the project will run until December 2023.

The biggest smart parking in the region with ParkDots

In April, we launched the dispatch of the largest smart parking project in the region in the city of Pardubice. The project consists of the delivery of more than 3,400 occupancy sensors, a camera system, 12 LED navigation panels and 5,000 electronic identifiers for drivers. The integration of data from these systems into the central system of the city was likewise a part of this project.

ParkDots brought high level of comfort to Bratislava citizens

On 1st December, the capital city of Bratislava launched a closely monitored parking policy. ParkDots app is picking up thousands of applications for parking permits for residents of the first parking zones. The process makes extensive use of five national registers for maximum user convenience in online mode.

Successful IMS audit

The periodic IMS audit took place in October. We successfully passed and defended all five ISO certificates. The DNV auditors noted a clear shift in areas of concern from previous years and recorded one of the lowest numbers of opportunities for improvement and zero non-conformances. A high level of IMS is a prerequisite for achieving the best results for the benefit of our customers.

The next phase of digitalisation in ČEZ Distribuce

In addition to the routine operation of the JS ŘOT system (the Unified Field Personnel Management System) for the MEASUREMENT in ČEZ Distribuce, we also launched a pilot operation for NETWORKS and STATIONS as of 15 November 2021. The project has thus entered the next phase, where it automates and digitises processes in key operation and service areas of the distribution system.



The strength of a team is tested in difficult times.

Here at PosAm, 2021 will go down as one of the most difficult years in our over 30-year long history. The year saw the accumulation of several serious complications. Tackling any one of them individually would have been a challenge, but because they all came simultaneously, it was made even more difficult. We had to cope with an unforeseen 30% reduction in contracts for our key customer, the Ministry of Finance. We also had to face significantly higher costs than originally estimated in our development projects for ČEZ and Generali Česká pojišťovna. In both cases, we underestimated the amount of work involved. The loss of several key staff from the DCOM project (Data Centre of Municipalities and Cities) also caused us unexpected problems. Dealing with these negative impacts was further complicated by the impaired mobility of our staff due to the home office regime during the pandemic.

Despite these complications, we achieved a profit (EBITA) of EUR 1.6 million for the PosAm Group. Compared to the previous year, this means a decrease to 48 %, yet, on the other hand, it is a confirmation of a well-diversified customer portfolio. Our subsidiary, Commander, and all other commercial projects, maintained a stable economic performance. The larger projects include Allianz, Slovenské elektrárne and Tatra banka. The positives of the past year certainly include the successful completion of the pilot phase 1 of the ČEZ project. This is one of the largest and most ambitious solutions in the region for managing the



activities of field staff. After a live deployment, some 2,000 technicians will be navigated in the field via a mobile device every day. State-of-the-art optimisation methods are used to efficiently manage their routes.

We are also pleased with the successful pilot phase of the parking system project in Bratislava, which can be seen as a regional challenge for other cities, in terms of convenience for their residents. When issuing parking permits, state registers are intensively used, thanks to which a vast majority of Bratislava residents can obtain their parking permit from the comfort of their living rooms.

We place high expectations in the fundamental innovation of the way we create SW solutions. We have been working on this topic for at least ten years. However, last year was the first time we managed to prepare two major offers for commercial customers using to new principles. The initial use has shown a very positive response from customers, but also from our implementation teams. We are convinced that the gradual transition to the new way of creating SW solutions and products will be a significant source of growth for our competitiveness in the years to come.

Last year was extremely challenging, especially from an economic point of view. However, it is satisfying to see that the energy spent on our projects was transformed into very valuable experience, references, and innovative practices. This opens new market opportunities for us in two development areas: information support for workforce management and urban parking policies.

I would like to thank our customers for all the new opportunities we have been given and, of course, also for their continued confidence in projects with a long tradition. A big thank you also belongs to all the employees of the PosAm Group. I appreciate the high level of commitment in a work regime made challenging by a high proportion of work from home and austerity measures that were unavoidable to compensate for shortfalls on the revenue side.

Marián Marek

Chief Executive Officer



Robert Genszký

Chief Financial Officer

2021 was challenging also for the Finance Division. Our main priority was to ensure financial stability during a difficult year marked by challenging projects for ČEZ and Generali – Česká pojišťovna, as well as reduced deliveries for the Ministry of Finance.

One way was to take advantage of the natural savings brought about by the new style of working in the ongoing COVID-19 pandemic. Beyond this, we have tried to apply the right balance between short-term strict cost discipline and the impact on the company's performance in the long term. We have also provided full support to our sales and implementation functions both in ongoing projects and in their pursuit of new business opportunities with potential or existing customers.

2022 will be a transitional year for our company from many perspectives. Although the financial results for 2021 did not meet our expectations, we gained a lot of valuable experience. While we cannot consider all risks in key projects from the previous year to have been neutralised, we believe we have taken many steps to get back to the path to profitability.



Anton Janetka

Chief Sales Officer

The cautious purchase behaviour of our customers, which was evident in the first year of the pandemic, continued in 2021. Similarly, the public sector began to reassess its IT investments quite significantly and it unexpectedly reduced the volume of orders by 30%. However, despite the challenging period, we were able to retain all of our key customers and develop mutually beneficial collaborations.

For ČEZ Distribuce, we handed over the 1st stage of JS ŘOT (the Unified Field Personnel Management System) project, which entered the pilot phase. In Allianz – Slovenská poisťovňa, we successfully continued delivering central regional products, and, for T-Mobile CZ, we delivered the top-of-the-line G5500 storage arrays from Hitachi Vantara. In the public administration, we participated in the development of a private cloud for the Ministry of Finance under the umbrella of the DataCenter organisation. At the end of the year, we succeeded in winning a tender for infrastructure outsourcing for Stredoslovenská distribučná, thus reaffirming our competitiveness in the provision of managed services.

Thus, we look to 2022 with optimism and we strongly believe in the return of the pre-pandemic business performance.



Tomáš Kysela

Chief Technology Officer

The company's motivation is to increase its competitiveness. We can see it in two areas. In the first area, we seek to shift the development and delivery of large IT solutions and products away from an approach based predominantly on the knowledge and experience of a given solution team – towards the level of a fine-tuned engineering process. At each stage of the delivery, the best knowledge and experience are available to the implementation team in the form of methodologies for the design of the solution as well as for the delivery process. Initial use of the methodologies has resulted in very positive feedback from our customers on the clarity and quality of the proposed designs for complex solutions.

The second area is the ambition to achieve excellence in process automation. Whether via the optimisation methods used in the workforce management (ČEZ) or through automating the issuance of parking permits using state registers (HMBA parking pilot) – we follow the only proven method – combining deep domain knowledge with the best algorithms and automation techniques.



