

INDRA Slovakia, a.s.

**INDEPENDENT AUDITOR'S REPORT
ON THE AUDIT OF THE FINANCIAL
STATEMENTS AS AT 31 DECEMBER 2019**

AND

**REPORT ON OTHER LEGAL AND
REGULATORY REQUIREMENTS**

Annual Report 2019



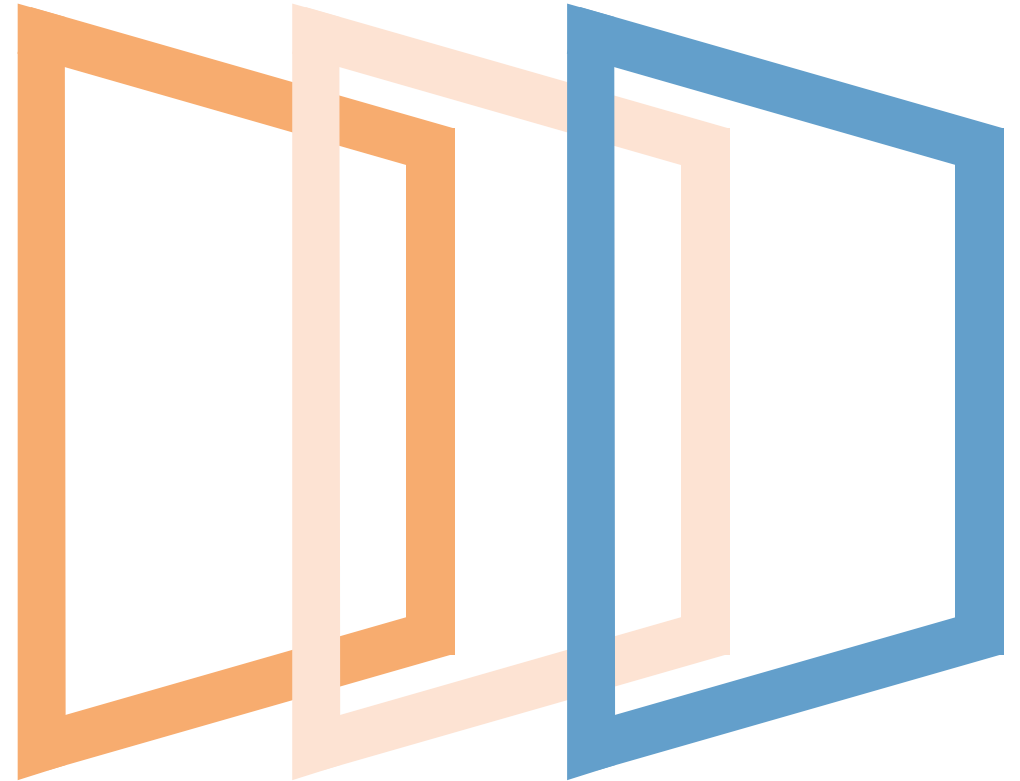
INDRA Slovakia, a. s.

minsoit

An Indra company

- 01 Foreword of the Chairman of the Board of Directors
- 02 Company Profile
- 03 Company Details and Bodies
- 04 INDRA's Offer
- 05 Company's Principal Business Objectives
- 06 Report on Business Activities 2019
- 07 Overview of Financial Indicators
- 08 HR Management
- 09 R&D Expenses
- 10 Environment
- 11 Distribution of Profit
- 12 Expected Development in 2020
- 13 Audit Report

minsait



An Indra company

Our company continued in 2019 with positive results in terms of turnover, but the company's profit was influenced by a shift in the main milestones and subsequent additional costs in the project of Implementation of the Dispatching System in company SEPS, a. s..

The year 2019 was marked by the finalization of the implementation of our key project of implementation and support of the Dispatching Center for the customer Slovenská elektrizačná prenosová sústava, a. with. (SEPS) and our presentation in new market segments, especially in the field of public and state administration. The last milestone of the Dispatching Center project for the customer Slovenská elektrizačná prenosová sústava, a. s. (SEPS) was successfully accepted on 20.12.2019 and SEPS, a. s. manages its network with the most modern management system in Europe.

In parallel with the implementation of the project in SEPS, we try to develop our activities in the domain of Dispatching Systems in the Slovak Republic - Východoslovenská Distribučná, a. s., ZSD, a. s., and at the same time, we support our business activities in projects of similar size and complexity in neighboring countries such as the Czech Republic (for ČEPS, as), Poland (for PSE) and Hungary (for Mavir), where we would like to apply successfully our acquired know-how.

In addition to business and project activities at our largest customer SEPS and the application of European Union legislation to the activities of Energy

operators in the Slovak Republic, we focused our attention in the Energy sector on resolving the customer relations and on the invoicing systems that are related to the effort to use our long-term know-how and return to SSE, SSD and ZSE, which were our key customers in the past.

Our business activities outside the area of Energy were focused on solutions in the area of electronic elections, On-Line voting, Electronic Democracy and Cyber Security that should remain our main topics in the next years. The Slovak Republic lags far behind in these areas and needs global partners with the relevant knowledge of processes, legislation and technologies.

