

INDRA Slovakia, a.s.

**INDEPENDENT AUDITOR'S REPORT
ON THE AUDIT OF THE FINANCIAL
STATEMENTS AS AT 31 DECEMBER 2018**

AND

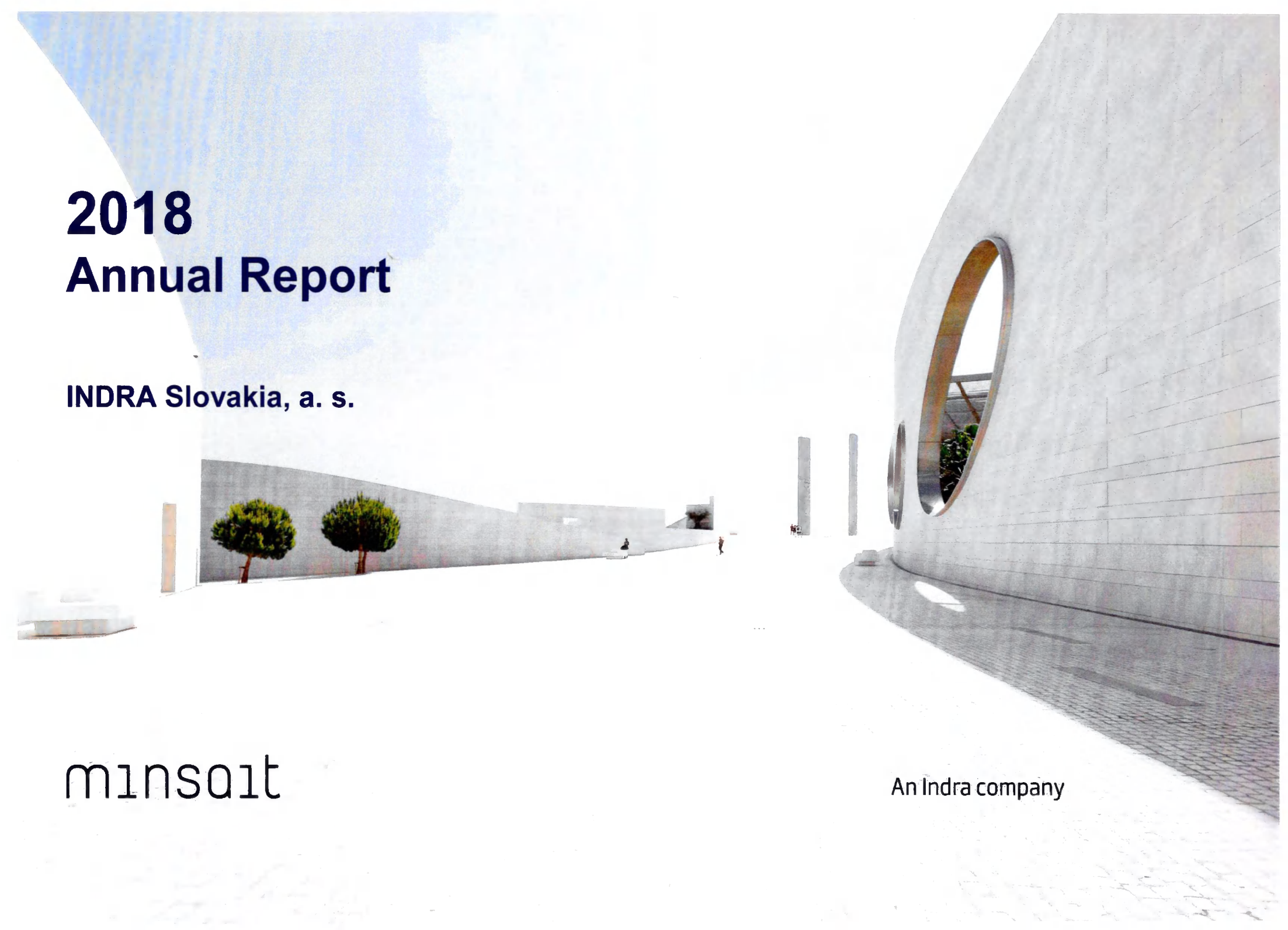
**REPORT ON OTHER LEGAL AND
REGULATORY REQUIREMENTS**

2018 Annual Report

INDRA Slovakia, a. s.

minsait

An Indra company



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01

Foreword of the Chairman of the Board of Directors of INDRA Slovakia, a s.

In 2018, our company continued to grow and in terms of turnover and profit, 2018 was clearly the most successful year of INDRA Slovakia, a. s. within its existence on the Slovak market. We continued our efforts to present our company in new market segments, mainly in the public and state administration sectors, and we continued to implement our key Implementation and Support Project for the Dispatching Center for the Slovak Electricity Transmission System, a. s. (SEPS).

In parallel with the implementation of the project in SEPS, a. with. we are trying to develop our activities in the Dispatching Systems domain in the Slovak Republic - our business activities towards Eustream, a. s. and Východoslovenská Distribučná, a. s., and at the same time we support our business activities in projects of similar size and difficulty in neighboring countries such as the Czech Republic, Poland and Hungary, where we would like to successfully implement our know-how.

In addition to our business and project activities with our largest customer SEPS and the application of the European Union legislation for the operation of energy operators in Slovakia in 2018 we focused our attention in the Energy Sector on solving customer relations and billing systems, which are related to the effort to use our long-term know-how and to return to SSE and ZSE, which were our key customers in the past.

Our business activities outside the IT area in 2018 focused on solutions in the area of integrated transport systems for tunnels and highways, the area of systems for the management of civil airspace in the Slovak Republic and in the area of new radar systems in the segment of the Ministry of Defense of the Slovak Republic.

Looking back at 2018, I firmly believe that we have built a good starting position to stabilize and gradually grow our company in the coming years, whether in the energy sector or in the public and government sectors.

In Bratislava, 27.05.2019

Ivan Baťa

Chairman of the Board of Directors

02

Company Profile

INDRA Slovakia, a. s. ("INDRA SK") was established on 31 July 1991 as a consulting company providing comprehensive technological solutions and services on the Slovak market, primarily in energy, transport, public administration, defence and finance sectors.

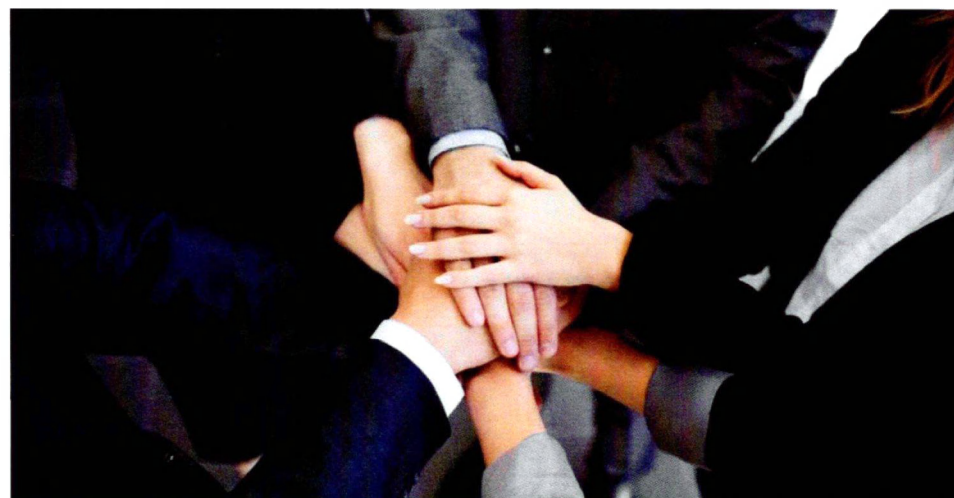
INDRA SK is one of the international branches of INDRA SISTEMAS S.A. Madrid, Kingdom of Spain.

Our range of technological solutions and services covers a comprehensive corporate IT cycle ranging from consulting, analysis, design and development of applications, implementation and testing to maintenance and outsourcing.

INDRA SK (formerly Soluziona) has been operating on the Slovak market for more than 27 years. The Company employs more than 25 specialists in Bratislava. This team of professional consultants is involved in the implementation of IT projects for external customers using extensive experience and background of the large international corporation.

INDRA Slovakia is ISO 9001 certified since 1998. In 2018 INDRA SK was successfully recertified with ISO 9001:2015 being included to the Global ISO certificate of the corporation Indra.

INDRA Slovakia, a. s. is the parent company of INDRA Slovensko, s. r. o., which holds a certificate awarded by the National Security Authority to access classified information related to NATO.



