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ANNUAL REPORT

Deutsche Telekom
IT Solutions Slovakia



DEUTSCHE TELEKOM IT SOLUTIONS

20

ANNUAL REPORT 2020

Deutsche Telekom IT Solutions Slovakia

- Deutsche Telekom Systems Solutions Slovakia s.r.o.
- Deutsche Telekom IT & Telecommunications Slovakia s.r.o.



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Foreword by Managing Director

Corona has confronted us with many challenges in 2020. In the first quarter we had to change our way of working drastically, as we went from a primarily campus based model to complete work from home model within a couple of days.

We started to work on our so called “new normal” along the dimensions way of working, work environment and digital leadership to define a sustainable model that protects our employees and will help us to get the best out of virtual conferences, run successful hybrid teams and stay connected to our colleagues.

For 2020 we recorded a stable workforce number with a slight increase compared to the previous year resulting in an overall increased footprint, standing at about 4 000 full-time equivalent workers by end of the year.

Simultaneously we observed a stable order situation based on our diversified service offering with further growth in the areas of public cloud and telecommunications services, accompanied by specific extensions of our intracompany IT provisioning and a minor recession in the Classic IT arena.

On July 1, 2020 we have also transformed into our new joint public brand Deutsche Telekom IT Solutions Slovakia and have bundled our Deutsche Telekom core businesses into a dedicated new entity, whilst maintaining our service provision for T-Systems International and other DTAG subsidiaries in a separate entity.

We continue our journey towards competence and innovation centers to develop future products and services. We further invest into the areas of Artificial Intelligence (and its impact on process automation), Internet of Things, and Software defined Services (impacting our networks,

security and shared platforms). We have started the process of localizing smart city solutions, whereas we focus on on/off street parking solutions, smart lighting and smart concrete offerings and we aim for a proof of value in the Košice region to translate technological visions into tangible products.

We will further strengthen our competences to lead, design, innovate and take overall responsibility for larger parts of the global value chain. Special focus will be given to agile management of the organization, DevOps methodologies and product management competencies.

We will provide our customers with expertise that directly supports their native business success and we continue to transform ourselves from a service provider to a partner that designs, develops, rolls out and manages innovative products for clients.

Lastly, I am proud to see how we have been able to adapt to the changes in our environment and would like to thank you for your continuous support throughout the year.

Stay safe, stay healthy and hope to see you in person when permissible again.



Company profile

The original company T-Systems Slovakia was established in January 2006 as a subsidiary of T-Systems International, GmbH, a company with its headquarter office in Germany and itself a member of the global group Deutsche Telekom AG. Within the Deutsche Telekom group, the Slovak company offer services as an outsourcer, specializing itself in corporate clientele within Germany, the European Union and further across the globe. Since its foundation, T-Systems Slovakia has had its seat in Košice and is very closely linked with this region.

Our parent company Deutsche Telekom AG decided to take strategic steps towards structural change, which resulted in the splitting of T-Systems Slovakia into two legal entities, operating, as of July 1, 2020, under one common brand, Deutsche Telekom IT Solutions Slovakia.

The official names of the two legal entities belonging to the common brand are as follows:

- Deutsche Telekom IT & Telecommunications Slovakia s.r.o.
- Deutsche Telekom Systems Solutions Slovakia s.r.o.

Both legal entities are dynamically developing companies providing their services in the information communication technologies (ICT) sector. Their most important asset and competitive advantage is their people, who are highly educated, reliable, ambitious and dynamic. Deutsche Telekom IT Solutions Slovakia as a brand remains very closely linked with the region.

Where can one see the services provided by Deutsche Telekom IT Solutions Slovakia?

Production hailing from Deutsche Telekom IT Solutions Slovakia cannot be found in a shop or warehouse. One can come in contact with its services only indirectly, however, on a daily basis – be it while shopping for major brands, buying petrol or cars. Taking it literally, if the provided ICT services are reliable, an ordinary consumer will not realize that a part of the ICT they utilize is delivered remotely from Deutsche Telekom IT Solutions Slovakia. In its portfolio Deutsche Telekom IT Solutions Slovakia has leading brands from the automotive, telecommunication and petroleum industries, and also financial or consultancy services.