Looking back on 2019, I firmly believe that we have built a good starting position for the stabilization and gradual growth of our company in the coming years, whether in the Energy sector or in the Public and Government sectors.

In Bratislava, 25th may 2020,

Ivan Baťa
Chairman of the Board of Directors

01

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

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, defense 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 28 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. By performing regular internal quality audits and resolving any deficiencies found, we contribute to the improvement of services provided by the corporation, improving the corporate quality management system and increasing the satisfaction of our customers.



02 Company Profile

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.

The new 100% shareholder is INDRA SOLUCIONES TECHNOLOGÍAS DE LA INFORMACIÓN, S.L.U Madrid, Kingdom of Spain, which was registered in the Commercial Register on April 17, 2019.

Company Bodies:



Board of Directors:

Ing. Ivan Baľa
Andrés Díez Molina
Claudio Golino

Chairman of the BoD
Member of the BoD
Member of the BoD (since 17.04.2019
till 09.04.2020)



Supervisory Board:

Ing. Zdenko Bábel (till 09.04.2020)
Ing. Anna Briľáková
Antonio Salvador Muniesa Martinez (since 17.04.2019 till 09.04.2020)
Ing. Andrea Filipová Fränklová (since 23.05.2020)
Ing. Vladimír Čavojec (since 23.05.2020)



Executive Director:

Ing. Ivan Baľa

03

Company Details and Bodies

INDRA is a multinational IT company, one of the leading companies in the information technology and consultancy sector. It is a world leader in providing specific solutions in the field of Transport and Defense.

From other sectors, it has created a new branch - Minsait, a leading company in Digitization and Information Technology in Spain and Latin America, with the aim of expanding its products and services in Europe and North America.

INDRA offers its clients added value in the form of comprehensive technological solutions and services, including consultancy, design, system and application integration, along with the design of information systems and process outsourcing.

The Group's turnover in 2019 reached 3.2 billion EUR, of which Minsait's share in turnover represents 2 billion EUR. The INDRA Group employs over 49 thousand professionals working in 49 countries and providing services to its clients in more than 140 countries worldwide.



04

INDRA's Offer

Indra Activities

Indra offers its clients added value in the form of comprehensive technological solutions and services with a high degree of innovation. As a result, Indra is one of the world leaders in the field of Transport and Defense in the development of its own solutions, especially in the areas of:



Transport:

- Bus, train, tunnel and port 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
- Simulators
- Surveillance systems
- Emergency systems



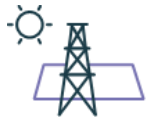
Air Traffic:

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

Area „Information Technologies“ (Minsait)

In the area of information technology, Minsait is a leading company in Digitization and Information Technology in Europe, America and other parts of the world with a dominant position in Spain and Latin America. It provides clients with a high degree of specialization, sector-specific knowledge and innovation.

Company offers wide range of products and services in 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
- Tourism and Hospitality
- Transport and Logistics



Public Administration:

- Elections and Participative Processes
- Health
- Public Sector



Telco & Media:

- Telecommunications
- Media



Financial Services:

- Banking
- Insurance

Energy and Utilities

In 2019, the implementation of the RIS SED dispatch control system for the SEPS customer continued, in cooperation with partners and subcontractors. The course of project implementation brought a number of negative effects, especially in the area of cooperation with subcontractors, which caused the project delay in comparing with the planned schedule and its final acceptance was postponed until 2020. INDRA Slovakia hired a new project manager from June 2019 whose main task is to manage the RIS SED project. At the same time, we have taken several measures to increase the quality of the delivered system, reduce errors and improve cooperation with subcontractors.

In addition to this important activity, our company continues supporting SEPS in the field of consultancy services and in creating new business opportunities. In 2019, several proposals and offers were submitted for areas related to the expansion of the functionality of the already deployed RIS SED system, as well as for new areas, such as Cyber Security.

As part of the development of new business opportunities, INDRA SK participated in three public procurements in 2019. In 2018 a public tender started for the supply and subsequent technical support of the DIRIS system for the customer Východoslovenská distribučná, a. s ., which continued in 2019. It is a System of Dispatching Control of the distribution network. We successfully completed the first, qualifying phase of the competition. In cooperation with the parent company and the sister company ACS, we completed the second phase - the presentation of the solution. On the part of the contracting authority, the submitted solution was accepted positively and highly evaluated.

However, the final evaluation of the accepted offers took into account not only the technical solution and the fulfillment of the required functionality, but also the price of the solution. INDRA SK failed in this evaluation.

The second project was the deployment of a Risk Management System for energy trading for the company SPP. In cooperation with the parent company INDRA Sistemas and the partner Allegro Development, the first bid was submitted in 2017. Thereafter the tender process was suspended.

In the summer of 2019, SPP shortlisted the candidates for consultation and subsequent revision of the bids submitted. On the SPP side, key users of the system have changed, and at the same time new requirements for functionality have emerged in terms of market development. Subsequently, several rounds of exchange of documentation and modification of the submitted bids between the contracting authority and the tenderers took place. Due to the expected changes in the Board of Directors and management of SPP, the final decision is expected in summer 2020.