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Company details and Bodies

INDRA Slovakia, a. s. with its registered office at Prievozská 4, 821 09 Bratislava, is a joint-stock company with a share capital of EUR 199 200 consisting of 600 shares.

INDRA Sistemas, S.A.; Avenida de Bruselas 35; Alcobendas, Madrid; Spain, was a 100% shareholder of INDRA SK till 08/02/2019.

Since this date a new shareholder of INDRA SK is the company INDRA SOLUCIONES TECHNOLOGÍAS DE LA INFORMACIÓN, S.L.U. (Minsait); Avenida de Bruselas 35; Alcobendas, Madrid; Spain, which was founded in 2018 as a filial of INDRA Sistemas S. A.

Company Bodies



Board of Directors:

Ing. Ivan Baľa	Chairman of the BoD
Andrés Díez Molina	Member of the BoD (since 01/11/2018)
Luis Alberto Calvo Campos	Member of the BoD (till 08/02/2019)
Claudio Golino	Member of the BoD (since 08/02/2019)



Supervisory Board:

Ing. Zdenko Bábel	(since 01/11/2018)
Ing. Anna Briláková	(since 01/11/2018)
Vladimír Satek	(till 08/02/2019)
Antonio Salvador Muniesa Martínez	(since 08/02/2019)



Executive Director:

Ing. Ivan Baľa

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INDRA's Offer

INDRA is a leading global consulting and technology company and the technology partner for the core business operations of its client's businesses throughout the world. It is one of the world's largest providers of proprietary solutions in specific segments of the Transport and Defence markets and a bellwether in Information Technology in Spain and Latin America. Group turnover was more than EUR 3 billion for 2018.

The INDRA Group employs over 43 thousand professionals working in 46 countries and providing services to its clients in more than 140 countries worldwide.

The added value INDRA provides to its clients comprises comprehensive technological solutions and services, including consulting, design, system and application integration and designs of information systems and process outsourcing. Solutions and services are provided on the following vertical markets grouped in two main areas:



Area „Transport and Defense“ (T&D):

Transport:

- Rail and road traffic control
- Communication and navigation
- Radars
- Telemetry equipment
- Ticketing
- High-speed line control systems
- Toll payment systems

Defense and Security:

- Radars
- Satellites and control devices
- Simulator
- Surveillance systems
- Emergency systems

Air Traffic:

- Air automation
- Air information (ATM, AIM, Meteo...)
- Air communication
- Air navigation
- Drones, Surveillance

Area „Information Technologies“ (Minsait):

This area of Indra Corporation started working under the brand “Minsait” by the end of 2018 and englobes provision of IT solutions for the following sectors:

Energy:

- Oil and Gas
- Utilities Water
- Utilities Electricity and Gas

Industry and Consumptions

- Agroindustry & Consumer Goods
- Airlines
- Automotive & Industrial Products
- Chemical Industry & Natural Resources
- Engineering, Industry & Real Estate
- Pharma and Lifescience
- Retail & Fashion Services
- Tourism and Hospitality
- Transport and Logistics

Financial Services:

- Banking
- Insurance

Public Administration

- Elections and Participative Processes
- Health
- Public Sector

Telco and Media

- Telecommunications
- Media

05

Company's Principal Business Objectives

Energy and Utilities

In 2018, we focused our main business activities on our traditional client, SEPS. Implementation of the RIS SED management system continued in cooperation with partners and subcontractors. The progress of the project brought a number of negative impacts, especially in the area of cooperation with subcontractors, which caused a project delay of about three months. Thanks to the team's increased commitment to organization and project management and despite these impacts, the project is well-kept, with a view to its successful completion in the first months of 2019.

In addition to this significant activity, INDRA Slovakia continues to support SEPS in the area of consulting services, particularly in the implementation of EU Network Codes. INDRA SK, in co-operation with INDRA Czech Republic provides professional consultancy services in this complex area, combining technical, business, organizational and legislative requirements resulting from the processes of unification and interconnection of electricity networks within ENTSO-E countries. INDRA SK has also been approached by SEPS to continue collaborating on SEPS consultancy support for the implementation of the EU "Clean Energy for All" package.

INDRA SK was also involved in two major projects. The first of these is the Consolidation of Reading Centers project "ZSD", where we submitted a tender. Unfortunately, in an electronic auction the bid price was reduced by competing bidders in such a way that INDRA SK ceased its other activities in this procurement. The second is the deployment of a risk management system for energy trading for the customer SPP. In cooperation with the parent company INDRA

Sistemas and the partner Allegro Development, the tender was submitted to the procurement started by the customer. Activities continued throughout the year, consisting mainly of negotiating and clarifying technical, contractual and other conditions between the contracting authority and tenderers.

Another public tender was launched in 2018, where INDRA SK participates related to the delivery and subsequent technical support of the DIRIS system for the customer Východoslovenská Distribučná, a. s. It is a dispatching management system for the distribution network. We successfully completed the first qualifying phase of the competition and will continue to prepare the required entries for this competition in cooperation with its parent company INDRA SISTEMAS and its sister company ACS.

Of course, the main goal for 2019 will be to continue the implementation of contracts with SEPS on the "Innovation RIS SED" Project, where the transfer of the new system is expected at the beginning of the year and the subsequent transition to providing technical support on the basis of the relevant Contract. INDRA SK will continue its activities related to two ongoing tenders for ZSD and SPP.

Transport

INDRA Slovakia continued its activities aimed at acquiring projects in the field of road transport in the framework of the construction of the motorway network of the Slovak Republic. The main objectives are tunnel sections as the places with the highest concentration of intelligent equipment for their operation and traffic management. Such sections include, in particular, the Hubová - Ivachnová section and the Višňové - Dubná Skala section, with the longest motorway tunnel. Unfortunately, the first one was delayed by unforeseen circumstances and its reactivation is not expected in the near future.

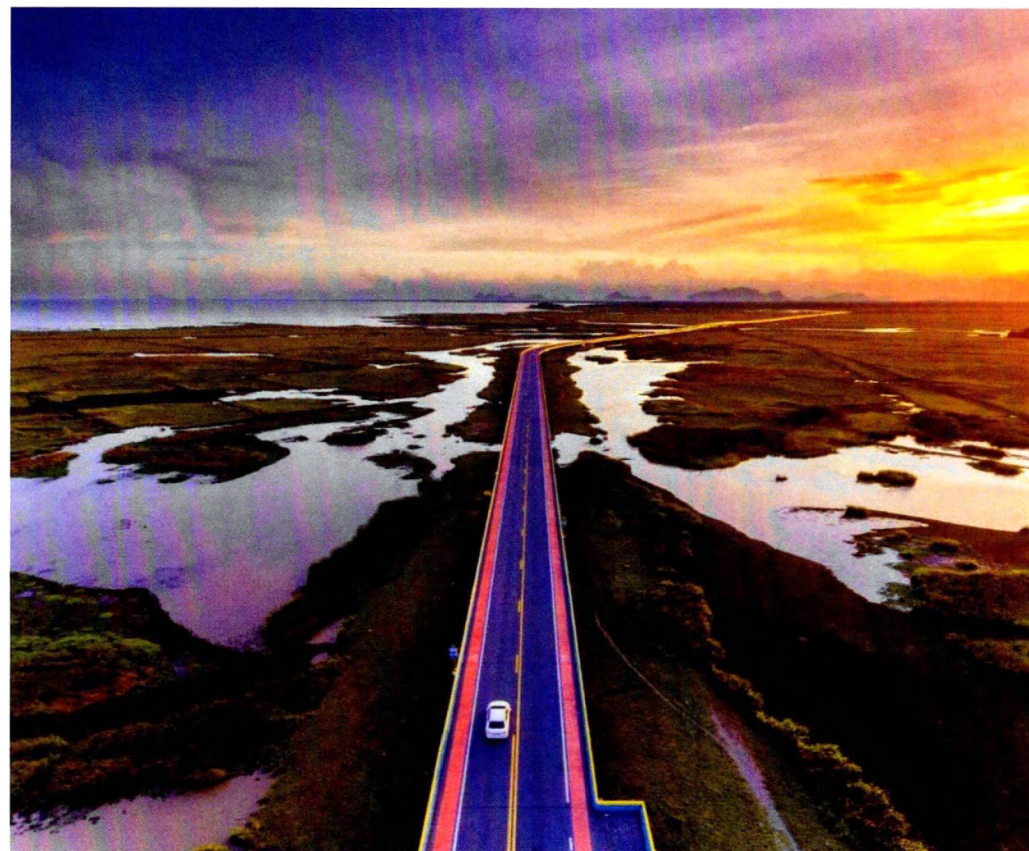
The second section is getting into serious problems in the construction part of the project and the technological part is also likely to be considerably delayed.