Company Management 2020

Management of Deutsche Telekom IT Solutions Slovakia



Andreas Truls

Managing Director Deutsche Telekom IT Solutions Slovakia



Frank-Stephan Hardt

Vice president finance and controlling



Peter Fischer

Vice president Human Resources



Juraj Girman

Vice president Telekom IT



Vision, mission & values

PORTFOLIO OF DELIVERED SERVICES

As one original entity, T-Systems Slovakia has served two main markets – information and communication technology outsourcing solutions (ITO) and solutions for business process outsourcing (BPO). These two focal points remain valid also for the two successor entities, however, with a few elements enabling specialization. For our global corporate customers ICT Outsourcing is one of the main tools for improving their own economic performance and flexibility. It is also a mean that provides faster and cheaper access for customers to innovations or technological advantage, and last, but not least, it is a way of cutting operational costs for our customers. In practice, it is about a partial or full takeover of activities carried out by a customer's ICT departments, or by other providers of ICT services.

DEUTSCHE TELEKOM SYSTEMS SOLUTIONS SLOVAKIA S.R.O. – SERVICES & PRODUCT PORTFOLIO IN 2020

Delivery and operation of ICT solutions and services

ICT services for computing (server) systems

With this portfolio we manage, operate and deploy shared ICT platforms and cloud-based platforms that act as a foundation for customer-specific solutions. Our main competencies include:

- ICT service lifecycle management for Global Data Centers networking and security
- ICT service lifecycle management for global shared Infrastructure as a Service (IaaS), private cloud computing and virtualization solutions (incl. storage, back-up and recovery of data solutions)
- ICT service lifecycle management for managed solutions on public cloud platforms (Azure, AWS)
- Operation of Platform as a Service (PaaS) focusing on “SAP as a Service” and “SAP/HANA” global products

ICT services for customer systems and applications

With this portfolio we manage, operate and deploy customer-specific systems and dedicated ICT solutions that underpin our customers’ core businesses in several industrial sectors. Our main competences include:



**Our Services
& Product Portfolio
in 2020**

- Virtualized solutions built on platforms of all major hyperscale cloud providers and other vendors (incl. those based on private, public and hybrid cloud)
- Customer and business sector-specific database and middleware solution delivery & management
- Customer portals, application, risk/security and data analytics solution delivery & management

Solutions and services for business processes outsourcing

BPO services for finance & controlling

With this portfolio we act as a shared business services center towards our sister companies within T-Systems International network. Our main competences include:

- Global order-to-cash management (contracts, order entry, billing, account receivables)
- Global purchase-to-pay management (cost controlling, charging and pre-closing operations)
- Global shared services for finance & controlling (reporting, master data management, user account management, etc.)

Sales, pre-sales and consultancy

This portfolio focuses on advanced services towards both T-Systems International and Deutsche Telekom Group. Our main competences include:

- Global business partners for finance & controlling
- Global ERP transformation program support

Shared business and management services

Transformation and design of ICT solutions

This portfolio acts as an interface between our global customers, their ICT leadership and our solution delivery and operation teams. Our offering includes:

- Global service delivery, account and deal management
- Design of customer solutions and ICT architectures
- Project management and transformation of customer ICT systems and solutions

Applied research, development and support for strategic global portfolio

The smallest but most dynamic section of our portfolio aims at exploring new opportunities in terms of new ICT products, new business models or new ways of process execution. Our main competences include:

- Development of future cloud and software-defined platform (FCI)
- Managed solutions engineering and development for public and private clouds
- ICT process automation, engineering and development

DEUTSCHE TELEKOM IT & TELECOMMUNICATIONS SLOVAKIA S.R.O. – SERVICES & PRODUCT PORTFOLIO IN 2020

Delivery and operation of ICT solutions and services

ICT services for telecommunication systems

This portfolio focuses on designing, managing and operating solutions for long-distance communication, targeting our global customers or customers with geographically distributed offices. Our main competences include:

- Voice and video services, including VoIP and telepresence
- Network and security related ICT services for local and wide-area networks
- Optimization of network capacity and performance
- Development and operation of software-defined network and security solutions

ICT services for customer systems and applications

With this portfolio we manage, operate and deploy customer-specific systems and dedicated ICT solutions that underpin our customers' core businesses in several industrial sectors. Our main competences include:

- Virtualized systems of all major vendors (incl. those based on private, public and hybrid cloud)
- Customer and business sector-specific database and middleware solutions
- Customer portals, application, risk/security and data analytics solutions

Shared business and management services

Transformation and design of ICT solutions

This portfolio acts as an interface between our global group's internal customers, their ICT leadership and our solution delivery and operation teams. Our offering includes:

- Global service delivery, account and deal management
- Design of customer solutions and ICT architectures
- Project management and transformation of customer ICT systems and solutions