The third important procurement is the Customer Service System for the company Stredoslovenská energetika. The offered solution is compiled as a combination of the company's own system Onesite Utilities and Salesforce CRM system from a partner. As part of the procurement schedule, a solution proposal and the first price offer were submitted in 2019. A presentation of the solution and a reference visit are planned for the beginning of 2020. Subsequently, the entry requirements and price may be adjusted. The selection of the award winner is expected in summer 2020.

05

Company's Principal Business Objectives

Public Administration

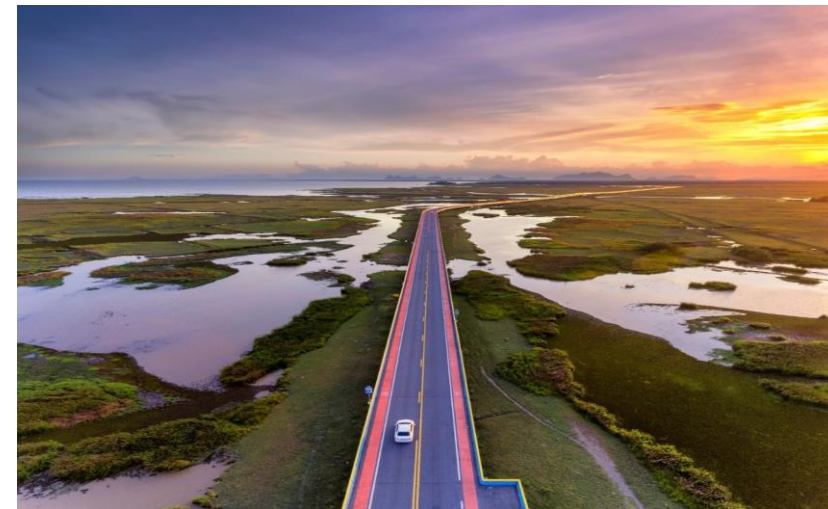
In 2019, the company INDRA SK tried to assert itself as a supplier of solutions for the Public Administration. Presentations on the topic of Digital Transformation of Local Governments and Cyber Security were held at the ITAPA International Congress. At the same time, presentations of solutions for Direct Democracy, electronic Electoral Systems and digitalization of Public Administration were held for government institutions.

Transport

INDRA Slovakia continued its activities aimed at acquiring projects, especially in the field of road transport, as part of the construction of the motorway network of the Slovak Republic. The main targets are the sections with the tunnels, as these are places with the highest concentration of intelligent devices for their operation and traffic management. The section D1 Hubová - Ivachnová is the last uncontracted section, at the same time it is the most complicated part of the motorway network from a technical and environmental point of view. In 2019, the expected reactivation and tender did not take place for a supplier for this section.

Defense

INDRA Slovakia is still actively involved in the field of radar technology for the Armed Forces of the Slovak Republic. Current technology is obsolete, at the end of its service life and requires major upgrade. The public tender for the procurement of medium-range radars was repeatedly changed and the previous government of the Slovak Republic stopped the tender at the turn of 2019/2020. The resumption of the public tender in a corrected form is expected at the earliest in the Summer of 2020, under the new leadership of the Ministry of Defense of the Slovak Republic.



Foreign Market

INDRA Slovakia experts also participated in foreign projects of the INDRA Group in 2019, 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 Zimbabwe and Mozambique. In 2019, work continued on projects for Indra Avitech in Germany, too.



Cooperation in CEE Region

We seek to present and offer our project experience acquired in the „Dispatching control center“ Project by taking a part in the tenders in our region. A natural continuation of the project are also presentations of our experience with the Project in other countries in the region, such as the Czech Republic, Poland and Hungary.



Financial Position

From an economic point of view, we can evaluate the year 2019 as less successful compared to 2018. We continued the project of implementing the new Dispatch Control System RIS SED, in providing services for the final implementation of the system. When bidding for new contracts, we were unable to obtain new projects in the companies Západoslovenská distribučná, a. s., and in Východoslovenská distribučná, a. s..

Revenues in 2019 were 3 % lower than in the previous year. The share of revenues in the domestic market, mainly from the RIS SED project, represents 92% of total revenues. Due to unexpected problems with suppliers, there were additional service costs in order to successfully complete the project, delay in the fulfillment of milestones, and the associated penalties for this delayed fulfillment. The Company posted a post-tax profit of EUR 27 289 . Compared to the profit in 2018, this is a decrease by 97 %.

We believe that in 2019 we will receive new orders and projects that would ensure revenues and positive results. Compared to the previous year, we plan lower revenues for the company, as the project for the implementation of the Dispatch Control System will be submitted by February 2020, and technical support for this project will continue. It is also expected to acquire new projects on the basis of submitted tenders for public procurement. We expect a positive economic result through efficient management.