Michal Bróska

Chief Product Management

ParkDots completed a large number of projects in the past year. The key projects include the parking system for the city of Pardubice and projects in Bratislava.

We supplied Pardubice with 3,421 occupancy sensors, 5,000 Bluetooth identifiers for drivers, LPR cameras and LED signs. This project included the integration of data from these systems into the city's central system.

Another strategic project was the delivery of a parking permit management application for Bratislava. The application represents the core of the parking policy. This project, which was closely followed by both the general public and professionals, has met the city's expectations.

Although ParkDots did not succeed in meeting its profitability targets, we achieved record sales. It can also be stated that ParkDots is a market leader in terms of functionality.

Commander Services had a successful 2021 business year. Once again, it met its expected revenue and profit plan. The customer base has reached the magic limit of 50,000 vehicles. Commander enriched its portfolio with an attractive offer of DKV fuel cards.



Ronald Fleischman

Chief Human Resources Office

In PosAm, we have long been dedicated to developing and improving the qualifications of our internal employees, especially in the software divisions. Last year's shortage of quality people, which we felt in some positions, combined with the unfavourable situation on the labour market, only intensified our efforts. We are also looking for internal resources using competency models for personal growth and potential development of existing employees. As this activity requires an objective assessment of technical skills, we have been looking for a way to measure and manage their level of expertise.

We have chosen a comprehensive platform for the evaluation and management of technical skills that covers the entire employee lifecycle – from recruitment to clear management of professional development. Through this platform, we will be able to identify skills gaps not only of individual employees but also of entire teams and then implement clear development programmes to address them.



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 Award

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

www.cenadi.sk

PosAm Full-Stack Academy

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

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, biology, chemistry and computer science.

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

Domain-Driven Design community

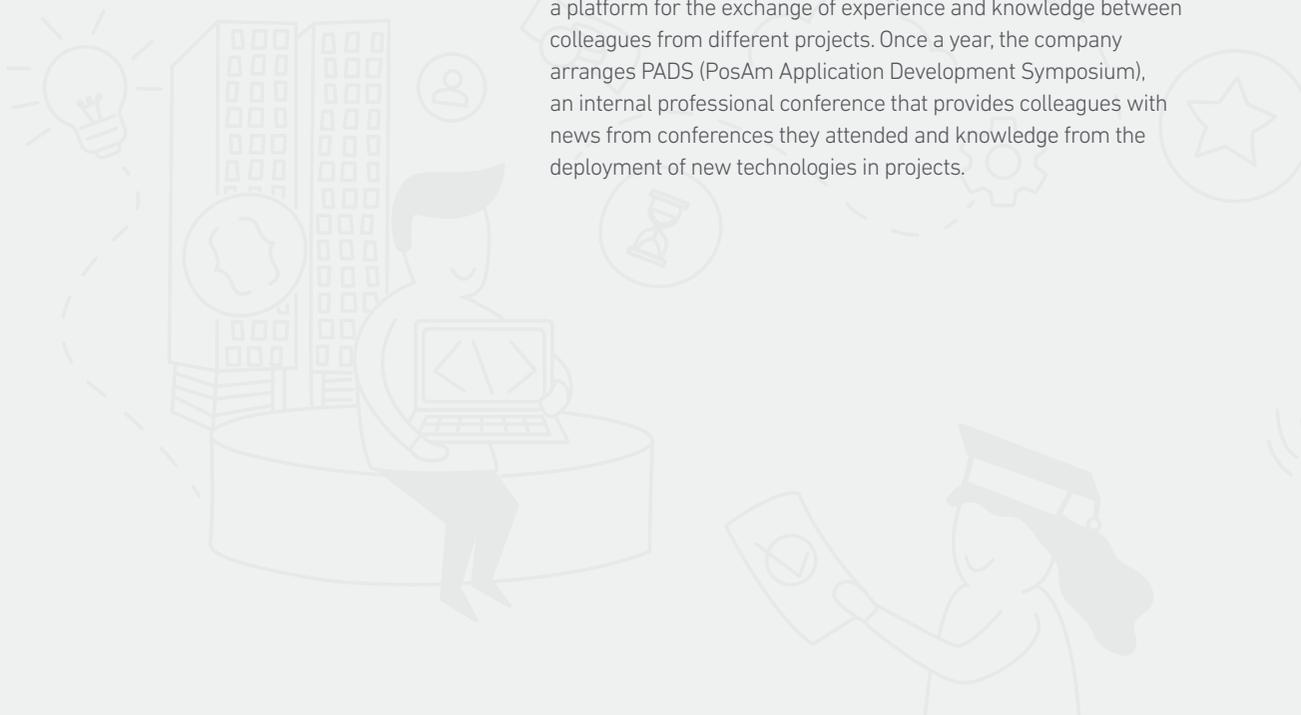
We organize meetings enabling the sharing of knowledge and experience among the IT architect community

www.ddcommunity.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.



Organizational structure

Sales Division	Sales Groups	Public administration	Industry & Telco.	Banking & insurance	Allianz	Servio	Presales	LAB	Marketing & PR
Product management division	ParkDots								
Project management division									
Consulting division									
Software Development division	Software Analysis	Graphic Design & UX	Development	Test and Deployment	Development Teams				
System integration division									
Division of IS operations	Infrastructure Operations	Operations Teams							
Managed Services division	Service Management	Service desk	Sales and Procurement	On-site Support					
Finance division	Controlling	Internal Information Systems							
Human Resources division	Human Resources	Reception	Integrated Management System						

Number of employees

total year end: **340***
year 2021 average: **342***

Structure of education in %

secondary school: **38**
bachelors: **8**
university: **53**
postgraduate: **1**

Ratio between men and women in %

men: **78**
women: **22**

Basic structure of employees in %

SW development and services: **63**
Sales & marketing: **20**
Admin & management: **17**

Structure of employees by age in %

30 years and younger: **19**
31 - 35 years: **17**
36 - 40 years: **15**
41 - 45 years: **13**
46 - 50 years: **20**
50 years and older: **16**

Location overview in %

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

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 Poláčik
Peter Mihalovič
Ing. Ronald Fleischman
Ing. Ladislav Bogdány
Ing. Katarína Petříková

Executives

Ing. Marian Marek
Ing. Peter Laco
Ing. Michal Brčák

Proxy

Ing. Ronald Fleischman
Ing. Robert Genszky

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.

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 OPN Member
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

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 - 7.10.2016.

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.