Another opportunity, which was the construction of the Bratislava bypass (sections D7 and R4), was finished because of the main supplier choose another technological solution.

Defense

INDRA SK is still actively involved in the field of radar technology for the Armed Forces of the Slovak Republic. Mid-range radar procurement has been suspended. Finally, the Ministry of Defense chose to procure all the necessary types of radar at government level, where Spain was approached and our parent company prepared the offer. Unfortunately, this wasn't successful, as the Indra product portfolio didn't not cover the entire range of radar equipment required.

Given the ongoing restructuring of the parent company, it is not yet entirely clear whether areas and market segments outside IT, i. e. Transport and Defense will continue to be of commercial interest to INDRA SK.



Foreign Market

INDRA SK experts also participated in foreign projects of the INDRA Group, the main project remained the Telefonica O2 Germany project, with a view for the cooperation to the next two years. We cooperated with the parent company on SGC projects (Energy Customer Information System) for projects in Ghana, Zimbabwe and Mozambique. In 2018, work continued on projects for Indra Avitech in Germany too.

Cooperation in the CEE Region

In relation to our project experience gained in the SEPS Dispatching Center project, we try to present it, offer and participate in competitions in our region. The natural continuation of the project is the presentation of our project experience in other countries of the region as well, such as the Czech Republic, Poland and Hungary.



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Report on Business Activities in 2018

Financial position

The 2018 can be considered very successful year for the company.

Mainly thanks to the new RISSED Dispatching control system project, we have increased the revenues from provided services by 95% compared to the previous year and related with this project. The share of project's revenues on the domestic market increased, representing 91% of total revenues. The Company posted a post-tax profit of EUR 1,036,988, an increase of EUR 608,015 compared with the profit in 2017, which is by 142%.

We know that all achievements so far are the result of not only good management of the company, but above all the professional and quality work of our employees and subcontractors.

We also expect positive results in 2019. Regarding with the RISSED project, we are planning to maintain sales volume and to achieve good economic results through efficient management.



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Overview of Financial Indicators

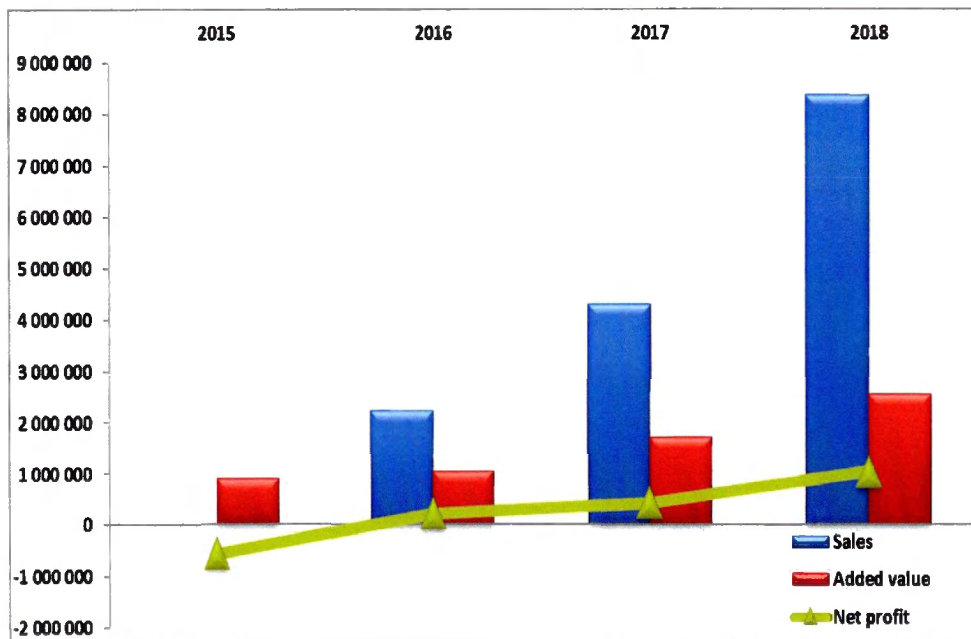
Income Statement

Income Statement	2016	2017	2018
Revenues from the sale of services	2,214,832	4,286,834	8,358,050
Capitalisation	0	0	0
Consumables and services	-1,174,604	-2 575,662	-5 834,755
Consumed raw materials	-39,120	-479,169	-939,346
Services	-1,135,484	-2,096,493	-4,895,409
Added value	1,040,228	1,711,172	2,523,295
Personnel expenses	-1,009,518	-1,227,211	-1,239,943
Taxes and fees	-498	-763	-704
Depreciation/amortisation charges	-12,843	-16,581	-19,183
of non-current asset	178,981	155,436	149,067
Other opening revenues	-2,188	-3,691	-149,876
Other opening expenses			
Profit/loss from operating activities	194,232	618,362	1,262,656
Revenues from financing activities	0	0	4
Finance costs	-3,255	-5,126	-14,191
Profit/loss from financing activities	-3,255	-5,126	-14,187
Income tax	21,465	-184,263	-211,481
Profit/loss for the reporting period	212,442	428,973	1,036,988

Balance Sheet

Assets	2016	2017	2018	Equity and Liabilities	2016	2017	2018
Total assets	780 786	1,473,820	3,232,563	Total equity and liabilities	780,786	1,473,820	3,232,563
Non-current assets	26,096	47,063	24,684	Equity	314,262	723,235	1,745,222
Non-current intangible assets	2,173	1,039	-	Share capital	199,200	199,200	199,200
Non-current tangible assets	18,423	40,524	20,380	Funds created from profit	39,833	39,833	39,833
Non-current financial assets	5,500	5,500	2,304	Profit/loss from previous years	-137,213	55,229	469,201
Current assets	696,529	1,381,027	3,084,531	Profit/loss for the reporting period	212,442	428,973	1,036,988
Non-current receivables	50,405	76,428	126,107	Liabilities	432,008	742,391	742,391
Current receivables	387,431	1,230,646	2,802,913	Provisions for liabilities	112,413	118,128	114,147
Financial accounts	258,693	73,953	155,511	Non-current liabilities	948	24,636	7,914
Accruals and deferrals	58,161	45,730	123,348	Current liabilities	318,647	599,627	1,330,816
				Accruals and deferrals	34,516	8,194	34,464

Overview of Sales, Added Value and Post-Tax Profit for the past four years



Overview of Key Indicators for the last four reporting periods

Key Indicators	2015	2016	2017	2018
Revenues from the sale of service	1,342,595	2,214,832	4,286,834	8,358,050
Share of domestic projects	11%	57%	81%	91%
Share of foreign projects	89%	43%	19%	9%
EBITDA	-533,963	204,901	630,460	1,268,367
EBITDA (%)	-39.77%	9.25%	14.71%	15.18%
Profit/loss from operating activities	-549,874	194,232	618,362	1,234,282
Profit/loss from operating activities	-40.96%	8.77%	14.42%	14.77%
Profit/loss for the reporting period	-557,457	212,442	428,973	1,036,988
Return on assets	-77.20%	34.15%	38.05%	44.07%
Return on sales	-41.52%	9.59%	10.01%	12.41%
Employees at the end of the period	29	28	26	25
Sales per employee	46,296	79,101	164,878	334,322

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Human Resources Management

The number of employees remained unchanged in 2018. There were 26 employees in the beginning of the year and 25 employees in the end of the year. The full-time average equivalent was 26. All employees have completed university education.

2018 was a stable year for INDRA Slovakia in terms of Human Resources. During the year, we tried to make working conditions more attractive to our employees by improving the company benefits, as we set ourselves the our target in the previous years.

The sustainability and stability of our employees remains our priority in the next year, too.