Application and solution development

With this part of our portfolio we complement our strong delivery and operational competences, particularly for our global group's internal customers, and offer also advanced software engineering, consulting and development capabilities. Our main competences include:

- Software development, testing and consulting for SAP solutions
- Software development, testing and consulting for non-SAP solutions
- ICT process automation, engineering and development



A short retrospection on 2020

Year 2020 was another year of transformation for the whole global group of T-Systems International. Following the changes in the previous year, the global group continued its strive for a more effective alignment to respective customer markets. This structural change has gone hand in hand with the change and culture transformation – bringing in a greater focus on our customers and their business needs and creating new opportunities for our top experts in fulfilling new ambitions of our global T-Systems family.

The major transformation that affected life at both global and local levels was the carve-out of the global telecommunications business from T-Systems International scope into Telekom Deutschland core business. The motivation for the carve-out was in consolidation of all connectivity services related to standard and optical data carriers from multiple Deutsche Telekom entities under one umbrella. With this change, we see a substantial potential to reduce overhead costs on the global level and offer our customers more competitive connectivity offering.

In Slovakia the global carve-out and trans-

formation has resulted into establishment of two new entities. Deutsche Telekom Systems Solutions Slovakia has become a successor to the former T-Systems Slovakia and the nearshore delivery hub for the global T-Systems International and its third-party external clients. The carved-out entity started operating from July 2020 under the name of Deutsche Telekom IT & Telecommunications Slovakia. Since July 2020, this entity is acting as an independent entity in Slovakia and offers services of a nearshore hub for two global internal clients – Deutsche Telekom IT, GmbH (application and software centric management of group's internal IT solutions) and Telekom Deutschland, GmbH (connectivity and network management of group's internal and external clients).

Thus, Deutsche Telekom Systems Solutions Slovakia (or DT SYSO SK) continues its business with three local business divisions. The core technological ones are the „Classic IT“ division oriented on managed IT services and private cloud solutions and the „Growth Portfolio“ division bringing together the offerings like SAP, managed services on public clouds, cyber

security, order and project management, and automation. The third division within DT SYSO SK acts as a business services center for finance and controlling portfolio. The Deutsche Telekom IT & Telecommunications Slovakia (or DT ITTEL SK) comprises the „Telecommunication Services“ division focusing on the core telecommunication business of our mother company and the „Telekom IT“ division managing internal IT solutions, applications and services, as well as providing software development capabilities. This sharper focus and structure with a narrower portfolio are the right way to evolve towards providing services with a higher business value.

Despite the split into two legally independent entities, we continue acting and working together as representatives of „Magenta Košice“. To that extent the two customer-facing entities have agreed in 2020 to pursue and share a joint local brand with which they would be approaching local labor market and potential local clients. Thus, the actual public successor of the „T-Systems“ brand has become the „Deutsche Telekom IT Solutions Slovakia“. This new brand is acting as a stronger

umbrella building on a rich history of the former brand, our cultural proximity and strategic alignment at the level of Deutsche Telekom global group.

Our good business performance was linked to a positive change in workforce numbers. Compared to year 2019 the footprint of the two DT entities in Slovakia increased by 2,5%, to exceed 4000 full-time equivalent workers. This number corresponds with our strategic re-focusing from quantity to skill quality, deepening and strengthening our expertise distribution. Our strategic priority during 2020 was the increase of the share of senior ICT, business and customer facing roles in our company. Relatively more visible ambition of our strategic re-focusing has met a pronounced lack of "senior" candidates in the local labour market – something that worries many other companies in Slovakia. A not-so-surprising response to the local skill shortages was also for us looking beyond Slovakia. We attracted a number of third-country experts, which helped to improve the diversity of our workforce. We are among the drivers in Slovakia and work in a close collaboration with the IT Association of Slovakia and AmCham to improve

our reach for senior experts.

More focused portfolio, global transformation and carve out were planned to have positive impact on the global and local financial performance. Yet, year 2020 will be remembered not for great strategies, not for great executions, and unlikely for a superior financial performance... The topic that has been prominent during 2020 was the Corona (COVID 19) crisis and our responses to minimize the impact of this major disruptor on our company. In the first quarter of 2020 we had to change our way of working drastically, as we went from a campus-based model to a complete work from home within a couple of days. Being at least cautious at the beginning, we soon recorded the same or better service levels, as well as faster project deliverables. A few months later we went gradually back to the office and we started to work on our “new normal” along the dimensions like way of working, work environment and or digital leadership to define a new model that protects our employees and keeps them engaged and motivated whilst providing sustainable value add to our customers.