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

Financial statements of the company PosAm, spol. s r. o. and independent auditor's report for the year ended 31st december 2021

FINANCIAL STATEMENTS at 31.12.2021 (in whole euros)

<p>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 ÁA BČ D E F G H Í J K L M N O P Q R Š T Ú V X Y Ž 0 1 2 3 4 5 6 7 8 9</p>		
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 2021 to 12 2021 Immediately preceding period from 01 2020 to 12 2020
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: 07.03.2022	Signature of a member of the statutory body of the accounting entity or natural person that is an accounting entity:  	
Approved on: 23.03.2022		

Balance Sheet

Line	ASSETS	Line	Current period			Previous period
			Gross	Correction	Net	
			EUR	EUR	EUR	EUR
	TOTAL ASSETS (line 02 + line 33 + line 74)	001	30,560,080	8,333,412	22,226,668	23,499,100
A	Non-current assets (line 03 + line 11 + line 21)	002	18,259,933	8,320,090	9,939,843	9,774,324
A.I.	Non-current intangible assets - total (lines 04 to 10)	003	6,664,296	3,875,269	2,789,027	2,823,882
1	Capitalized development costs (012) - /072, 091A/	004				
2	Software (013)-/073, 091A/	005	6,354,892	3,793,733	2,561,159	2,283,681
3	Valuable rights (014)-/074, 091A/	006	96,280	81,536	14,744	19,032
4	Goodwill (015) - /075, 091A/	007				
5	"Other non-current intangible assets (019, 01X) - /079, 07X, 091A/"	008				
6	Acquisition of non-current intangible assets (041) - /093/	009	213,124		213,124	521,169
7	Advance payments for non-current intangible assets (051) - /095A/	010				
A.II.	Property, plant and equipment - total (lines 12 to 20)	011	7,068,351	4,444,821	2,623,530	2,423,156
1	Land (031) - /092A/	012				
2	Buildings and structures (021) - /081, 092A/	013	273,351	145,119	128,232	154,258
3	Individual movable assets and sets of movable assets (022) - /082, 092A/	014	6,618,025	4,299,702	2,318,323	2,069,004
4	Perennial crops (025) - /085, 092A/	015				
5	Breeding and draught animals (026) - /086, 092A/	016				
6	Other property, plant and equipment (029, 02X, 032) - /089, 08X, 092A/	017				
7	"Acquisition of property, plant and equipment (042) - /094/"	018	176,975		176,975	199,894
8	Advance payments for property, plant and equipment (052) - /095A/	019				
9	Valuation allowance for acquired assets (+/- 097) +/- 098	020				
A.III.	Non-current financial assets - total (lines 22 to 32)	021	4,527,286		4,527,286	4,527,286
1	Shares and ownership interests in affiliated undertakings (061A, 062A, 063A) - /096A/	022	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/	023				
3	Other realizable securities and ownership interests (063A) - /096A/	024				
4	Loans to affiliated undertakings (066A) - /096A/	025				
5	Loans to undertakings in which the company has a participating interest, except for loans to affiliated undertakings (066A) - /096A/	026				
6	Other loans (067A) - /096A/	027				
7	Debt securities and other non-current financial assets (065A, 069A, 06XA) - /096A/	028				
8	Loans and other non-current financial assets with time remaining to maturity of no more than one year (066A, 067A, 069A, 06XA) - /096A/	029				
9	Bank accounts with a notice period of more than one year (22XA)	030				
10	Acquisition of non-current financial assets (043) - /096A/	031				
11	Advance payments for non-current financial assets (053) - /095A/	032				
B.	Current assets (line 34 + line 41 + line 53 + line 66 + line 71)	033	11,832,963	13,322	11,819,641	12,929,460
B.I.	Inventories - total (lines 35 to 40)	034	189,494	8,915	180,579	108,918
1	Material (112, 119, 11X) - /191, 19X/	035	222		222	158
2	"Work in progress and semi-finished products (121, 122, 12X) - /192, 193, 19X/"	036				
3	Finished goods (123) - /194/	037				
4	Animals (124) - /195/	038				
5	Merchandise (132, 133, 13X, 139) - /196, 19X/	039	189,272	8,915	180,357	58,739
6	Advance payments for inventories (314A) - /391A/	040				50,021
B.II.	Non-current receivables - total (line 42 + lines 46 to 52)	041	1,682,084		1,682,084	282,032
1	Trade receivables - total (lines 43 to 45)	042				12,004
1.a	Trade receivables from affiliated undertakings (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	043				

Balance Sheet

Line	ASSETS	Line	Current period			Previous period
			Gross	Correction	Net	
			EUR	EUR	EUR	EUR
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/	044				
1.c	Other trade receivables (311A, 312A, 313A, 314A, 315A,31XA) - /391A/	045				12,004
2	Net value of a contract (316A)	046				
3	Other receivables from affiliated undertakings (351A) - /391A/	047				
4	Other receivables from undertakings in which the company has a participating interest, except for receivables from affiliated undertakings (351A) - /391A/	048				
5	Receivables from partners, members, and the association (354A, 355A, 358A, 35XA) - /391A/	049				
6	Receivables related to derivative transactions (373A, 376A)	050				
7	Other receivables (335A, 336A, 33XA, 371A, 374A, 375A, 378A) - /391A/	051				
8	Deferred tax asset (481A)	052	1,682,084		1,682,084	270,028
B.III.	Current receivables - total (line 54 + lines 58 to 65)	053	6,707,867	4,407	6,703,460	7,071,148
1	Trade receivables - total (lines 55 to 57)	054	5,041,120	4,407	5,036,713	4,689,364
1.a	Trade receivables from affiliated undertakings (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	055	793,132		793,132	1,041,459
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/	056				
1.c	Other trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	057	4,247,988	4,407	4,243,581	3,647,905
2	Net value of a contract (316A)	058	1,654,521		1,654,521	2,041,578
3	Other receivables from affiliated undertakings (351A) - /391A/	059				
4	Other receivables from undertakings in which the company has a participating interest, except for receivables from affiliated undertakings (351A) - /391A/	060				
5	Receivables from partners, members, and the association (354A, 355A, 358A, 35XA, 398A) - /391A/	061				
6	Social security (336A) - /391A/	062				
7	Tax assets and subsidies (341, 342, 343, 345, 346, 347) - /391A/	063	4,330		4,330	311,550
8	Receivables related to derivative transactions (373A, 376A)	064				
9	Other receivables (335A, 33XA, 371A, 374A, 375A, 378A) - /391A/	065	7,896		7,896	28,656
B.IV.	Current financial assets - total (lines 67 to 70)	066				
1	Current financial assets in affiliated undertakings (251A, 253A, 256A, 257A, 25XA) - /291A, 29XA/	067				
2	Current financial assets other than those in affiliated undertakings (251A, 253A, 256A, 257A, 25XA) - /291A, 29XA/	068				
3	Own shares and ownership interests (252)	069				
4	"Acquisition of current financial assets (259, 314A) - /291A/"	070				
B.V.	Financial accounts (line 72 + line 73)	071	3,253,518		3,253,518	5,467,362
1	Cash (211, 213, 21X)	072	1,038		1,038	1,224
2	Bank accounts (221A, 22X, +/- 261)	073	3,252,480		3,252,480	5,466,138
C.	Accruals/deferrals - total (lines 75 to 78)	074	467,184		467,184	795,316
1	Deferred expenses - long-term (381A, 382A)	075	49,127		49,127	94,647
2	Deferred expenses - short-term (381A, 382A)	076	418,057		418,057	700,669
3	Accrued income - long-term (385A)	077				
4	Accrued income - short-term (385A)	078				