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R&D Expenses

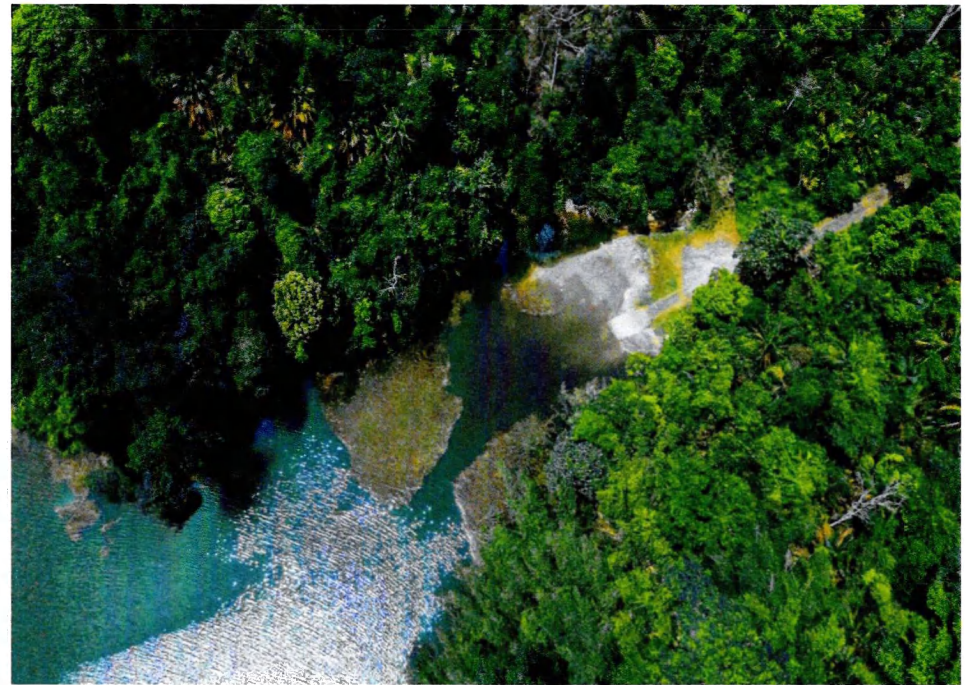
The Company incurred no R&D expenses in 2018.



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Environment

The Company has no significant environmental impact given its scope of business.



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Distribution of Profit

The parent company's General Meeting will decide on the distribution of the profit for the 2018 reporting period.

The Company's Board of Directors proposes to the General Assembly to distribute the 2018 profit of EUR 1,037 thousand as follows:

- Allotment to the Social Fund
- Transfer to Accumulated losses from previous years, to cover the rest of loss 2015.
- Transfer to account Retained earnings from previous years

The Company acquired no treasury shares, interim certificates or ownership interests, or parent company shares, interim certificates or ownership interests in 2018.



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Expected Development in 2019

2018 was one of the most successful years for INDRA SK in recent years. The main priority for 2019 is the successful completion of the implementation of the "RIS SED Innovation" Project for SEPS so that the tasks resulting from the Work Contract for this project and the Project successfully handed over to the customer are fulfilled.

By successfully implementing this Project, we will stabilize and complete the company's employee team and create a financial basis for the company's future years. Of course in parallel with the implementation of this project, we will continue our activities related to the presentation of the company in new market segments, mainly in the areas of public and state administration, transport and defense.

These activities will require closer cooperation with the parent company INDRA SOLUCIONES TECNOLOGÍAS DE LA INFORMACIÓN, S.L.U. (Minsait), which was created in 2018 as a subsidiary of INDRA SISTEMAS S.A. focusing on IT segments (Energy, Banking, Telecommunications, Industry, Public Administration and Healthcare).

As a subsidiary, INDRA SK will also focus on these IT segments as of 2019.

The natural continuation of the SEPS Project is the presentation of our project experience in other countries of the region, such as the Czech Republic, Poland and Hungary, where we would like to capitalize on the experience and capabilities acquired during its implementation for other customers with similar needs and requirements.

At the same time the Company's management declares that there have been no material facts that would have a material impact on the Company's financial statements from the end of 2018 to the date of the Annual report and the Financial statements 2018.

The company does not have an organizational unit abroad.



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Auditor's Report

The Company's Balance Sheet,
Income Statement and Auditor's Report
are attached to the section below.



INDRA Slovakia, a.s.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders, Supervisory Board and Board of Directors of INDRA Slovakia, a.s.:

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of INDRA Slovakia, a.s. (the "Company"), which comprise the balance sheet as at 31 December 2018, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2018, and its financial performance for the year then ended in accordance with the Act on Accounting No. 431/2002 Coll. as amended (the "Act on Accounting").

Basis for Opinion

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

Responsibilities of Management

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

This is an English language translation of the original Slovak language document.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on Information Disclosed in the Annual Report

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

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

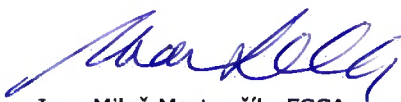
We evaluated whether the Company's annual report includes information whose disclosure is required by the Act on Accounting.

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

- Information disclosed in the annual report prepared for 2018 is consistent with the financial statements for the relevant year; and
- The annual report includes information pursuant to the Act on Accounting.

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

Bratislava, 29 July 2019



Ing. Miloš Martončík, FCCA
Responsible Auditor
Licence SKAu No. 948

On behalf of
Deloitte Audit s.r.o.
Licence SKAu No. 014

Úč POD

FINANCIAL STATEMENTS

of entrepreneurs maintaining accounts under the system of double entry bookkeeping
as of 31 dec 2018

Tax identification number

2 0 2 0 3 1 2 3 8 2

Identification number (IČO)

1 7 3 2 8 2 0 9

SK NACE

6 2 . 0 9 . 0

Financial statements

☒ - ordinary
☐ - extraordinary
☐ - interim

Accounting entity

☒ - small
☐ - large

For the period

	Month	Year
from	0 1	2 0 1 8
to	1 2	2 0 1 8

Preceding period

	Month	Year
from	0 1	2 0 1 7
to	1 2	2 0 1 7

Attached parts of the financial statements

☒ Balance Sheet
(Úč POD 1-01)
(in whole euros)

☒ Income Statement
(Úč POD 2-01)
(in whole euros)

☒ Notes to the Financial Statements (Úč
POD 3-01)
(In whole euros or eurocents)

Legal name (designation) of the accounting entity

I N D R A S I I o v a k i a , a . s .

Registered office of the accounting entity, street and number

P r i e v o z s k á 4

Zip code

8 2 1 0 9

Municipality

B r a t i s l a v a

Designation of the Commercial Register and company registration number

D i s t r i c t C o u r t B r a t i s l a v a I
S e c t i o n S a , f i l e 2 8 2 / B

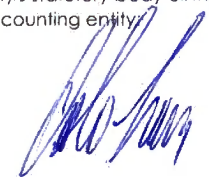
Telephone

0 2 5 8 2 2 9 1 1 1

Fax

0 2 5 8 2 2 9 1 1 2

Email

Prepared on: 16 may 2019	Approved on:	Signature of the accounting entity's statutory body or a member of the accounting entity's statutory body or the signature of a sole trader who is the accounting entity: 
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DIČ: 2020312382

IČO: 17328209

Súvaha Úč POD 1-01

Designation a	ASSETS b	Line No. c	Current accounting period			Preceding accounting period
			1		2	3
			Gross - Part 1	Correction-Part 2	Net	Net
	TOTAL ASSETS line 02 + line 33 + line 74	01	4 366 943	1 134 380	3 232 563	1 473 820
A.	Non-current assets line 03 + line 11 + line 21	02	1 159 064	1 134 380	24 684	47 063
A.I.	Non-current Intangible assets - total (lines 04 to 10)	03	733 923	733 923	0	1 039
A.I.1.	Capitalized development costs (012) - /072, 091A/	04			0	
2.	Software (013)-/073, 091A/	05	733 923	733 923	0	1 039
3.	Valuable rights (014)-/074, 091A/	06			0	
4.	Goodwill (015) - /075, 091A/	07			0	
5.	Other non-current intangible assets (019, 01X) - /079, 07X, 091A/	08			0	
6.	Acquisition of non-current intangible assets (041) - /093/	09	0	0	0	0
7.	Advance payments made for non-current intangible assets (051) - /095A/	10			0	
A.II.	Property, plant and equipment - total (lines 12 to 20)	11	419 641	397 261	22 380	40 524
A.II.1.	Land (031) - /092A/	12			0	
2.	Structures (021) - /081, 092A/	13	52 189	52 189	0	0
3.	Individual movable assets and sets of movable assets (022) - /082, 092A/	14	367 452	345 072	22 380	40 524
4.	Perennial crops (025) - /085, 092A/	15	0	0	0	0
5.	Livestock (026) - /086, 092A/	16	0	0	0	0
6.	Other property, plant and equipment (029, 02X, 032) - /089, 08X, 092A/	17	0	0	0	0
7.	Acquisition of property, plant and equipment (042) - /094/	18	0	0	0	0
8.	Advance payments made for property, plant and equipment (052) - /095A/	19	0	0	0	0
9.	Value adjustment to acquired assets (+/- 097) +/- 098	20	0	0	0	0
A.III.	Non-current financial assets - total (lines 22 to 32)	21	5 500	3 196	2 304	5 500
A.III.1.	Shares and ownership interests in affiliated accounting entities (061A, 062A, 063A) - /096A/	22	5 500	3 196	2 304	5 500
2.	Shares and ownership interests with participating interest, except for affiliated accounting entities (062A) - /096A/	23			0	
3.	Other available-for-sale securities and ownership interests (063A) - /096A/	24			0	
4.	Loans to affiliated accounting entities (066A) - /096A/	25			0	
5.	Loans within participating interest, except for affiliated accounting entities (066A) - /096A/	26			0	
6.	Other loans (067A) - /096A/	27			0	