Financially, the overall situation remains

challenging. For instance, Germany posted a public deficit of €51.6 billion for the first half of 2020, whilst the gross domestic product (GDP) fell sharply by 9.7% in the 2nd quarter of 2020 with exports declined by 9.4% and imports by 10.0% until June 2020 year on year. The Dow and the FTSE saw their biggest quarterly drops in the first three months of the year since 1987. IMF says that the global economy will shrink by 3% this year - worst since the Great Depression of the 1930s. Our biggest customers like are affected by worldwide car sales slump this year by 17 percent. The natural resources clients are facing a drastic drop in oil prices presently and major airlines dropped their operation by as much as 70 percent – they expect to return to pre-crisis levels in the airline business only in 2024...

However, and despite the global downturn, as a joint local brand comprising two DT entities, we have booked positive development in our business performance. Year on year, our cumulated revenue stepped up by approximately 10%. This was mainly driven by a strong performance in the SAP arena, as well as service management for our global clients. Strong contribution came in also from our business process outsourcing

division through their role in the rollout of BI tools throughout the global company. We are particularly proud of this performance in otherwise difficult “Corona” year. At the same time, the results show a good resilience and stability of our activities in Slovakia.

We continue to be a leading ICT employer both in the eastern region as well as in Slovakia overall:

OUR POSITION IN THE NATIONAL ECONOMY	
Largest employers 2020 (overall)	Rank 16.
Firms with largest added value 2020	Rank 21.
Largest revenue firms 2020 (ex financials)	Rank 128.
Cumulative added value created 2006 –2020	Eur 948 mil

In the previous year we boosted the development of our competences in the segment of Cloud solutions. We strengthened our portfolio services supporting IaaS built on Microsoft Azure and Amazon’s AWS platforms, and further extended vCloud based services. While this business unit started with only 40 people in 2018, last year it established itself as a notable player in the global portfolio unit. This footprint comes largely from the in-house development of Edge Computing solution in Slovakia, and growing relevance of this solution in the market challenged by the Corona crisis and aiming for higher level of digitization, business process autonomy, and arrival of smart business solutions. In the context of business process outsourcing 2020 was a year of Business Intelligence (BI) – if we highlight one of our important achievements. Based on the recognition for our Slovak company for the stable performance in the previous years, we gained trust from the global organization to coordinate the roll out of a global BI tool across the entire group. The project successfully delivered Power BI platform and our competences were rewarded by entrusting us with the development of

advanced dashboarding and BI solution that features ambitious targets of incorporating “smart behaviors” by means of machine learning and artificial intelligence developments. In 2020 we continued with our own local startup incubator under the umbrella of InnovLab – a partner of the global Hub:Raum startup incubation platform of the Deutsche Telekom group. Following the success of the “Alone in the Museum” product in 2018 we managed to accelerate a real medical application supporting therapists caring for stroke and nerve inflammation complaints. This startup has been rewarded at the European level as the best one among 35 other competitors who were pitching their proposals to EIT Health, at its event in France. Despite education shifting to the online domain, we continued with our dual education as well as IT scholarship schemes for the students of informatics in Košice. Under the umbrella of T-UNI program we further developed a team of first 13 students and delivered our pledge to support their accelerated development of know-how in IT by a scholarship reaching as much as 5 000 EUR during their Masters studies.

Future outlook on our strategy

VISION 2025: A PRODUCT COMPANY FOR THE DIGITAL AGE

The market is shifting around us, driven by trends and technologies such as Artificial Intelligence (and its impact on process automation both in ICT and BPO domains), Internet of Things, Software defined Everything (both impacting our networks, security and shared platforms offerings), etc. and an increasing pressure for all organizations to become digital. We remain committed to bring cutting edge technology to our customers, new ways of working that supports innovation (agile, DevOps) and being a driving force in digitizing our customers business.

At the core of our strategy is to increasingly create more value for our customers. Our

aim is to transform from being a service provider to a trusted partner and a company that design, develops, rolls out and manages new and innovative products for our clients. We will continue our journey towards competence and innovation centers to develop future products and services. We further invest into the areas of Artificial Intelligence (and its impact on process automation), Internet of Things, and Software defined Services (impacting our networks, security and shared platforms). We also aim for a proof of value in Košice city to translate technological visions into tangible products.