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)	079	22,226,668	23,499,100
A.	Equity (line 81 + line 85 + line 86 + line 87 + line 90 + line 93 + line 97 + line 100)	080	15,182,985	15,412,575
A.I.	Share capital - total (lines 82 to 84)	081	170,000	170,000
1	Share capital (411 or +/- 491)	082	170,000	170,000
2	Change in share capital +/- 419	083		
3	Receivables from subscribed share capital (/-/353)	084		
A.II.	Share premium (412)	085		
A.III.	Other capital funds (413)	086		
A.IV.	Legal reserves (line 88 + line 89)	087	17,000	17,000
1	Legal reserve fund and non-distributable reserve (417A, 418, 421A, 422)	088	17,000	17,000
2	Reserve for own shares and ownership interests (417A, 421A)	089		
A.V.	Other profit reserves (line 91 + line 92)	090		
1	Statutory reserves (423, 42X)	091		
2	Other reserves (427, 42X)	092		
A.VI.	Valuation variances from revaluation - total (lines 94 to 96)	093		
1	Valuation variances from the revaluation of assets and liabilities (+/- 414)	094		
2	Valuation variances from equity investments (+/- 415)	095		
3	Valuation variances from the revaluation in case of mergers, fusions, or demergers (+/- 416)	096		
A.VII.	Profit/(loss) of previous years (line 98 + line 99)	097	14,956,459	13,879,998
1	Retained earnings (428)	098	14,956,459	13,879,998
2	Loss carried forward (/-/429)	099		
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	39,526	1,345,577
B.	Liabilities (line 102 + line 118 + line 121 + line 122 + line 136 + line 139 + line 140)	101	6,523,740	7,346,606
B.I.	Non-current liabilities - total (line 103 + lines 107 to 117)	102	31,955	44,769
1	Non-current trade liabilities - total (lines 104 to 106)	103		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
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	31,955	33,872
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	11,050	33,287
1	Legal provisions (451A)	119		
2	Other provisions (459A, 45XA)	120	11,050	33,287
B.III.	Long-term bank loans (461A, 46XA)	121		
B.IV.	Current liabilities - total (line 123 + lines 127 to 135)	122	5,159,020	6,276,679
1	Trade liabilities - total (lines 124 to 126)	123	2,199,097	4,378,925
1.a	Trade liabilities to affiliated undertakings (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	124	45,801	80,479
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		

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Line	LIABILITIES AND EQUITY	line	Current accounting period	Previous accounting period
			EUR	EUR
1.c	Other trade liabilities (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	126	2,153,296	4,298,446
2	Net value of a contract (316A)	127		
3	Other liabilities to affiliated undertakings (361A, 36XA, 471A, 47XA)	128	1,504,015	
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		
6	Liabilities to employees (331, 333, 33X, 479A)	131	583,953	652,198
7	Liabilities from social insurance (336A)	132	415,625	510,338
8	Tax liabilities and subsidies (341, 342, 343, 345, 346, 347, 34X)	133	455,544	734,832
9	Liabilities from derivative transactions (373A, 377A)	134		
10	Other liabilities (372A, 379A, 474A, 475A, 479A, 47XA)	135	786	386
B.V.	Short-term provisions (line 137 + line 138)	136	1,316,844	986,412
1	Legal provisions (323A, 451A)	137	212,905	213,923
2	Other provisions (323A, 32X, 459A, 45XA)	138	1,103,939	772,489
B.VI.	Current bank loans (221A, 231, 232, 23X, 461A, 46XA)	139	4,871	5,459
B.VII.	"Short-term financial assistance (241, 249, 24X, 473A/-/255A)"	140		
C.	Accruals/deferrals - total (lines 142 to 145)	141	519,943	739,919
1	Accrued expenses - long-term (383A)	142		
2	Accrued expenses - short-term (383A)	143		
3	Deferred income - long-term (384A)	144	72,144	128,100
4	Deferred income - short-term (384A)	145	447,799	611,819