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Designation a	ASSETS b	Line No. c	Current accounting period			Preceding accounting period
			1		2	3
			Gross - Part 1	Correction-Part 2	Net	Net
7.	Debt securities and other non-current financial assets (065A, 069A, 06XA) - /096A/	28			0	
8.	Loans and other non-current financial assets with remaining maturity of up to one year (066A, 067A, 069A, 06XA) - /096A/	29			0	
9.	Bank accounts with notice period exceeding one year (22XA)	30			0	
10.	Acquisition of non-current financial assets(043) - /096A/	31			0	
11.	Advance payments made for non-current financial assets (053) - /095A/	32			0	
B.	Current assets line 34 + line 41 + line 53 + line 66 + line 71	33	3 084 531	0	3 084 531	1 381 027
B.I.	Inventory - total (lines 35 to 40)	34	0	0	0	0
B.I.1.	Raw material (112, 119, 11X) - /191, 19X/	35	0	0	0	0
2.	Work in progress and semi-finished products (121, 122, 12X) - /192, 193, 19X/	36	0	0	0	0
3.	Finished goods (123) - /194/	37	0	0	0	0
4.	Animals (124) - /195/	38	0	0	0	0
5.	Merchandise (132, 133, 13X, 139) - /196, 19X/	39	0	0	0	0
6.	Advance payments made for inventory (314A) - /391A/	40	0	0	0	0
B.II.	Non-current receivables - total (line 42 + lines 46 to 52)	41	126 107	0	126 107	76 428
B.II.1.	Trade receivables - total (lines 43 to 45)	42	0	0	0	42 601
1.a.	Trade receivables from affiliated accounting entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	43	0	0	0	0
1.b.	Trade receivables within participating interest, except for receivables from affiliated accounting entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	44	0	0	0	0
1.c.	Other trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	45	0	0	0	42 601
2.	Net value of contract (316A)	46	0	0	0	0
3.	Other receivables from affiliated accounting entities (351A) - /391A/	47	0	0	0	0
4.	Other receivables within participating interest, except for receivables from affiliated accounting entities (351A) - /391A/	48	0	0	0	0
5.	Receivables from participants, members, and association (354A, 355A, 358A, 35XA) - /391A/	49	0	0	0	0
6.	Receivables related to derivative transactions (373A, 376A)	50	0	0	0	0
7.	Other receivables (335A, 336A, 33XA, 371A, 374A, 375A, 378A) - /391A/	51	0	0	0	0
8.	Deferred tax asset (481A)	52	126 107	0	126 107	33 827

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Designation a	ASSETS b	Line No. c	Current accounting period			Preceding accounting period
			1		2	3
			Gross - Part 1	Correction-Part 2	Net	Net
B.III.	Current receivables - total (line 54 + lines 58 to 65)	53	2 802 913	0	2 802 913	1 230 646
B.III.1.	Trade receivables - total (lines 55 to 57)	54	773 027	0	773 027	257 897
1.a.	Trade receivables from affiliated accounting entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	55	0	0	0	0
1.b.	Trade receivables within participating interest, except for receivables from affiliated accounting entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	56	0	0	0	0
1.c.	Other trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	57	773 027	0	773 027	257 897
2.	Net value of contract (316A)	58	1 990 376		1 990 376	970 661
3.	Other receivables from affiliated accounting entities (351A) - /391A/	59			0	
4.	Other receivables within participating interest, except for receivables from affiliated accounting entities (351A) - /391A/	60			0	
5.	Receivables from participants, members, and association (354A, 355A, 358A, 35XA, 398A) - /391A/	61			0	
6.	Social security (336A) - /391A/	62			0	
7.	Tax assets and subsidies (341, 342, 343, 345, 346, 347) - /391A/	63	39 146		39 146	2 023
8.	Receivables related to derivative transactions (373A, 376A)	64			0	
9.	Other receivables (335A, 33XA, 371A, 374A, 375A, 378A) - /391A/	65	364	0	364	65
B.IV.	Current financial assets - total (lines 67 to 70)	66	0	0	0	0
B.IV.1.	Current financial assets in affiliated accounting entities (251A, 253A, 256A, 257A, 25XA) - /291A, 29XA/	67			0	
2.	Current financial assets, not including current financial assets in affiliated accounting entities (251A, 253A, 256A, 257A, 25XA) - /291A, 29XA/	68			0	
3.	Own shares and own ownership interests (252)	69			0	
4.	Acquisition of current financial assets (259, 314A) - /291A/	70			0	
B.V.	Financial accounts line 72 + line 73	71	155 511	0	155 511	73 953
B.V.1.	Cash (211, 213, 21X)	72	5 400	0	5 400	4 917
2.	Bank accounts (221A, 22X, +/- 261)	73	150 111	0	150 111	69 036
C.	Accruals/deferrals - total (lines 75 to 78)	74	123 348	0	123 348	45 730
C.1.	Prepaid expenses - long-term (381A, 382A)	75			0	
2.	Prepaid expenses - short-term (381A, 382A)	76	123 348		123 348	45 730
3.	Accrued income - long-term (385A)	77			0	
4.	Accrued income - short-term (385A)	78	0		0	0

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Designation a	LIABILITIES AND EQUITY b	Line No. c	Current accounting period 4	Preceding accounting period 5	
	TOTAL EQUITY AND LIABILITIES line 80 + line 101 + line 141	79	3 232 563	1 473 820	
A.	Equity line 81 + line 85 + line 86 + line 87 + line 90 + line 93 + line 97 + line 100	80	1 745 222	723 235	
A.I.	Share capital - total (lines 82 to 84)	81	199 200	199 200	
A.I.1.	Share capital (411 or +/- 491)	82	199 200	199 200	
2.	Change in share capital +/- 419	83			
3.	Unpaid share capital (/-/353)	84			
A.II.	Share premium (412)	85	0	0	
A.III.	Other capital funds (413)	86	0	0	
A.IV.	Legal reserve funds line 88 + line 89	87	39 833	39 833	
A.IV.1.	Legal reserve fund and non-distributable fund (417A, 418, 421A, 422)	88	39 833	39 833	
2.	Reserve fund for own shares and own ownership interests (417A, 421A)	89			
A.V.	Other funds created from profit line 91 + line 92	90	0	0	
A.V.1.	Statutory funds (423, 42X)	91			
2.	Other funds (427, 42X)	92			
A.VI.	Differences from revaluation - total (lines 94 to 96)	93	0	0	
A.VI.1.	Differences from revaluation of assets and liabilities (+/- 414)	94			
2.	Investment revaluation reserves (+/- 415)	95			
3.	Differences from revaluation in the event of a merger, amalgamation into a separate accounting entity or demerger (+/- 416)	96			
A.VII.	Net profit/loss of previous years line 98 + line 99	97	469 201	55 229	
A.VII.1.	Retained earnings from previous years (428)	98	612 685	612 686	
2.	Accumulated losses from previous years (/-/429)	99	-143 484	-557 457	
A.VIII.	Net profit/loss for the accounting period after tax +/- line 01 - (line 81 + line 85 + line 86 + line 87 + line 90 + line 93 + line 97 + line 101 + line 141)	100	1 036 988	428 973	
B.	Liabilities line 102 + line 118 + line 121 + line 122 + line 136 + line 139 + line 140	101	1 452 877	742 391	
B.I.	Non-current liabilities - total (line 103 + lines 107 to 117)	102	7 914	24 636	
B.I.1.	Non-current trade liabilities - total (lines 104 to 106)	103	0	17 744	
1.a.	Trade liabilities to affiliated accounting entities (321A, 475A, 476A)	104			