**We aim to accelerate our evolution from a service provider through an IT partner to a digital builder and ultimately a digital pioneer.
This can be expressed in terms of our ambition:**



Today, even medium-sized companies frequently rely on more than one cloud provider. That should come as no surprise, since cloud services are highly standardized and frequently cover only certain segments.

Organizational needs, in contrast, are usually very individual and specific. This inevitably results in hybrid cloud settings, in which services from several providers coexist in so-called multi-cloud environments. Therefore, we are assisting our customers in migrating their legacy IT solutions into such various cloud platforms. This suite of tools and techniques makes life of a company that embarks on the digitization journey easier, more transparent, and eventually more cost efficient.

What we can also see, is that there is no shortage of data – however when it comes to consolidating these data and running simple analytics, we observe a requirement for integration and consolidation. Therefore, we are offering Elastic Search as a Service, for instance, – one example of helping our customers to ingest their data, analyze it, optimize searching and eventually visualize the insights. It is an example where AI speeds up and simplifies business decisions of our customers.

In addition, we are in the process of localizing smart city solutions for the regional market, whereas we focus on on/off street parking solutions, smart lighting and smart

concrete offerings. This is an area, where we expect strong tailwind during 2021 to help municipalities tackle the reductions in their budgets stretched by the Corona crisis. The concept of smart cities is likely to receive further boost with the arrival of 5G technology. In the context of our InnovLab, we have ambition to develop the 5G idea into a functional Testbed as a Service offering, whereby we can co-create and showcase benefits of this technology to local industrial and service companies.

What the pandemic has changed is that we need to be even faster, more flexible and more comprehensive in 2021 and beyond. We will further strengthen our competences to lead, design, innovate and take overall responsibility for larger parts of the global value chain. Special focus will be given to agile management of the organization and product management competencies. We will provide our customers with expertise that directly supports their native business success and we continue to transform ourselves from a service provider to a partner that designs, develops, rolls out and manages innovative products for our clients.

Education and Development Center in 2020



Employee development

Learning and development in Deutsche Telekom IT Solutions Slovakia connects people in near real time with the information they require to add value to the business and with the experience, they need to expand and to stretch their capabilities. We consider education and development of employees as our important investment into the future.

Our development strategy is on future skills. We have defined skills we will focus in the upcoming years for our product-oriented direction. We are aiming on IT, methodology and soft categories such as architecture, solution design and engineering, data analytics or cloud solutions. Hand in hand with IT skills, there is agility, strategic and analytical thinking, entrepreneurship, customer and business focus.

Our employees spent in average 4 days on trainings. We went online in training organization immediately in March. 64% of internal and 82% of external went online from all trainings organized.

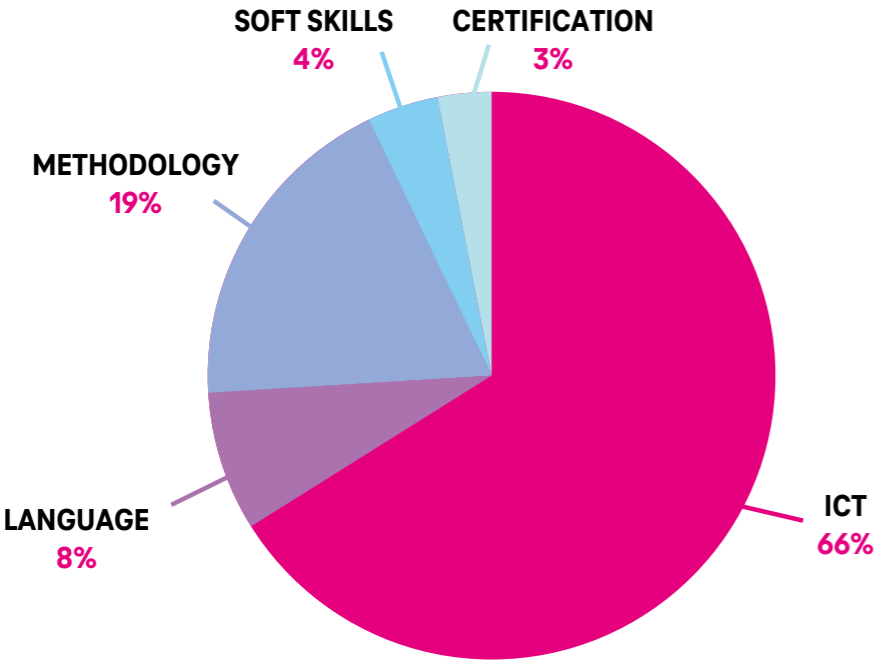
On the top, we have implemented new e-learning platform, which provides variety

of courses, certificates, videos, books, audiobooks and other learning formats. Within this platform, we are able to ensure participation at different courses provided by various international universities. This opportunity can be used at any time and place.