Income statement

Line	TEXT	Line	Current period	Previous period
			EUR	EUR
*	Net turnover (part of account class 6 according to the Act)	01	24,015,055	29,879,928
**	Operating income - total (lines 03 to 09)	02	24,697,215	30,680,946
I.	Revenue from the sale of goods (604, 607)	03	3,934,356	5,802,257
II.	Revenue from the sale of own products (601)	04		
III.	Revenue from the sale of services (602, 606)	05	19,909,306	23,909,956
IV.	Changes in internal inventories (+/-) (account group 61)	06		
V.	Own work capitalized (account group 62)	07	628,397	767,649
VI.	Revenue from the sale of non-current intangible assets, property, plant and equipment, and material (641, 642)	08	53,763	24,714
VIII.	Other operating income(644, 645, 646, 648, 655, 657)	09	171,393	176,370
**	Operating expenses - total (line 11 + line 12 + line 13 + line 14 + line 15 + line 20 + line 21 + line 24 + line 25 + line 26)	10	26,086,890	30,499,970
A.	Cost of goods sold (504, 507)	11	2,990,656	4,635,282
B.	Consumption of materials, energy, and other non-storable supplies (501, 502, 503)	12	606,744	696,707
C.	Valuation allowances for inventories (+/-) (505)	13	-207	629
D.	Services (account group 51)	14	8,382,733	10,770,695
E.	Personnel expenses - total (lines 16 to 19)	15	12,000,500	12,434,327
1	Wages and salaries (521, 522)	16	8,685,393	9,017,136
2	Remuneration of members of the company's bodies or members of a cooperative (523)	17		
3	Social security expenses (524, 525, 526)	18	3,076,470	3,147,829
4	Social expenses (527, 528)	19	238,637	269,362
F.	Taxes and fees (account group 53)	20	20,484	20,862
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	1,439,068	1,298,157
1	Amortization of non-current intangible assets and depreciation of property, plant and equipment (551)	22	1,439,068	1,298,157
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	28,275	5,028
I.	Valuation allowances for receivables (+/-) (547)	25	304	-1,878
J.	"Other operating expenses (543, 544, 545, 546, 548, 549, 555, 557)"	26	618,333	640,161
***	Profit/(loss) from operations (+/-) (line 02 - line 10)	27	-1,389,675	180,976
*	Added value (line 03 + line 04 + line 05 + line 06 + line 07) - (line 11 + line 12 + line 13 + line 14)	28	12,492,133	14,376,549
**	Income from financing activities - total (line 30 + line 31 + line 35 + line 39 + line 42 + line 43 + line 44)	29	44,758	1,182,096
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	Yields on securities and ownership interests in affiliated undertakings (665A)	32		1,172,351
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		
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		
1	Interest income from affiliated undertakings (662A)	40		
2	Other interest income (662A)	41		
XII.	Foreign exchange gains (663)	42	44,758	9,745
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	27,613	20,132
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	4,015	
1	Interest expense for affiliated undertakings (562A)	50	4,015	
2	Other interest expense (562A)	51		
O.	Foreign exchange losses (563)	52	12,641	11,302
P.	Expenses for the revaluation of securities and expenses for derivative transactions (564, 567)	53		
Q.	Other expenses for financing activities (568, 569)	54	10,957	8,830
***	"Profit/(loss) from financing activities (+/-) (line 29 - line 45)"	55	17,145	1,161,964
****	Profit/(loss) for the accounting period before taxes (+/-) (line 27 + line 55)	56	-1,372,530	1,342,940
R.	Income tax (line 58 + line 59)	57	-1,412,056	-2,637
1	Income tax - current (591, 595)	58		
2	Income tax - deferred (+/-) (592)	59	-1,412,056	-2,637
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	39,526	1,345,577

Notes to the financial statements at 31st December 2021

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 2021 the Company had 248 of active employees (as at 31 December 2020: 266) out of which 43 were management (2020: 43).

Item	31 December 2021	31 December 2020
Average number of staff	255	261
Number of staff at balance sheet date of which:		
Management	43	43

5. Legal reason for preparing the financial statements

The Company's financial statements at 31 December 2021 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 2021 to 31 December 2021.

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 April 2021.

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 2021.

8. The Company's bodies

	31.12.2021	31.12.2020
Executives	Ing. Marián Marek (from 09 February 2010)	Ing. Marián Marek (from 09 February 2010)
	Ing. Peter Laco (from 08 September 2021)	Ing. Dušan Švábek (to 07 September 2021)
	Ing. Michal Brčák (from 08 September 2021)	Bc. Tomáš Ryšavý (to 07 September 2021)
Proxy	Ing. Robert Genszsky (from 14 May 2021)	Ing. Miroslav Bielčík (to 13 May 2021)
	Ing. Ronald Fleischman (from 10 Sept. 2020)	Ing. Ronald Fleischman (to 09 Sept. 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.

The Company assessed the impact of the ongoing COVID-19 pandemic on the valuation of assets and liabilities in the financial statements as at 31 December 2021. The company regularly monitors the situation on the supply and demand markets in detail. The restrictive measures associated with the ongoing COVID-19 pandemic have affected the Company only minimally and therefore do not affect the assessment of the going concern assumption.

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	5	Straight-line	20.00
Municipalities management portal	5	Straight-line	20.00
Purchased Software	4	Straight-line	25.00
Internally generated software (AMC)	4	Straight-line	25.00
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.

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.

d) Inventories

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

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

e) Contract manufacturing

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

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

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

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

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

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

f) Receivables

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

g) Financial accounts

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

h) Prepaid expenses and accrued income

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

i) Valuation allowances

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

j) Provisions

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

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

k) Liabilities

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

l) Employee benefits

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

m) Income tax due

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

n) Deferred income tax

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

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

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

o) Deferred revenues and accrued expenses

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

p) Leasing (the Company is the lessee)

Operating lease

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

q) Foreign currency

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

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

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

D. ASSETS

1. Non-current intangible 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 2021	-	5,605,834	96,280	-	-	521,169	-	6,223,283
Additions	-	-	-	-	-	628,397	-	628,397
Disposals	-	(187,384)	-	-	-	-	-	(187,384)
Transfers	-	936,442	-	-	-	(936,442)	-	-
31 December 2021	-	6,354,892	96,280	-	-	213,124	-	6,664,296
Accumulated depreciation								
1 January 2021	-	3,322,153	77,248	-	-	-	-	3,399,401
Additions	-	658,964	4,288	-	-	-	-	663,252
Disposals	-	(187,384)	-	-	-	-	-	(187,384)
Transfers	-	-	-	-	-	-	-	-
31 December 2021	-	3,793,733	81,536	-	-	-	-	3,875,269
Valuation allowances								
1 January 2021	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
31 December 2021	-	-	-	-	-	-	-	-
Net book value								
1 January 2021	-	2,283,681	19,032	-	-	521,169	-	2,823,882
31 December 2021	-	2,561,159	14,744	-	-	213,124	-	2,789,027

The Company internally developed software and activated related costs of EUR 628,397 in 2021 (in 2020: EUR 762,542), out of which EUR 936,442 has been put in use in 2021 (in 2020: EUR 699,910). This software is used for internal purposes and for services of the Company's customers.

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.

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 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

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 2021	-	273,351	6,483,261	-	-	-	199,894	-	6,956,506
Additions	-	-	-	-	-	-	1,017,167	-	1,017,167
Disposals	-	-	(894,035)	-	-	-	(11,287)	-	(905,322)
Transfers	-	-	1,028,799	-	-	-	(1,028,799)	-	-
31 Dec. 2021	-	273,351	6,618,025	-	-	-	176,975	-	7,068,351
Accumulated depreciation									
1 Jan. 2021	-	119,093	4,414,257	-	-	-	-	-	4,533,350
Additions	-	26,026	779,480	-	-	-	-	-	805,506
Disposals	-	-	(894,035)	-	-	-	-	-	(894,035)
Transfers	-	-	-	-	-	-	-	-	-
31 Dec. 2021	-	145,119	4,299,702	-	-	-	-	-	4,444,821
Valuation allowances									
1 Jan. 2021	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
31 Dec. 2021	-	-	-	-	-	-	-	-	-
Net book value									
1 Jan. 2021	-	154,258	2,069,004	-	-	-	199,894	-	2,423,156
31 Dec. 2021	-	128,232	2,318,323	-	-	-	176,975	-	2,623,530