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Designation a	LIABILITIES AND EQUITY b	Line No. c	Current accounting period 4	Preceding accounting period 5
1.b.	Trade liabilities within participating interest, except for liabilities to affiliated accounting entities (321A, 475A, 476A)	105		
1.c.	Other trade liabilities (321A, 475A, 476A)	106		17 744
2.	Net value of contract (316A)	107		
3.	Other liabilities to affiliated accounting entities (471A, 47XA)	108		
4.	Other liabilities within participating interest, except for liabilities to affiliated accounting entities (471A, 47XA)	109		
5.	Other non-current liabilities(479A, 47XA)	110		
6.	Long-term advance payments received (475A)	111		
7.	Long-term bills of exchange to be paid (478A)	112		
8.	Bonds issued (473A/-/255A)	113		
9.	Liabilities related to social fund (472)	114	7 914	6 892
10.	Other non-current liabilities (336A, 372A, 474A, 47XA)	115	0	0
11.	Non-current liabilities related to derivative transactions (373A, 377A)	116		
12.	Deferred tax liability (481A)	117		
B.II.	Long-term provisions line 119 + line 120	118	0	0
B.II.1.	Legal provisions (451A)	119		
2.	Other provisions (459A, 45XA)	120		
B.III.	Long-term bank loans (461A, 46XA)	121	0	0
B.IV.	Current liabilities - total (line 123 + lines 127 to 135)	122	1 330 816	599 627
B.IV.1.	Trade liabilities - total (lines 124 to 126)	123	1 097 751	352 216
1.a.	Trade liabilities to affiliated accounting entities (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	124	0	0
1.b.	Trade liabilities within participating interest, except for liabilities to affiliated accounting entities (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	125		
1.c.	Other trade liabilities (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	126	1 097 751	352 216
2.	Net value of contract (316A)	127		
3.	Other liabilities to affiliated accounting entities (361A, 36XA, 471A, 47XA)	128	0	0
4.	Other liabilities within participating interest, except for liabilities to affiliated accounting entities (361A, 36XA, 471A, 47XA)	129	0	0

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Designation a	LIABILITIES AND EQUITY b	Line No. c	Current accounting period 4	Preceding accounting period 5
5.	Liabilities to partners and association (364, 365, 366, 367, 368, 398A, 478A, 479A)	130	0	0
6.	Liabilities to employees (331, 333, 33X, 479A)	131	46 830	52 944
7.	Liabilities related to social security (336A)	132	35 069	39 789
8.	Tax liabilities and subsidies (341, 342, 343, 345, 346, 347, 34X)	133	151 166	154 678
9.	Liabilities related to derivative transactions (373A, 377A)	134		
10.	Other liabilities (372A, 379A, 474A, 475A, 479A, 47XA)	135		
B.V.	Short-term provisions line 137 + line 138	136	114 147	118 128
B.V.1.	Legal provisions (323A, 451A)	137	50 532	47 032
2.	Other provisions (323A, 32X, 459A, 45XA)	138	63 615	71 096
B.VI.	Current bank loans (221A, 231, 232, 23X, 461A, 46XA)	139	0	0
B.VII.	Short-term financial assistance (241, 249, 24X, 473A /-/255A)	140	0	0
C.	Accruals/deferrals - total (lines 142 to 145)	141	34 464	8 194
C.1.	Accrued expenses - long-term (383A)	142	0	0
2.	Accrued expenses - short-term (383A)	143	0	0
3.	Deferred income - long-term (384A)	144	0	0
4.	Deferred income - short-term (384A)	145	34 464	8 194

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Výkaz ziskov a strát Úč POD 2-01

Designation a	Text b	Line No. c	Actual data	
			Current accounting period 1	Preceding accounting period 2
.	Net turnover (part of account class 6 according to the Act)	01	8 358 050	4 286 834
**	Operating income - total (lines 03 to 09)	02	8 507 117	4 442 270
I.	Revenue from the sale of merchandise (604, 607)	03	0	0
II.	Revenue from the sale of own products (601)	04	0	0
III.	Revenue from the sale of services (602, 606)	05	8 358 050	4 286 834
IV.	Changes in internal inventory (+/-) (account group 61)	06	0	0
V.	Own work capitalized (account group 62)	07	0	0
VI.	Revenue from the sale of non-current intangible assets, property, plant and equipment, and raw materials (641, 642)	08	0	29
VII.	Other operating income (644, 645, 646, 648, 655, 657)	09	149 067	155 407
**	Operating expenses - total line 11 + line 12 + line 13 + line 14 + line 15 + line 20 + line 21 + line 24 + line 25 + line 26	10	7 244 461	3 823 908
A.	Cost of merchandise sold (504, 507)	11	0	0
B.	Consumed raw materials, energy consumption, and consumption of other non-inventory supplies (501, 502, 503)	12	939 346	479 169
C.	Value adjustments to inventory (+/-) (505)	13	0	0
D.	Services (account group 51)	14	4 895 409	2 096 493
E.	Personnel expenses - total (lines 16 to 19)	15	1 239 943	1 227 211
E.1.	Wages and salaries (521, 522)	16	904 583	893 846
2.	Remuneration of board members of company or cooperative (523)	17		
3.	Social security expenses (524, 525, 526)	18	313 519	313 509
4.	Social expenses (527, 528)	19	21 841	19 856
F.	Taxes and fees (account group 53)	20	704	763
G.	Amortization and value adjustments to non-current intangible assets and depreciation and value adjustments to property, plant and equipment (line 22 + line 23)	21	19 183	16 581
G.1.	Amortization of non-current intangible assets and depreciation of property, plant and equipment (551)	22	19 183	16 581
2.	Value adjustments to non-current intangible assets and property, plant and equipment (+/-) (553)	23	0	0
H.	Carrying value of non-current assets sold and raw materials sold (541, 542)	24	0	0

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Výkaz ziskov a strát Úč POD 2-01

Designation a	Text b	Line No. c	Actual data	
			Current accounting period 1	Preceding accounting period 2
I.	Value adjustments to receivables (+/-) (547)	25	0	0
J.	Other operating expenses (543, 544, 545, 546, 548, 549, 555, 557)	26	149 876	3 691
***	Profit/loss from operations (+/-) (line 02 - line 10)	27	1 262 656	618 362
*	Added value (line 03 + line 04 + line 05 + line 06 + line 07) - (line 11 + line 12 + line 13 + line 14)	28	2 523 295	1 711 172
**	Income from financial activities - total line 30 + line 31 + line 35 + line 39 + line 42 + line 43 + line 44	29	4	0
VIII.	Revenue from the sale of securities and shares (661)	30	0	0
IX.	Income from non-current financial assets (lines 32 to 34)	31	0	0
IX.1.	Income from securities and ownership interests in affiliated accounting entities (665A)	32	0	0
2.	Income from securities and ownership interests within participating interest, except for income of affiliated accounting entities (665A)	33	0	0
3.	Other income from securities and ownership interests (665A)	34	0	0
X.	Income from current financial assets - total (lines 36 to 38)	35	0	0
X.1.	Income from current financial assets in affiliated accounting entities (666A)	36	0	0
2.	Income from current financial assets within participating interest, except for income of affiliated accounting entities (666A)	37	0	0
3.	Other income from current financial assets (666A)	38	0	0
XI.	Interest income (line 40 + line 41)	39	0	0
XI.1.	Interest income from affiliated accounting entities (662A)	40	0	0
2.	Other interest income (662A)	41	0	0
XII.	Exchange rate gains (663)	42	4	0
XIII.	Gains on revaluation of securities and income from derivative transactions (664, 667)	43	0	0
XIV.	Other income from financial activities (668)	44	0	0
**	Expenses related to financial activities - total line 46 + line 47 + line 48 + line 49 + line 52 + line 53 + line 54	45	14 191	5 126
K.	Securities and shares sold (561)	46	0	0
L.	Expenses related to current financial assets (566)	47	0	0
M.	Value adjustments to financial assets (+/-) (565)	48	3 196	0
N.	Interest expense (line 50 + line 51)	49	5 698	643

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Designation a	Text b	Line No. c	Actual data		
			Current accounting period	Preceding accounting period	
			1	2	
N.1.	Interest expenses related to affiliated accounting entities (562A)	50	4 983	0	
2.	Other interest expenses (562A)	51	715	643	
O.	Exchange rate losses (563)	52	4 469	3 491	
P.	Loss on revaluation of securities and expenses related to derivative transactions (564, 567)	53	0	0	
Q.	Other expenses related to financial activities (568, 569)	54	828	992	
***	Profit/loss from financial activities (+/-) (line 29 - line 45)	55	-14 187	-5 126	
****	Profit/loss for the accounting period before tax (+/-) (line 27 + line 55)	56	1 248 469	613 236	
R.	Income tax (line 58 + line 59)	57	211 481	184 263	
R.1.	Income tax - current (591, 595)	58	303 761	167 685	
2.	Income tax - deferred (+/-) (592)	59	-92 280	16 578	
S.	Transfer of net profit/net loss shares to partners (+/- 596)	60	0	0	
****	Profit/loss for the accounting period after tax (+/-) (line 56 - line 57 - line 60)	61	1 036 988	428 973	

INDRA Slovakia, a.s.