Building the community of trainers as a team, we together unlock the potential of our employees and empower them. There are 285 internal trainers at Deutsche Telekom IT Solutions Slovakia. They are all regular employees with their day-to-day work duties. They perform important role within development and train other colleagues in areas in which they are experts themselves. In 2020, we provided 399 internal training events mostly in an online form.

In 2020, our employees took the opportunity to participate in the training 6741 times what is number of processed training requests. Our employees spent great 136 614 hours at our training sessions. Every employee invested an average of 4 days in own training and development.

Company invested overall training costs as follows:



In 2020 employee development was focused on AWS, Azure, Python, Linux, Agile & Scrum, SaaS DevOps and other technologies. In non-IT area it was company culture, different soft and leadership trainings. We have certified employees in SAP, AWS and Azure, Agile & Scrum or CISCO.

We offer to employees unlimited access to e-learning platform with the focus on English and German language as well as access to database of trainings, books, videos, case studies in IT and non-IT areas.

Dual education

Dual education has become the choice of many students after graduation. Since 2013, Deutsche Telekom IT Solutions Slovakia has been offering the Dual Education Program in the field of information and communication technology in cooperation with the Secondary Technical School of Electrical Engineering in Košice.

We are the first ICT company to offer the dual education opportunities. Graduates are ready and prepared to take on specific job positions in various areas.

Our students are the first in Slovakia to follow the successful German model and have the possibility to obtain a certificate from the Slovak-German Chamber of Commerce and Industry equivalent to the certificate received by students in Germany.

Dual education combines theoretical teaching and practical training in our corporate environment. Emphasis is placed on the development of knowledge and both, students' ICT and soft skills as they take part in an extensive learn and work experience in our company. Students' practical education presents up to 70% and

the theory covers 30% of the total time of studies. Education takes place at school and at the premises of Deutsche Telekom IT Solutions Slovakia.

As a result of the corona pandemics we had to switch to the online world. We focused on distance learning, online practice and online interviews for the new academic year starting in September 2020. We managed 78 online interviews with positive feedback from applicants on the interview form. Based on this experience we will continue with this form in the future as well. We have learned that online world fits very well to new generation and we will use maximum of it. Number of the new students for the academic year 2020/2021 is 31.

We managed to bring to life the new syllabus for the dual education via introducing new subjects, all based on the latest needs and requirements of the company, such as SAP, cloud technologies, different web technologies and new technologies in network. We also revised and modified contents of the existing subjects.

There were 82 students in school year 2019/20 (Dual Education). In June 25 students successfully graduated and became our employees, (22 of them received German certificate “FachInformatiker”). They are occupying positions as ICT Administrator III and II, Application or Cloud Administrator, Junior Application, ABAP Developer or Scrum master. Their career path can also lead to engineering or consulting positions.

Whole education process is ensured by 3 Personal Development Managers who care, consult, guide or assess the students. An integral part of a whole system is 25 Internal Trainers meaning 25 Certified Instructors (8 DSIHK certification, 19 SOPK certification (some have both certifications)).

Education activities within the region

We believe that the education of young generation is crucial for the future job market. In this regard, we have developed different cooperation and projects within the region and institutions. One of them is “Skills for Success - From University to Workplace” - companies associated within the Business Service Center Forum and under the auspices of the American Chamber of Commerce in Slovakia provided this course for university students. In 2020 we covered 2 of 6 provided modules at UPJŠ, FEI TUKE and PHF EUBA.

We actively supported “Train the Trainer” program. Participation in accredited program with soft skills curriculum targeted university and high school teachers.

Dual Education students took part on Innovation Days 2020. Innovation Days is an event intended for people with a feasible idea in the field of Digital Health, Telemedicine and AI. It is an opportunity for those who want to advance their idea on a higher level. This event is organized in 32 countries in Europe, aiming to support and develop the creativity in the regions. Dual education teams won 2nd and 3rd place. Another team was awarded by the special team for their project.

Approaching end of the year as a main partner we supported a nationwide innovation competition BeReady Awards, in which young technicians from the best secondary schools designed the best “Smart Cities” solutions. They acquired skills important for their future careers and at the same time, they won a financial scholarship for themselves and support for their school.