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. 2020	4,527,286	-	-	-	-	-	-	-	-	-	-	4,527,286
Additions	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
31 Dec. 2020	4,527,286	-	-	-	-	-	-	-	-	-	-	4,527,286
Valuation allowances												
1 Jan. 2020	-	-	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
31 Dec. 2020	-	-	-	-	-	-	-	-	-	-	-	-
Carrying amount												
1 Jan. 2020	4,527,286	-	-	-	-	-	-	-	-	-	-	4,527,286
31 Dec. 2020	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 2021, the result of operations for the current period and other information about company Commander Services, s.r.o., is presented in the following table:

Business name and company address	Percentage of share in registered capital	Percentage of voting rights	Amount of equity	Profit/loss	Amount of contributions to Capital reserves funds from contributions	Carrying amount of the non-current financial assets
Controlling influence						
Commander Services, s.r.o., Bratislava	100%	100%	3,811,307	1,050,625	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.

Prior period information is presented in the table below:

Business name and company address	Percentage of share in registered capital	Percentage of voting rights	Amount of equity	Profit/loss	Amount of contributions to Capital reserves funds from contributions	Carrying amount of the non-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

4. Inventories

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

Inventories	1 January 2021	Set-up of VA	Release of VA due to extinction of title	Release of VA due to derecognition of assets	31 December 2021
Merchandise	21,883	5,938	(6,145)	(12,761)	8,915
Total inventories	21,883	5,938	(6,145)	(12,761)	8,915

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 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

5. Construction contracts

In 2021 revenues from construction contracts amounted to EUR 6,668,991 (2020: EUR 11,056,683).

Item	2021	2020
Contractual revenues	6,668,991	11,056,683
Costs of construction contract	6,528,338	10,167,874
Gross profit / loss	140,653	888,809

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

Item	2021	2020	Cumulative amount from beginning of construction contract until 31 December 2021	Cumulative amount from beginning of construction contract until 31 December 2020
Revenues from construction contract	1,028,258	1,340,685	2,293,818	2,626,598
Costs of construction contract	3,444,429	4,354,773	7,093,698	5,409,706
Gross profit / loss	(2,416,171)	(3,014,088)	(4,799,880)	(2,783,109)

Amount of construction contract	31 December 2021	Cumulative amount from beginning of construction contract until 31 December 2021	31 December 2020	Cumulative amount from beginning of construction contract until 31 December 2020
Amounts invoiced for work performed on the construction contract	-	-	-	-
Adjustments of invoiced amounts according to percentage of completion or using the zero profit method	1,654,521	1,654,521	2,041,578	2,041,578
Total	1,654,521	1,654,521	2,041,578	2,041,578

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 2021	Set-up of valuation allowance	Release of valuation allowance due to cease of justification	Release of VA due to de-recognition of the assets	31 December 2021
Current trade receivables, of which:	11,065	2,910	(2,605)	(6,963)	4,407
Other trade receivables	11,065	2,910	(2,605)	(6,963)	4,407
Other current receivables	-	-	-	-	-
Current receivables total	11,065	2,910	(2,605)	(6,963)	4,407

Prior period information is presented 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 de-recognition 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

In 2021 the Company set-up an allowance for overdue receivables of EUR 2,910 (2020: EUR 5,474).

In 2021 the Company has released allowances set-up in previous years which were no longer required in the amount of EUR 2,605 (2020: EUR 7,352). Allowances of EUR 6,963 has been written-off in 2021 due to disposal of overdue receivables (2020: EUR 5,791).

Long-term receivables of the Company are within the due period. The ageing structure of receivables of the Company at 31 December 2021 is presented in the following table:

Item	Within due period	Overdue	Total receivables
Current trade receivables, of which:	4,092,665	948,455	5,041,120
Trade receivables from affiliated undertakings	736,528	56,604	793,132
Other trade receivables	3,356,137	891,851	4,247,988
Other current receivables, of which:	1,666,746	-	1,666,746
Net value of a contract	1,654,521	-	1,654,521
Tax assets and subsidies	4,330	-	4,330
Other receivables	7,896	-	7,896
Current receivables total	5,759,412	948,455	6,707,867

Prior period information 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

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 2021	31 December 2020
Prepaid expenses - long-term of which:	49,127	94,647
Hardware support	33,050	74,732
Software support	15,539	19,089
Other	538	826
Prepaid expenses - short-term of which:	418,057	700,669
Hardware support	49,624	71,103
Software support	329,244	558,802
Other	39,189	70,764
Accrued income - long-term:	-	-
Accrued income - short-term:	-	-
Total	467,184	795,316

The balance of prepaid expenses in the year 2021 has decreased compared to 2020 by EUR 328,132, mainly due to a reduction in prepaid expense related to IT services for the customers.

9. Deferred tax asset

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

Item	31 December 2020	Recognised in equity	Recorded as expense of income	31 December 2021
Non-current assets	(171,811)	-	23,051	(148,760)
Valuation allowance to inventories	21,883	-	(12,968)	8,915
Valuation allowance to receivables	537	-	(28)	509
Provisions	1,390,797	-	363,490	1,754,287
Research and development expenditure	-	-	5,518,797	5,518,797
Tax loss	-	-	822,181	822,181
Other	44,442	-	9,555	53,997
Total	1,285,848	-	6,724,078	8,009,926
Tax rate (in %)	21	21	21	21
Deferred tax asset calculated	270,028	-	1,412,056	1,682,084
Deferred tax asset recognized	270,028	-	1,412,056	1,682,084
Deferred tax liability	-	-	-	-

Additional information on deferred tax:

Item	31.12.2021	31.12.2020
Deferred tax asset relating to tax loss carried forward, unused tax deductions and other claims, including temporary differences from preceding accounting periods to which deferred tax asset was not recognised in prior periods	-	464,395

E. EQUITY AND LIABILITIES

1. Equity

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

Item	1 January 2021	Additions	Disposals	Transfers	31 December 2021
Share capital	170,000	-	-	-	170,000
Legal reserve fund and non-distributable reserve	17,000	-	-	-	17,000
Retained earnings	13,879,998	-	-	1,076,461	14,956,459
Profit/loss for current accounting period	1,345,577	39,526	(269,116)	(1,076,461)	39,526
Total equity	15,412,575	39,526	(269,116)	-	15,182,985

Prior period information is presented in the following table:

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

The 2020 accounting profit of EUR 1,345,577 was distributed as follows:

Item	2020
Transfer to retained earnings	1,076,461
Profit distribution to shareholders/members	269,116
Total	1,345,577

The statutory body will propose to distribute the 2021 profit together with the approval of these financial statements.