Notes to the Separate Financial Statements**Prepared as at 31 December 2018****(Value data in tables are disclosed in whole euros unless stipulated otherwise)****I. GENERAL INFORMATION****1. Company Details**

Business name and seat	INDRA Slovakia, a.s.
Date of establishment	31 July 1991
Date of incorporation (according to the Business Register)	20 December 1991
Business activities	- Advisory in the field of IT, environment and computing equipment

2. Employees

Item	2018	2017
Full-time equivalent	26	26
Number of employees as at the reporting date	25	26
Of which: Managers	4	4

3. Unlimited Guarantee

INDRA Slovakia, a.s. (hereinafter the "Company") is an unlimited guarantee shareholder in Indra Slovensko, s.r.o., Prievozská 4, 821 09 Bratislava.

4. Basis of Preparation for the Financial Statements

These financial statements represent the annual separate financial statements of INDRA Slovakia, a.s. The financial statements were prepared for the reporting period from 1 January to 31 December 2018 in compliance with Slovak legislation, ie the Act on Accounting and Accounting Procedures for Businesses.

The financial statements are intended for general use and information; they are not intended for the purposes of any specific user or consideration of any specific transactions. Accordingly, users should not rely exclusively on these financial statements when making decisions.

5. Approval of the 2017 Financial Statements

On 7 June 2018 the Annual General Meeting approved the 2017 financial statements of INDRA Slovakia, a.s.

6. Consolidated Financial Statements

INDRA Slovakia, a.s. is a subsidiary of INDRA Sistemas, S.A. Madrid, Spain, with its registered office at Avenida de Bruselas 35, 28108 Alcobendas, Madrid, Spain. INDRA Sistemas, S.A, prepares consolidated financial statements for the largest group of companies in the consolidation group.

INDRA Slovakia, a.s. has a controlling influence and is a parent company holding a 100% share in INDRA Slovensko s.r.o. with its registered office at Prievozská 4, 821 09 Bratislava.

The Company is exempt from the obligation to prepare consolidated financial statements and a consolidated annual report pursuant to Article 22 (8) of the Act on Accounting: its parent company, INDRA Sistemas, S.A., Madrid, Spain, holds a 100% ownership interest in the Company and prepares its consolidated financial statements under IFRS as adopted by the European Union. The Company and all of its subsidiaries are included in the consolidated financial statements.

The consolidated financial statements of INDRA Sistemas, S.A., Madrid are filed with the Business Register in Madrid, section 865, page M – 11339, file no. 28, Madrid, Spain and the consolidated financial statements are also filed and available at the registered office of INDRA Sistemas, S.A., Avenida de Bruselas 35, 28108 Alcobendas, Madrid, Spain.

INDRA Slovakia, a.s.**Notes to the Separate Financial Statements****Prepared as at 31 December 2018****(Value data in tables are disclosed in whole euros unless stipulated otherwise)****II. COMPANY'S BODIES**

In 2018, the Company provided no guarantees or other forms of security, bonuses and benefits to the Company's statutory representatives or related parties.

III. ACCOUNTING PRINCIPLES AND METHODS APPLIED

1. The Company applies accounting principles and procedures pursuant to the Act on Accounting and Accounting Procedures for Businesses effective in the Slovak Republic. The accounting books are kept in the monetary units of the Slovak currency, ie euros.
2. The 2018 financial statements were prepared based on the going-concern assumption.

As at 31 December 2018 90% of total revenues from the sale of services are attributable to one major customer. Contract with this customer is valid until 2022.
3. Revenues and costs are recognised as they are earned or incurred under the accrual basis of accounting. All revenues and costs related to the reporting period are used as a basis regardless of their settlement date.
4. When measuring assets and liabilities, the prudence principle is followed, ie all risks, losses, and impairments related to assets and liabilities and known as at the reporting date are used as a basis.
5. Revenue recognition – revenues are recognised when the delivery terms are fulfilled, since at that moment significant risks and ownership rights are transferred to the customer.
6. Non-current and current receivables, payables, loans, and interest-bearing borrowings – receivables and payables are disclosed on the balance sheet as either non-current or current following their residual maturities as at the reporting date. Portions of non-current receivables and portions of non-current payables due within one year from the reporting date are disclosed on the balance sheet as current receivables and current payables, as appropriate.
7. Estimates made – when compiling financial statements, the Company's management is required to prepare estimates and assumptions that influence the recognised amounts of assets and liabilities, and the disclosure of contingent assets and liabilities as at the reporting date, as well as the disclosed amounts of revenues and expenses during the year. The actual results may differ from these estimates.
8. Reported tax – Slovak tax legislation is relatively new, lacks precedents, and is subject to continuous amendments. Since various interpretations of tax laws and regulations in the application thereof to various transaction types exist, the amounts disclosed in the financial statements may later change, based on the ultimate opinion of the tax authorities.

9. Recognition of Individual Items of Assets and Liabilities – Initial Measurement

Upon acquisition, the cost principle is applied (ie the historical cost convention) and individual items of assets and liabilities are measured as follows:

- a) Purchased non-current tangible and intangible assets – at cost. The cost includes the acquisition price and the related incidental costs (transportation costs and customs duties).
- b) Non-current intangible assets generated internally – at the lower of own costs and the replacement costs of assets. Own costs include direct costs associated with production or other activities and indirect costs attributable to production or other activities. Replacement costs represent the amount of consideration given to acquire the assets when recognised.
- c) Non-current tangible assets generated internally – at own costs. Own costs include direct costs associated with production or other activities and indirect costs attributable to production or other activities.
- d) Non-current tangible and intangible assets acquired by other means – at replacement costs if the assets are acquired for no consideration or are newly identified during a stocktake, ie the amount of consideration given to acquire the assets when recognised.

INDRA Slovakia, a.s.

Notes to the Separate Financial Statements

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(Value data in tables are disclosed in whole euros unless stipulated otherwise)

- e) Assets acquired under finance lease agreements are recognised in assets at their fair value as at the acquisition date (the total of agreed payments less unrealised finance costs). The related liability due to the lessor is recognised on the balance sheet under *Other Long-Term Payables* with its current portion recorded in *Other Payables*. Unrealised finance costs representing the difference between the total amount of agreed payments and the fair value of acquired assets are recognised in the income statement over the term of the lease, applying the effective interest rate method. Costs related to the acquisition of an asset under a finance lease increase its value.
- f) Non-current financial assets – at cost. The cost represents the amount of consideration given to acquire the assets and the related incidental costs (fees and commissions to brokers, advisors, and stock exchanges).
- g) Construction contracts and construction contracts for real estate for sale – these contracts define the terms and conditions of individual contracts made at fixed prices or actual costs plus a fixed margin.

Contract revenues include the price agreed in the contract. These revenues also include changes in the contractual price reflecting subsequent variations made to the scope of the contract, claims, or agreed incentive charges. Contract costs for accounting purposes represent direct costs associated with the contract, indirect costs attributable to the contract, and other costs, eg administrative overhead, and research and development costs attributable to the construction contract from the date of the contract up to the date of its completion.

In order to recognise a contract, a contract budget is prepared. If losses are expected as a result of the performance of the contract, as the contractual costs exceed the contractual revenues from the construction contract, the expected loss from the contract is recognised as a provision for a construction contract loss. The amount of the expected loss is determined regardless of whether the work on the construction contract has been started, regardless of the percentage of contract completion or the amount of profits that are expected to be generated from other contracts that are not considered a single construction contract.

Contract revenues are recognised based on the percentage of contract completion, regardless of whether or not the work performed to date has been billed and regardless of the amount stated on the invoice. The percentage of contract completion is determined as the proportion of the contract costs actually incurred to the budgeted total contract costs.

If the result of the construction contract cannot be reliably estimated as at the reporting date, the contractual revenues are recognised in the amount of the contractual costs incurred in the reporting period for which it is likely to be paid (zero-profit method). The possibility of a reliable estimate of the result of the construction contract is reassessed always as at the reporting date.

The Company accounted for construction contracts for the third time in 2018.

- h) Receivables:
- When originated or acquired for no consideration – at face value.
 - Where acquired (assigned) for consideration or through a contribution to the registered capital – at cost.
- For non-interest-bearing non-current receivables and non-current borrowings, the provision is included in the *Correction* column where the values of the receivable and loan/borrowing are adjusted to their present value, for example by using the effective interest rate method.
- i) Current financial assets – at cost. The cost is the amount of the consideration given to acquire the assets and the related incidental costs (fees and commissions to brokers, advisors, and stock exchanges).
- j) Deferred expenses and accrued income – at the anticipated face value.
- k) Payables:
- When incurred – at face value.
 - Where assumed – at cost.