The entire program of the competition took place on a digital platform, where teams came together to work on real solutions in online space.



DT SYSO Revenue 2020

Type of service	2020
Operation and remote administration of operating systems and virtual ICT infrastructures	57,883,883
Operation and remote administration of SAP platform	32,975,295
Operation and remote administration of customer applications	10,732,215
Operation, administration and monitoring of remote telecommunication items	9,372,520
ICT Service Management and support	15,285,767
Project Management & Project Delivery	5,748,854
Others	10,091,442
TOTAL:	142,089,977

Financial Report 2020 and Financial Indicators

FINANCIAL INDICATORS

Current liquidity (current, quick ratio) reaches the value of 1.9, which expresses the good ability of the company to repay its liabilities.

The return on sales reaches the value of 3.73%, which means that there is 3.73 cents of profit per 1 euro of sales.

The total debt ratio of the company in the amount of 45.1% expresses the share of foreign capital in the total assets of the company, i.e. the company covers 54.9% of assets with its own resources.

The decrease in revenues from services provided compared to 2019 is in the amount of EUR 11,361,019 caused by the division of the company.

DT ITTEL Revenue 2020

Type of service	2020
Operation and remote administration of operating systems and virtual ICT infrastructures	862,933
Operation and remote administration of SAP platform	5,028,681
Operation and remote administration of customer applications	11,510,410
Operation, administration and monitoring of remote telecommunication items	7,322,198
ICT Service Management and support	6,231,373
Others	1,199,504
TOTAL:	32,155,099

FINANCIAL INDICATORS

Current liquidity (current, quick ratio) reaches the value of 1.0, which expresses the good ability of the company to repay its liabilities.

The profitability of sales reaches the value of 5.03%, which means that 5.03 cents of profit per 1 euro of sales.

The total debt ratio of the company in the amount of 87.5% expresses the share of foreign capital in the total assets of the company, i.e. the company covers 12.5% of assets with its own resources.

Other information**RISK ASSESSMENT**

The company assesses risks on a regular quarterly basis. In 2019, the company identified only modest risks related to filling specific job positions requiring highly qualified employees. These risks have been continuously eliminated by the company by making job offers more attractive within the available labor markets. The Company has not identified any other significant risks that could pose a serious threat to the Company.

EVENTS THAT OCCURRED AFTER 31 DECEMBER 2020 BY THE DATE OF THE 2020 FINANCIAL STATEMENTS:

After 31 December 2020, the date of preparation of the financial statements did not include such events that would require disclosure or recognition in the financial statements for 2020.

INFORMATION ON THE ACQUISITION OF OWN SHARES, PROVISIONAL LETTERS, TRADING SHARES AND SHARES, PROVISIONAL SHEETS AND TRADING SHARES OF THE CONTROLLING ENTITY:

The Company did not acquire its own shares, temporary certificates, business shares and shares, temporary certificates, and business shares of the controlling entity.

SCIENCE AND RESEARCH

The company performed research and development activities in the current and immediately preceding accounting period. Science and research projects are mainly aimed at increasing the automation of the IT environment.

We are currently working on the following projects:

- Jarvis - a virtual assistant for the application control operations center
- Sensiric pad - intelligent elevator control
- SDCE Monitoring - a special monitoring solution
- The costs incurred for research and development activities in 2020 amount to approximately EUR 127 000.

ORGANIZATIONAL BRANCH

The entity does not have an organizational branch abroad

Creating a better balance of life and work



Work Life Coaching Program

For effective and successful business, we need motivated employees and competent leaders. We care about our people in all situations. Year 2020 was extraordinary in all aspects of our professional and private lives.

We offer our employees and their family members tailored-made Work Life Coaching Program.

Highly trained professionals are accessible to every employee 24/7. Psychological, legal and financial counseling is free and strictly confidential.

The employee and experts work together in order to find solutions, for example to work related stress issues, changes at work or in private life, tensions in work relationships, problems with partner, in family or with children, interpersonal issues as well as debt issues. In extreme cases, crisis intervention and emergency psychological care are also on offer through the consultants.

We also offer Webex sessions and leaflets for employees on topics such as:

- Essential tips on working from home
- How to better handle isolation on your own
- Family with children under the same roof
- Communicating with elderly during crisis
- How can we communicate valuable encouragement

Responsibility towards the community 2020

DT IT Solutions Slovakia has long supported people, activities and ideas that have the potential to bring positive change in the region, city, and Slovakia. In 2020, we identified four pillars within which we develop our responsibility towards society - education, social innovation, environmental protection, charity and volunteering. All activities are voluntarily performed and initiated by our employees and we are proud to be able to provide them with space and time.