06

Report on Business Activities 2019

Overview of Key Indicators for the last four reporting periods

Key Indicators	2016	2017	2018	2019
Revenues from the sale of services	2 214 832	4 286 834	8 358 050	8 106 198
Share of domestic projects	57%	81%	91%	92%
Share of foreign projects	43%	19%	9%	8%
EBITDA	204 901	630 460	1 268 367	97 647
EBITDA (%)	9,25%	14,71%	15,18%	1,20%
Profit/loss from operating activities	194 232	618 362	1 262 656	100 482
Profit/loss from operating activities (%)	8,77%	14,42%	15,11%	1,24%
Profit/loss for the accounting period	212 442	428 973	1 036 988	27 289
Return on assets	34,15%	38,05%	44,07%	0,72%
Return on sales	9,59%	10,01%	12,41%	0,34%
Employees at the end of the period	28	26	25	26
Sales per employee	79 101	164 878	334 322	311 777

07

Overview of Financial Indicators

Balance Sheet

Assets	2017	2018	2019
Total assets	1 473 820	3 232 563	4 351 422
Non-current assets	47 063	24 684	19 890
Non-current intangible assets	1 039	-	-
Non-current tangible assets	40 524	22 380	17 681
Non-current financial assets	5 500	2 304	2 209
Current assets	1 381 027	3 084 531	4 011 079
Non-current receivables	76 428	126 107	267 580
Current receivables	1 230 646	2 802 913	3 605 490
Financial accounts	73 953	155 511	138 009
Accruals and deferrals	45 730	123 348	320 453