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l) Provisions for liabilities – at the anticipated amount payable or applying actuarial methods.

m) Bonds, interest-bearing borrowings, and loans:

- When originated – at face value.
- Where assumed – at cost.

Interest on bonds, interest-bearing borrowings and loans is recorded on an accrual basis.

n) Accrued expenses and deferred income – at the anticipated face value.

o) Current income taxes – pursuant to the Slovak Income Tax Act, current income taxes are determined based on the pre-tax accounting profits at the rate of 21% after adjustments for certain items for tax purposes.

p) Deferred income taxes are recognised when temporary differences arise between the carrying amount of assets and liabilities as disclosed on the balance sheet and their tax base, with the possibility of carrying forward tax losses and of transferring the unclaimed tax loss deductions into future periods. To determine the amount of deferred income taxes, the tax rate applicable in the subsequent reporting period was applied, ie 21%. In 2018, the Company recognised deferred tax of created provisions for liabilities and outstanding liabilities from provided services as of 31 December 2018, recorded in accounting period 2018. The deferred tax asset amounted to EUR 126.107 as at 31 December 2018.

10. Recognition of Individual Items of Assets and Liabilities – Subsequent Measurement

a) Estimated risks, losses, and impairments related to assets and liabilities are reflected in provisions for liabilities, provisions for assets, and depreciation charges.

- Provisions for liabilities are recognised at the anticipated amount payable. The amount of the provisions and the grounds for their recognition are assessed as at the reporting date.

Provision for severance payments

A provision for severance payments was not created in the 2018.

Employee benefits

Wages, salaries, payments to pension and insurance funds, paid annual vacation leave, paid sick leave, bonuses, and other in-kind benefits (eg healthcare) are recognised on an accrual basis.

- Provisions for assets are recorded in the amount of a justifiable assumption of the impairment of assets when compared to their valuation in the accounting books as follows:
 - Provisions for discontinued investments are recorded based on an assessment of their carrying amount in relation to their possible realisable value;
 - Provisions for shares in the registered capital of businesses are recorded using the equity method;
 - Provisions for work-in-progress representing construction contracts are recorded for contract losses recognised; and
 - For receivables overdue by more than 360 days are recorded at 100%

- Depreciation/Amortisation plan

Non-current tangible and intangible assets are depreciated/amortised according to a depreciation/amortisation plan that takes into account an estimate of their actual useful lives. Assets are depreciated/amortised over their estimated useful lives corresponding to the consumption of future economic benefits arising from such assets. The straight-line accounting depreciation method is applied. The assets are depreciated/amortised starting on the first day of the month in which they are placed into service.

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The average useful lives in the depreciation plan are as follows:

<i>Type of Assets</i>	<i>Useful Life</i>	<i>Annual Depreciation Rate</i>
Buildings and structures	6	16,60
Machines and equipment	2 to 12	8,30 to 50
Transportation means	4	25
Fixtures & fittings	4	25
Software	4	25

Tax depreciation is applied using the rates as per the Income Tax Act effective for straight-line depreciation.

- b) Shares in the registered capital in business companies are carried at their initial measurement. The equity method was used only when calculating the provisions.

11. Translation of Amounts Denominated in Foreign Currency to Slovak Currency

Assets and liabilities denominated in a foreign currency are translated to euros using the reference exchange rate determined and announced by the European Central Bank (ECB) or the National Bank of Slovakia (NBS) on the date preceding the transaction date and also on the reporting date. Advances received and made in a foreign currency are not translated as at the reporting date. For foreign currency purchases and sales in euros, and upon the transfer of funds from an account established in a foreign currency to an account established in euros and from an account established in euros to an account established in a foreign currency, the exchange rates at which these amounts were purchased or sold were applied. If the sale or purchase of a foreign currency is performed at an exchange rate other than the one offered by a commercial bank in its foreign exchange list, the exchange rate offered by such commercial bank in its foreign exchange list on the transaction settlement date is used. If the sale or purchase is not performed with a commercial bank, the reference exchange rate determined and announced by the ECB or the NBS on the date preceding the transaction settlement date is used.

12. Changes in Accounting Principles and Accounting Methods

There was no changes in accounting policies and accounting methods occurred in 2018.

13. Correction of Material Errors of Previous Reporting Periods

No corrections of material errors of previous reporting periods were recognised in the current reporting period.

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IV. INFORMATION EXPLAINING AND SUPPLEMENTING THE BALANCE SHEET AND INCOME STATEMENT**1. Non-Current Financial Assets****1.1. Movements in Non-Current Financial Assets Accounts**31 December 2018

	<i>Shares and Ownership Interests in Group Companies</i>	<i>Total</i>
Initial Measurement		
At 1 Jan 2018	5 500	5 500
Additions	-	-
Disposals	-	-
Transfers	-	-
At 31 Dec 2018	5 500	5 500
Provision		
At 1 Jan 2018	-	-
Additions	3 196	3 196
Disposals	-	-
Transfers	-	-
At 31 Dec 2018	3 196	3 196
Carrying Amount		
At 1 Jan 2018	2 304	2 304
At 31 Dec 2018	2 304	2 304

31 December 2017

	<i>Shares and Ownership Interests in Group Companies</i>	<i>Total</i>
Initial Measurement		
At 1 Jan 2017	-	-
Additions	5 500	5 500
Disposals	-	-
Transfers	-	-
At 31 Dec 2017	5 500	5 500
Provision		
At 1 Jan 2017	-	-
Additions	-	-
Disposals	-	-
Transfers	-	-
At 31 Dec 2017	-	-
Carrying Amount		
At 1 Jan 2017	-	-
At 31 Dec 2017	5 500	5 500

1.2. Structure of Non-Current Financial Assets

<i>Business Name and Seat of the Company</i>	<i>Share in Capital</i>	<i>Voting Rights</i>	<i>Value of Equity</i>	<i>Profit/(Loss)</i>	<i>Carrying Amount of Non- Current Financial Assets</i>
	<i>%</i>	<i>%</i>			
Shares and ownership interests in group companies					
INDRA Slovensko s.r.o.	100	100	2 304	-1 327	2 304
Total					2 304

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2. Liabilities**2.1. Payables Within and After Maturity Including the Group and Breakdown of Payables by Residual Maturity**

Item	31. 12. 2018	31. 12. 2017
Non-Current Liabilities:		
Liabilities with residual maturity of over 5 years	-	-
Liabilities with residual maturity of between 1 and 5 years	-	17 744
Total non-current liabilities	-	17 744
Current Liabilities:		
Liabilities within maturity	994 539	599 623
Overdue liabilities	336 277	-
Total current liabilities	1 330 816	599 623

3. Expenses and Revenues of Extraordinary Scope or Occurrence

The Company had no extraordinary expenses or revenues in 2018.

V. OTHER ASSETS AND OTHER LIABILITIES**1. Contingent Liabilities**

Tax returns remain open and may be subject to review over a period of five years. The fact that a certain period or tax return related to this period has been subject to review does not eliminate the possibility of this period being subject to a potential further review over the five-year period. Accordingly, as at 31 December 2018, the Company's tax returns for 2014 to 2018 remain open and may be subject to review.

The Company records no contingent liabilities.

2. Future Rights and Obligations**2.1. Contingent Assets**

Not applicable.

3. Off-Balance Sheet Accounts

Item	31. 12. 2018	31. 12. 2017
Leased assets	-	-
Assets under lease (operating lease)	-	-
Assets received in custody	-	-
Receivables from derivatives	-	-
Payables from derivative options	-	-
Written-off receivables	-	-
Lease receivables	-	-
Lease payables	-	-
Other items	-	-

The Company leases three passenger cars under an operating lease; the lease agreement is concluded until 06/2019. The annual expenses for lease payments and lease-related services amount to EUR 21 960.

The Company leases office premises (1 148.13 m³) from a third party. The lease agreement is concluded until 30 November 2022. The annual rent amounts to EUR 185 465.

The Company leases a part of the office premises (887 m²) to a related party. The annual revenues from the lease and lease-related services amount to EUR 107 211. The lease agreement is concluded until 30 November 2022.

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VI. EVENTS THAT OCCURRED BETWEEN THE REPORTING DATE AND THE DATE ON WHICH THE FINANCIAL STATEMENTS WERE AUTHORISED FOR ISSUE

From 31 December 2018 up to the preparation date of the financial statements, there were no such events that would have a significant impact on the Company's assets, liabilities or results of operations, except for those referred to above and those resulting from the ordinary course of business operations.