2. Provisions

An overview of changes in provisions for 2021 is shown in the following table:

Item	1 January 2021	Set-up	Use	Release	31 December 2021
Long-term provisions of which:	33,287	-	(22,237)	-	11,050
Legal long-term provisions	-	-	-	-	-
Other long-term provisions of which:	33,287	-	(22,237)	-	11,050
Provision for warranty repairs and guarantee	33,287	-	(22,237)	-	11,050
Short-term provisions of which:	986,412	1,316,844	(953,575)	(32,837)	1,316,844
Legal short-term provisions of which:	213,923	212,905	(213,923)	-	212,905
Holiday provision	213,923	212,905	(213,923)	-	212,905
Other short-term provisions of which:	772,489	1,103,939	(739,652)	(32,837)	1,103,939
Provision for warranty repairs and guarantee	41,587	26,497	(39,311)	(2,276)	26,497
Provision for bonuses	689,401	581,765	(659,357)	(30,044)	581,765
Provision for the annual report and audit	26,941	25,843	(26,424)	(517)	25,843
Provision for contractual obligations	-	442,513	-	-	442,513
Provision for the unbilled supplies	14,560	27,321	(14,560)	-	27,321
Total provisions	1,019,699	1,316,844	(975,812)	(32,837)	1,327,894

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 2021.

Provision for bonuses reflects the Company's commitment to its employees in connection with the bonuses recognized for year 2021.

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 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

3. Loans received

An overview of loans received is presented in the following table:

Item	Currency	Maturity date	Principal in EUR	
			31 December 2021	31 December 2020
Short-term loans, of which:			1,500,000	-
Short-term loans from Group companies	EUR	1.6.2022	1,500,000	-
Total			1,500,000	-

4. Liabilities

Structure of liabilities by remaining time to maturity at 31 December 2021 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:	-	-	-	-	-
Other trade liabilities	-	-	-	-	-
Other non-current liabilities, of which:	-	31,955	-	-	31,955
Social fund payables	-	31,955	-	-	31,955
Non-current liabilities - total	-	31,955	-	-	31,955
Current trade liabilities of which:	-	-	1,737,326	461,771	2,199,097
Trade liabilities to affiliated undertakings	-	-	40,562	5,239	45,801
Other trade liabilities	-	-	1,696,764	456,532	2,153,296
Other current liabilities of which:	-	-	2,959,923	-	2,959,923
Trade liabilities to affiliated undertakings	-	-	1,504,015	-	1,504,015
Liabilities to partners and the association	-	-	-	-	-
Liabilities to employees	-	-	583,953	-	583,953
Liabilities from social insurance	-	-	415,625	-	415,625
Tax liabilities and subsidies	-	-	455,544	-	455,544
Other liabilities	-	-	786	-	786
Current liabilities - total	-	-	4,697,249	461,771	5,159,020

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:	-	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

5. Social fund

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

Item	2021	2020
Opening balance	33,872	30,365
Contributions charged to costs	46,347	49,191
Contributions from profit	-	-
Other set-up	-	-
Total social fund set-up	46,347	49,191
Use	(48,264)	(45,684)
Closing balance	31,955	33,872

6. Accrued expenses and deferred income

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

Item	31 December 2021	31 December 2020
Long-term accrued expenses:	-	-
Short-term accrued expenses:	-	-
Long-term deferred income of which:	72,144	128,100
Hardware support	39,347	75,360
Software support	32,797	52,740
Other	-	-
Short-term deferred income of which:	447,799	611,819
Hardware support	57,506	101,426
Software support	357,684	467,784
Other	32,609	42,609
Total	519,943	739,919

The balance of deferred income in the year 2021 has decreased compared to 2020 by EUR 219,976, 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	2021	2020
Sale of own work and goods of which:	23,843,662	29,712,213
Sale of services	13,240,315	12,853,273
Sale of goods	3,934,356	5,802,257
Revenues from construction contracts	6,668,991	11,056,683
Other income relating to ordinary activities	171,393	167,715
Total net turnover	24,015,055	29,879,928

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	
	2021	2020	2021	2020	2021	2020
Slovak republic	11,952,328	11,834,906	1,280,630	3,498,744	6,668,991	10,513,577
Czech republic	782,424	434,399	2,424,448	2,206,531	-	543,106
Other countries	505,563	583,968	229,278	96,982	-	-
Total	13,240,315	12,853,273	3,934,356	5,802,257	6,668,991	11,056,683

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	2021	2020
Capitalisation of costs – material items of which:	628,397	767,649
Non-current intangible assets capitalised from own work	628,397	767,649
Other material items of other operating income of which:	53,763	33,369
Revenues from sale of tangible and intangible assets	53,763	24,714
Other	-	8,655
Financial income of which:	44,758	1,182,096
Foreign exchange gains of which:	44,758	9,745
Foreign exchange gains at balance sheet date	36,288	8,671
Other material financial income of which:	-	1,172,351
Interest rates	-	-
Yields on securities and ownership interests in affiliated undertakings - Commander	-	1,172,351

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	2021	2020
Costs of services received of which:	8,382,733	10,770,695
From an Auditor or audit firm of which:	35,489	34,201
Audit of the financial statements	35,489	34,201
Tax consultancy	-	-
Other material items of costs of services received of which:	8,347,244	10,736,494
Travel costs	30,899	37,101
Advertisement and marketing costs	142,186	107,823
Costs of legal business advice	345,564	292,769
Personnel and IT advice	255,635	290,456
Telecommunication costs	133,785	128,002
Representation costs	66,205	66,628
Resale services (subcontracted)	6,234,661	8,696,594
Rental of premises	873,753	849,774
Other	264,556	267,347
Other material items of income from operations of which:	2,713,208	2,659,037
Set-up and use/release of valuation allowance for receivables	304	(1,878)
Depreciation and allowance for non-current assets	1,439,068	1,298,157
Consumption of material energy and other non-inventory supplies	606,744	696,707
Other	667,092	666,051
Financing costs of which:	27,613	20,132
Foreign exchange losses of which:	12,641	11,302
Foreign exchange losses at balance sheet date	207	6,776
Other material items of financial expenses of which:	14,972	8,830
Interest and other financial costs	14,972	8,830

2. Personnel costs

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

Názov položky	2021	2020
Personnel costs of which:	12,000,500	12,434,327
Salaries	8,685,393	9,017,136
Social insurance	2,196,414	2,218,667
Health insurance	880,056	929,162
Social security	238,637	269,362