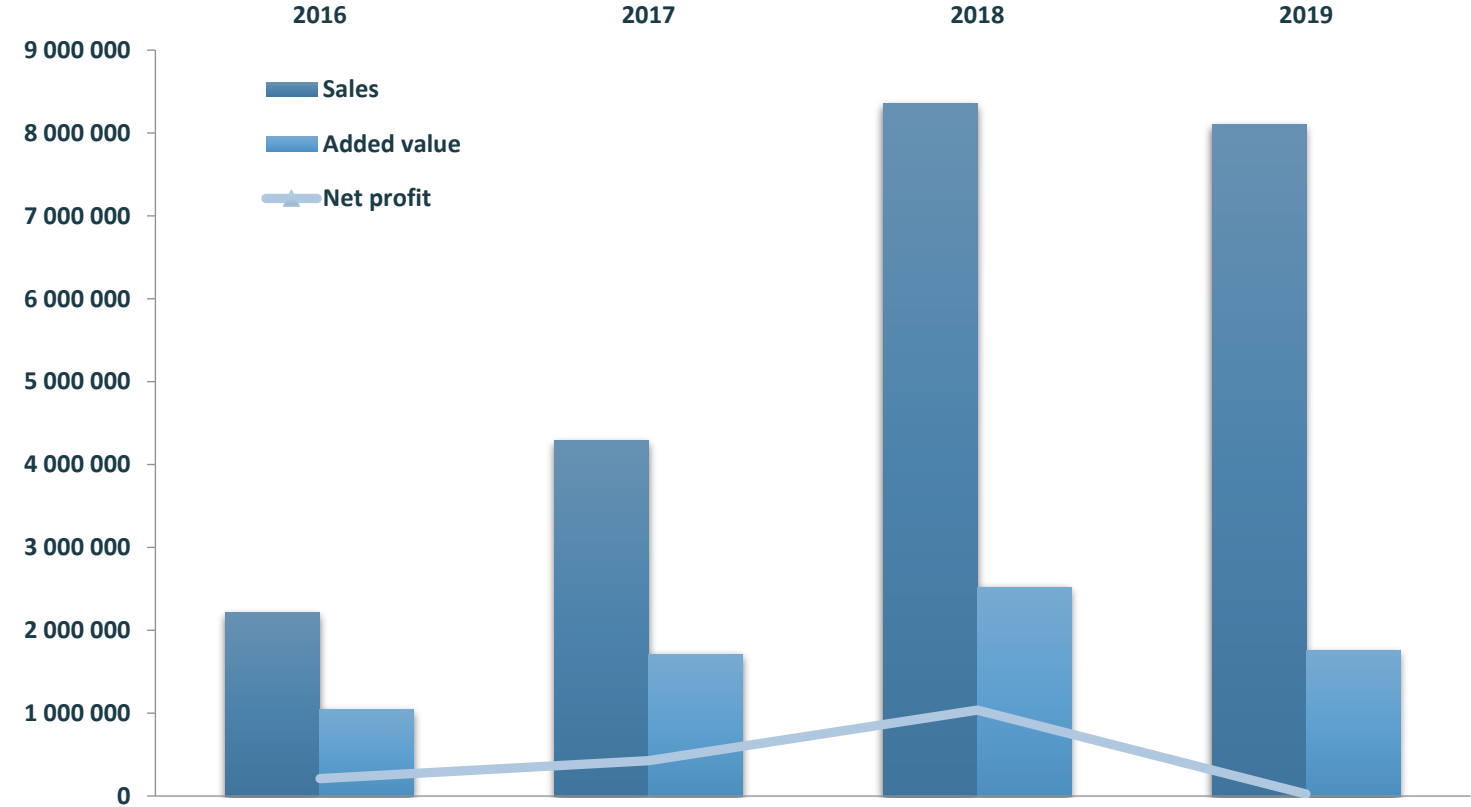
Equity and Liabilities

Total equity and liabilities	1 473 820	3 232 563	4 351 422
Equity	723 235	1 745 222	1 752 511
Share capital	199 200	199 200	199 200
Legal reserve funds	39 833	39 833	39 833
Profit/loss from previous years	55 229	469 201	1 486 189
Profit/loss for the accounting period	428 973	1 036 988	27 289
Liabilities	742 391	1 452 877	2 535 520
Provisions for liabilities	118 128	114 147	1 247 412
Non-current liabilities	24 636	7 914	13 488
Current liabilities	599 627	1 330 816	1 274 620
Accruals and deferrals	8 194	34 464	63 391

Income Statement

Income Statement	2017	2018	2019
Revenues from the sale of services	4 286 834	8 358 050	8 106 198
Consumables and services	-2 575 662	-5 834 755	-6 351 012
Consumed raw materials	-479 169	-939 346	-201 054
Services	-2 096 493	-4 895 409	-6 149 958
Added value	1 711 172	2 523 295	1 765 186
Personnel expenses	-1 227 211	-1 239 943	-1 217 370
Taxes and fees	-763	-704	-603
Depreciation/amortisation charges	-16 581	-19 183	-10 715
Other operative income	155 436	149 067	321 023
Other operative expenses	-3 691	-149 876	-747 039
Profit/loss from operating activities	618 362	1 262 656	100 482
Income from financing activities	0	4	0
Financial expenses	-5 126	-14 191	-7 141
Profit/loss from financial activities	-5 126	-14 187	-7 141
Income tax	-184 263	-211 481	-66 052
Profit/loss for the accounting period	428 973	1 036 988	27 289

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



The average number of INDRA Slovakia's employees was 26 in 2019, almost all of them have completed university education.

In March 2019, the Company moved to new premises in Twin City Tower, the work process in the individual projects was not affected by this fact. The Company continued in the activities of effective HR management and ensured all activities related to it.

In order to further develop current activities and acquire new projects in the future, the HR department focused primarily on acquiring qualified employees, we hired new sales managers and project manager.

Learning activities were extended by the possibility to use learning programs via Intranet - Open University that the corporation offers to its employees.

The retain employees and grow the number of employees are the company's goal in the HR area for the next period.



08

HR Management

The Company incurred no R&D expenses in 2019.



09

R&D Expenses

INDRA SK is aware of the importance of the environment in relation to the long-term sustainability of its business. In order to reduce the ecological footprint, it strives to innovate its IT solutions and services so that the developed technologies contribute to the improvement of the environment.

To minimize the negative impact of business activities, INDRA SK also involves its own employees in initiatives. One of the main

communication channels related to environmental protection is the "Quality and Environment" portal on the company intranet.

INDRA SK does not carry out any significant activities in the field of the environment and its activities do not have a significant impact on this area.



The parent company's General Assembly will decide on the distribution of the profit for the 2019 reporting period.

The Company's Board of Directors proposes to the General Assembly to distribute the 2018 profit of EUR 93,522 as follows:

- Allotment to the Social Fund;
- Transfer to Accumulated losses from previous years.

The Company acquired no treasury shares, interim certificates or ownership interests, or parent company shares, interim certificates or ownership interests in 2019.



11

Distribution of Profit

The main priority for 2019 was the successful completion of the project "Innovation RIS SED" for SEPS so that the tasks arising from the Contract for the Work for this project and the work successfully handed over to the customer are fulfilled.

We managed to stabilize and complete the company's sales and implementation team to create new business opportunities and subsequently deliver projects. Several meetings, presentations and other activities were held, aimed at presenting the company in new market segments, as well as creating new business opportunities. Customers in the Utilities segment remain key for us, and we are interested in significantly penetrating Public Administration, central authorities, as well as Banking and Telecommunications.

Emphasis is placed on 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.. We are interested in using the experience and references gained on projects around the world, combining them with knowledge of the local market and our Slovak team of workers and key partners.

From the point of view of new business opportunities, we will focus on the organic continuation of the SEPS project - by implementing new functionalities into the delivered system, and at the same time by expanding with new areas of cooperation.

In 2020, we expect the evaluation of the launched tenders in the Utilities sector for SPP, SSE and SSD customers and the subsequent start of implementation. The launch of new procurements for Public Administration customers and central authorities will be affected by the results of the parliamentary elections in February, the subsequent reorganization of their management bodies and the adjustment of priorities for the coming years. We expect new challenges in the second half of 2020.

At the end of 2019, reports from China concerning COVID-19 (Coronavirus) appeared for the first time. In the first months of 2020, the virus spread around the world and negatively affected many countries. We expect the suspension of many new projects and procurements, a reassessment of further IT development and an emphasis on cost savings in the entire market. A very important factor that will affect the development and results of 2020 will therefore be the speed of central resolution of the situation by the parent company in connection with this virus, as well as the ability of INDRA Slovakia, a. s. to respond to a new situation by adapted range of products and services. The company's activities depend on the continued support of its parent company.

At the same time, the company's management declares that from the end of 2019 until the date of preparation of the Annual Report and the financial statements for 2019, no significant facts occurred that would have a material effect on the company's financial statements.

The company does not have an organizational unit abroad.

12

Expected Development in 2020

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



13

Audit Report

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 2019, 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 2019, 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.

Emphasis of Matter

We draw attention to Notes VI and III. 2. to the financial statements describing the assessment of the current and potential impacts of the Covid-19 pandemic on the Company by Company management. Our opinion is not modified in respect of this matter.

Responsibilities of Management for the Financial Statements

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.

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 assessed 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 2019 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, 15 July 2020



Ing. Martina Gajdošová, FCCA
Responsible Auditor
Licence UDVA No. 1141

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 2019

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 9
to	1 2	2 0 1 9

Preceding period

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

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 l 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:

25th may 2020

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:

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	4 557 343	205 921	4 351 422	3 232 563
A.	Non-current assets line 03 + line 11 + line 21	02	225 811	205 921	19 890	24 684
A.I.	Non-current intangible assets - total (lines 04 to 10)	03	87 106	87 106	0	0
A.I.1.	Capitalized development costs (012) - /072, 091A/	04			0	
2.	Software (013)-/073, 091A/	05	87 106	87 106	0	0
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	133 205	115 524	17 681	22 380
A.II.1.	Land (031) - /092A/	12			0	
2.	Structures (021) - /081, 092A/	13	0	0	0	0
3.	Individual movable assets and sets of movable assets (022) - /082, 092A/	14	133 205	115 524	17 681	22 380
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	3 291	2 209	2 304
A.III.1.	Shares and ownership interests in affiliated accounting entities (061A, 062A, 063A) - /096A/	22	5 500	3 291	2 209	2 304
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	
7.	Debt securities and other non-current financial assets (065A, 069A, 06XA) - /096A/	28			0	

DIČ: 2020312382

IČO: 17328209

Súvaha Úč POD 1-01

Designation a	ASSETS b	Line No. c	Current accounting period			Preceding accounting period
			1		2 Net	3 Net
			Gross - Part 1	Correction-Part 2		
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	4 011 079	0	4 011 079	3 084 531
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	267 580	0	267 580	126 107
B.II.1.	Trade receivables - total (lines 43 to 45)	42	0	0	0	0
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	0
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	267 580	0	267 580	126 107

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
B.III.	Current receivables - total (line 54 + lines 58 to 65)	53	3 605 490	0	3 605 490	2 802 913
B.III.1.	Trade receivables - total (lines 55 to 57)	54	1 756 743	0	1 756 743	773 027
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	1 756 743	0	1 756 743	773 027
2.	Net value of contract (316A)	58	1 748 250		1 748 250	1 990 376
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	100 446		100 446	39 146
8.	Receivables related to derivative transactions (373A, 376A)	64			0	
9.	Other receivables (335A, 33XA, 371A, 374A, 375A, 378A) - /391A/	65	51	0	51	364
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	138 009	0	138 009	155 511
B.V.1.	Cash (211, 213, 21X)	72	2 875	0	2 875	5 400
2.	Bank accounts (221A, 22X, +/- 261)	73	135 134	0	135 134	150 111
C.	Accruals/deferrals - total (lines 75 to 78)	74	320 453	0	320 453	123 348
C.1.	Prepaid expenses - long-term (381A, 382A)	75			0	
2.	Prepaid expenses - short-term (381A, 382A)	76	207 104		207 104	123 348
3.	Accrued income - long-term (385A)	77			0	
4.	Accrued income - short-term (385A)	78	113 349		113 349	0

DIČ: 2020312382

IČO: 17328209

Súvaha Úč POD 1-01

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	4 351 422	3 232 563
A.	Equity line 81 + line 85 + line 86 + line 87 + line 90 + line 93 + line 97 + line 100	80	1 752 511	1 745 222
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	1 486 189	469 201
A.VII.1.	Retained earnings from previous years (428)	98	1 486 189	612 685
2.	Accumulated losses from previous years (/-/429)	99	0	-143 484
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	27 289	1 036 988
B.	Liabilities line 102 + line 118 + line 121 + line 122 + line 136 + line 139 + line 140	101	2 535 520	1 452 877
B.I.	Non-current liabilities - total (line 103 + lines 107 to 117)	102	13 488	7 914
B.I.1.	Non-current trade liabilities - total (lines 104 to 106)	103	0	0

DIČ: 2020312382

IČO: 17328209

Súvaha Úč POD 1-01

Designation a	LIABILITIES AND EQUITY b	Line No. c	Current accounting period 4	Preceding accounting period 5
1.a.	Trade liabilities to affiliated accounting entities (321A, 475A, 476A)	104		
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		0
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	13 488	7 914
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	1 274 620	1 330 816
B.IV.1.	Trade liabilities - total (lines 124 to 126)	123	1 169 591	1 097 751
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	1 169 591	1 097 751
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