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	2021			2020		
	Tax base	Tax	Tax in %	Tax base	Tax	Tax in %
Profit before taxes of which:	(1,372,530)			1,342,940		
Expected tax		(288,232)	21		282,017	21
Tax non-deductible expenses	167,249	35,122	(3)	171,649	36,047	2
Non-taxable income	-	-		(1,172,351)	(246,194)	(18)
Other	(5,518,797)	(1,158,946)	84	(354,794)	(74,507)	(5)
Total		(1,412,056)	103		(2,637)	-
Current income tax		-	-		-	-
Deferred income tax		(1,412,056)	103		(2,637)	-
Total income tax		(1,412,056)	103		(2,637)	-

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 2021 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.	37,972	5
IT equipment (printers) Všeobecná úverová banka, a.s.	127,873	5
IT equipment (printers) VUB Leasing, a.s.	4,596	5
IT equipment (tablets, PC, monitors) Slovenské elektrárne, a.s.	208,374	5,6
IT equipment (printers) Tatra banka a.s.	100,854	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.	VAN Deventerlaan 00031, 3528AG Utrecht, Netherlands
T-Systems Hungary Ltd	KONYVEC KALMAN KORÚT 36, 1097, Budapest, Hungary
Deutsche Telekom Pan-Net s.r.o.	Ružová dolina 6, 821 08, Bratislava, Slovak republic
Deutsche Telekom Pan-Net Romania S.R.L.	Bulevardul Dimitrie Pompei nr. 9-9A, Iride Business Park, Cladirea 20, etaj 3, Sectorul 2, 020335, Bucharest, 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
T-Mobile Polska S.A.	Str. Marynarska 12, 02-674, Warsaw, Poland
T-Mobile Austria GmbH	Rennweg 97-99, 10 30, Vienna, Austria
Magyar Telekom Nyrt.	Könyves Kálmán körút 36, 1097, Budapest, Hungary
Hrvatski Telekom d.d.	R.F. Mihanovica 9, 101 10 Zagreb, Croatia
HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.	KIFISIAS AVE 99, 151 24 MAROUSI, Greece
mTrust, s.r.o.	Odborárska 21, 831 02, Bratislava, Slovak republic
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	2021	2020
Purchase of assets	Parent company	3,767	19,539
	Subsidiary	-	-
	Other related parties	-	-
Sale of assets	Parent company	-	-
	Subsidiary	2,293	-
	Other related parties	-	22
Purchase of inventories	Parent company	1,000	28,053
	Subsidiary	-	-
	Other related parties	19,610	-
Sale of inventories	Parent company	184,169	964,255
	Subsidiary	21,165	1,237
	Other related parties	1,694,525	1,825,331
Purchase of services	Parent company	951,499	944,039
	Subsidiary	31,176	16,983
	Other related parties	28,430	166,681
Sale of services	Parent company	962,871	1,104,390
	Subsidiary	348,707	313,778
	Other related parties	1,039,055	1,045,690
Interest expense	Parent company	4,015	-

Transaction	Related party	31 December 2021	31 December 2020
Trade liabilities	Parent company	24,559	26,343
	Subsidiary	16,402	1,790
	Other related parties	4,840	52,346
Trade receivables	Parent company	285,254	460,307
	Subsidiary	83,596	128,677
	Other related parties	424,283	452,475
Prepaid expenses	Parent company	10,957	17,226
	Subsidiary	-	-
	Other related parties	-	-
Accrued income	Parent company	103,866	120,299
	Subsidiary	7,402	6,244
	Other related parties	69,184	53,615
Loan received	Parent company	1,504,4015	-
	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 the end of 2021, political tensions in the region escalated into a war between the Russian Federation and Ukraine. This conflict has severely affected global events, adversely impacted commodity prices and financial markets, and attributed to increased volatility within the business environment. The situation remains very unstable, and the impact of imposed sanctions, restrictions on the business activities of companies operating in the region, and the consequences for the economic environment as a whole (primarily restrictions on supply and demand chains) can be expected. However, the extent of the consequences of these events on the Company cannot currently be fully anticipated.

Apart from the above mentioned events, no other events occurred that would require recognition or disclosure in the 2021 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	2021	2020
Net result before tax	(1,372,530)	1,342,940
Adjustments for non-cash transactions:		
Depreciation of non-current assets	1,439,068	1,298,157
Inventories write-off	16,563	1,407
Change in provision for receivables	(6,658)	(7,669)
Change in provision for inventories	(12,968)	(22,952)
Change in provisions	308,195	(499,037)
Interest expense	4,015	-
Loss / (gain) from the sale of non-current assets	(23,847)	(18,892)
Yields from long-term financial assets	-	(1,172,351)
Other items	-	90
Profit from operating activities before changes in working capital	351,838	921,693
Changes in working capital:		
Decrease (increase) of trade and other receivables and prepayments	417,358	223,633
Decrease (increase) of inventories	(62,554)	(42,109)
(Decrease) increase of payables and accruals	(2,854,464)	17,082
Operating cash flows	(2,147,822)	1,120,299
Cash flows from operating activities		
Operating cash flows	(2,147,822)	1,120,299
Interest received	(4,015)	-
Corporate income tax received / (paid)	297,124	12,920
Dividends paid	(269,116)	(1,376,813)
Net cash from operating activities	(2,123,829)	(243,594)
Čisté peňažné toky z prevádzkovej činnosti	-2 123 829	-243 594
Cash flows from investing activities		
Purchase of non-current assets	(1,645,564)	(1,876,207)
Receipts from the sale of non-current assets	52,122	23,920
Acquisition of financial investments	-	(250,000)
Dividends received	-	1,172,351
Net cash from investing activities	(1,593,442)	(929,936)
Cash flows from financing activities		
Receipts / (repayments) of bank loans	(588)	(3,260)
Receipts / (repayments) of borrowings from Group companies	1,504,015	-
Net cash from financing activities	1,503,427	(3,260)
Increase (decrease) of cash and cash equivalents	(2,213,844)	(1,176,790)
Cash and cash equivalents at the beginning of the accounting period	5,467,362	6,644,152
Cash and cash equivalents at the end of the accounting period	3,253,518	5,467,362



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 2021, and the Company's financial performance for the year then ended in accordance with the 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 2021;
- 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 (IESBA Code) and the ethical requirements of the Act on Statutory Audit No. 423/2015 and on amendments and supplements to 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 IESBA Code 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 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.
PricewaterhouseCoopers Slovensko, s.r.o.
SKAU licence No. 161

8 March 2022
Bratislava, Slovak Republic



František Zummer
Ing. František Zummer
UDVA licence No. 1217

Translation Note:

This version of our report is a translation from the original, which was prepared in Slovak. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

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