DIČ: 2020312382

IČO: 17328209

Súvaha Úč POD 1-01

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	52 773	46 830
7.	Liabilities related to social security (336A)	132	39 346	35 069
8.	Tax liabilities and subsidies (341, 342, 343, 345, 346, 347, 34X)	133	12 910	151 166
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	1 247 412	114 147
B.V.1.	Legal provisions (323A, 451A)	137	49 646	50 532
2.	Other provisions (323A, 32X, 459A, 45XA)	138	1 197 766	63 615
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	63 391	34 464
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	63 391	34 464

DIČ: 2020312382

IČO: 17328209

Výkaz ziskov a strát Úč POD 2-01

Designation a	Text b	Line No. c	Actual data	
			Current accounting period	Preceding accounting period
			1	2
*	Net turnover (part of account class 6 according to the Act)	01	8 106 198	8 358 050
**	Operating income - total (lines 03 to 09)	02	8 427 221	8 507 117
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	8 106 198	8 358 050
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	12	0
VII.	Other operating income(644, 645, 646, 648, 655, 657)	09	321 011	149 067
**	Operating expenses - total line 11 + line 12 + line 13 + line 14 + line 15 + line 20 + line 21 + line 24 + line 25 + line 26	10	8 326 739	7 244 461
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	201 054	939 346
C.	Value adjustments to inventory (+/-) (505)	13	0	0
D.	Services (account group 51)	14	6 149 958	4 895 409
E.	Personnel expenses - total (lines 16 to 19)	15	1 217 370	1 239 943
E.1.	Wages and salaries (521, 522)	16	882 904	904 583
2.	Remuneration of board members of company or cooperative (523)	17		
3.	Social security expenses (524, 525, 526)	18	312 030	313 519
4.	Social expenses (527, 528)	19	22 436	21 841
F.	Taxes and fees (account group 53)	20	603	704
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	10 715	19 183
G.1.	Amortization of non-current intangible assets and depreciation of property, plant and equipment (551)	22	10 715	19 183
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

DIČ: 2020312382

IČO: 17328209

Výkaz ziskov a strát ÚČ POD 2-01

Designation a	Text b	Line No. c	Actual data	
			Current accounting period	Preceding accounting period
			1	2
I.	Value adjustments to receivables (+/-) (547)	25	0	0
J.	Other operating expenses (543, 544, 545, 546, 548, 549, 555, 557)	26	747 039	149 876
***	Profit/loss from operations (+/-) (line 02 - line 10)	27	100 482	1 262 656
*	Added value (line 03 + line 04 + line 05 + line 06 + line 07) - (line 11 + line 12 + line 13 + line 14)	28	1 755 186	2 523 295
**	Income from financial activities - total line 30 + line 31 + line 35 + line 39 + line 42 + line 43 + line 44	29	0	4
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	0	4
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	7 141	14 191
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	95	3 196
N.	Interest expense (line 50 + line 51)	49	6 409	5 698
N.1.	Interest expenses related to affiliated accounting entities (562A)	50	5 671	4 983

DIČ: 2020312382

IČO: 17328209

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
2.	Other interest expenses (562A)	51	738	715
O.	Exchange rate losses (563)	52	1	4 469
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	636	828
***	Profit/loss from financial activities (+/-) (line 29 - line 45)	55	-7 141	-14 187
****	Profit/loss for the accounting period before tax (+/-) (line 27 + line 55)	56	93 341	1 248 469
R.	Income tax (line 58 + line 59)	57	66 052	211 481
R.1.	Income tax - current (591, 595)	58	207 526	303 761
2.	Income tax - deferred (+/-) (592)	59	-141 474	-92 280
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	27 289	1 036 988

INDRA Slovakia, a.s.

Notes to the Separate Financial Statements

Prepared as at 31 December 2019

(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	2019	2018
Full-time equivalent	26	26
Number of employees as at the reporting date	26	25
<i>Of which: Managers</i>	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 2019 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 2018 Financial Statements

On 2th September 2019 the Annual General Meeting approved the 2018 Financial statements of INDRA Slovakia, a.s.

6. Consolidated Financial Statements

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

INDRA Slovakia, a.s.0 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. INDRA Slovensko s.r.o. has been in liquidation since 1th August 2019 based on the decision of the shareholder.

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, Kingdom of Spain, holds a 100% ownership interest in the Company INDRA SOLUCIONES TECHNOLOGÍAS DE LA INFORMACIÓN, S.L.U. Madrid 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, Kingdom of 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, Kingdom of Spain.

INDRA Slovakia, a.s.**Notes to the Separate Financial Statements****Prepared as at 31 December 2019****(Value data in tables are disclosed in whole euros unless stipulated otherwise)****II. COMPANY'S BODIES**

In 2019, 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 2019 financial statements were prepared based on the going-concern assumption.
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

Prepared as at 31 December 2019

(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 fourth time in 2019.

- 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.

INDRA Slovakia, a.s.

Notes to the Separate Financial Statements

Prepared as at 31 December 2019

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

- 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 2019, the Company recognised deferred tax of created provisions for liabilities and outstanding liabilities from provided services as of 31 December 2019, recorded in accounting period 2019. The deferred tax asset amounted to EUR 267.580 as at 31 December 2019.

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 2019.

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.

INDRA Slovakia, a.s.

Notes to the Separate Financial Statements

Prepared as at 31 December 2019

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

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 2019.

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.

INDRA Slovakia, a.s.

Notes to the Separate Financial Statements

Prepared as at 31 December 2019

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

IV. INFORMATION EXPLAINING AND SUPPLEMENTING THE BALANCE SHEET AND INCOME STATEMENT**1. Non-Current Financial Assets**1.1. Movements in Non-Current Financial Assets Accounts31 December 2019

	<i>Shares and Ownership Interests in Group Companies</i>	<i>Total</i>
Initial Measurement		
At 1 Jan 2019	5 500	5 500
Additions	-	-
Disposals	-	-
Transfers	-	-
At 31 Dec 2019	5 500	5 500
Provision		
At 1 Jan 2019	-	-
Additions	3 196	3 196
Disposals	95	95
Transfers	-	-
At 31 Dec 2019	3 291	3 291
Carrying Amount		
At 1 Jan 2019	2 304	2 304
At 31 Dec 2019	2 209	2 209

31 December 2018

	<i>Shares and Ownership Interests in Group Companies</i>	<i>Total</i>
Initial Measurement		
At 1 Jan 2018	-	-
Additions	5 500	5 500
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	5 500	5 500
At 31 Dec 2018	2 304	2 304

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>
	%	%			
Shares and ownership interests in group companies					
INDRA Slovensko s.r.o.	100	100	2 209	- 95	2 209
Total					2 209

INDRA Slovakia, a.s.

Notes to the Separate Financial Statements

Prepared as at 31 December 2019

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

2. Liabilities2.1. Payables Within and After Maturity Including the Group and Breakdown of Payables by Residual Maturity

<i>Item</i>	<i>31. 12. 2019</i>	<i>31. 12. 2018</i>
Non-Current Liabilities:		
Liabilities with residual maturity of over 5 years	-	-
Liabilities with residual maturity of between 1 and 5 years	-	-
Total non-current liabilities	-	-
Current Liabilities:		
Liabilities within maturity	744 136	994 539
Overdue liabilities	530 484	336 277
Total current liabilities	1 274 620	1 330 816

3. Expenses and Revenues of Extraordinary Scope or Occurrence

The Company had no extraordinary expenses or revenues in 2019.

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 2019, the Company's tax returns for 2015 to 2019 remain open and may be subject to review.

The Company records no contingent liabilities.

2. Future Rights and Obligations2.1. Contingent Assets

Not applicable.

3. Off-Balance Sheet Accounts

<i>Item</i>	<i>31. 12. 2019</i>	<i>31. 12. 2018</i>
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 leased three passenger cars under an operating lease. One operating lease was finished on 31.08.2019. The lease agreement is concluded until 06/2020. The annual expenses for lease payments and lease-related services amount to EUR 19 460.

The Company leased office premises (1 148,13 sq) and parking places from a third party in Apollo building in Prievozska No 4. This lease was finished on 28.02.2020. The rent amounts from 1 January 2019 till 28 February 2019 to 40 952 EUR. The company moved to new offices Twin City Tower on 1 March 2019. The company leases 1 586,80 sq. The lease agreement is concluded until 31 March 2024. The rent amounts from 1 April till 31 December to EUR 127 029.

The Company leases a part of the office premises (887 sq) to a related party in old office in Apollo building in Prievozska 4 till 28 February 2019. The revenues from the lease and lease-related services amount till 28 February 2019 to EUR 26 365.

INDRA Slovakia, a.s.**Notes to the Separate Financial Statements****Prepared as at 31 December 2019****(Value data in tables are disclosed in whole euros unless stipulated otherwise)**

The company leases new office premises in Twin City Tower from 1 April (1 045,03 sq) included nine parking places to a related party. The lease agreement is concluded until 31 March 2024. The revenues from the lease and lease-related services from 01 April till 31 December 2019 amount to EUR 77 941.

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

At the end of 2019, reports from China concerning COVID-19 (Coronavirus) appeared for the first time. In the first months of 2020, the virus spread around the world and negatively affected many countries. Although the situation is constantly changing at the time of publication of these financial statements, it appears that the negative impact on world trade, both on companies and on individuals, may be more serious than originally expected. Because the situation is still evolving, management does not think it is possible to provide quantitative estimates of the potential impact of the current situation on the entity. Any negative impact resp. losses shall be included by the entity in its 2020 accounts and financial statements.

We expect the suspension of many new projects and procurements, a reassessment of further IT development and an emphasis on cost savings in the entire market. A very important factor that will affect the development and results of 2020 will therefore be the speed of central resolution of the situation by the parent company in connection with this virus, as well as the ability of INDRA Slovakia, a. s. to respond to a new situation by adapted range of products and services. The company's activities depend on the continued support of its parent company, as described in Note III, paragraph 2.

From 31 December 2019 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.