EDUCATION

The main characteristic of the support of education is the sharing of know-how of our employees, connection with schools, universities and non-profit organizations in the field of education.

Grant program – School of the Future

The primary purpose of the School of the Future grant program is to support innovative primary schools or civic associations that want to be more than just a school in their community. The aim of the program is to enable them to adopt new trends, try new approaches, innovations and be creative in their teaching. In the school year 2019/2020, the Carpathian Foundation received 52 projects, of which 11 were successful. Innovative projects focused on media literacy, critical thinking, innovative ways of learning, media production and online communication skills.

Grant program – Teacher of the Future

The grant program supports projects of teachers from eastern Slovakia with an innovative and non-traditional approach to teaching. The program will provide a personal grant to teachers who will enrich the teaching process with innovation, creativity, and experiential forms of learning. In the school year 2019/2020, the Carpathian Foundation received 14 projects, of which 9 were successful. Innovative projects focused on media production, the development of digital, soft, and technical skills, and the promotion of tolerance for diversity.

My Machine

My Machine is an educational program that develops creative thinking. Its uniqueness lies in the cooperation of three levels of the education system - primary, secondary vocational, and university education. At the end of each program cycle is the dream invention. In the school year 2020/2021, our two employees are involved as consultants (practitioners) for students seeking to translate children's ideas from primary schools into reality.

Digital skills program

The digital skills program is run under the auspices of the Pontis Foundation and the Business Leaders Forum. Its goal is to create a role in schools called coordinators of digital competences, to increase the digital maturity of schools and to use digital technologies more effectively in the educational process. As part of the pilot year, in the school year 2020/2021, five of our employees train and mentor digital competence coordinators at schools in the Eduscrum topic.

Dream IT

Dream IT is an activity that was created in cooperation with Teach for Slovakia and Ždaňa Elementary School. Dream IT is run voluntarily by our employees, who present to children how they come into contact with IT in their daily lives and how they can use it to the full and to their advantage. In the school year 2020/2021, two of our employees have so far joined the group online at the partner primary school Teach for Slovakia in Michalovce.

It is also worth mentioning the Calliope activity, which takes place on the company's premises and is intended for the children of our employees. However, due to the COVID-19 pandemic, this activity is currently suspended.

VOLUNTEERING

According to European Union statistics on income and living conditions in Slovakia, almost 16.3% (872,000) of people live at risk of poverty or social exclusion. The year 2020 hit this group of people probably the hardest due to the COVID -19 pandemic. In addition, unexpected family health problems, job loss, or other accidents can happen to any of us or our loved ones. DT IT Solutions Slovakia is responding to this fact with a helping hand, mainly thanks to the initiatives of our employees and a huge willingness to participate in charity events. In 2020, we managed to organize four charity events, one of which took place virtually.

In 2020, they organized the second year of the activity called Charity Cake Day, even before the COVID-19 pandemic, they managed to organize one employee collection. Proceeds from Charity Cake Day in February 2020 were donated to treat children with SMA1. A total of 805 employees took part: 80 baked cakes, 700 bought cakes and 25 helped organize the whole event. Thanks to everyone who took part, an incredible 7400 Euros was raised.

We have been organizing a series of Charity Runs in cooperation with Active Life since 2019. In 2020, we managed to organize three Uphill Snow Runs, Charity Run Weekend, and a virtual St. Nicholas Run. The money collected was donated to children with SMA1, leukemia and for organization “Úsmev ako Dar“. A total of 1554 employees took part in the runs and EUR 14,372 was raised.

SOCIAL INNOVATIONS

Digital transformation and achieving a more efficient way of working and delivering services are essential for progress. During the COVID-19 pandemic, we all experienced how technology helps us protect the health or connect sectors that until now only worked in face-to-face meetings and paper certificates. On the other hand, the majority of the population already owns a smartphone, thanks to which we can work from anywhere, connect with the whole world, and provide all the necessary services. That is why digitization and bringing innovations to DT IT Solutions Slovakia is a priority of social responsibility. One of the main carriers of social innovations is the Innovlab startup center, where not only our people but also the general public will find support to implement their idea. In addition, we support the Digital League, where our employees contribute to the digitization of various industries during their own training in various fields.

Innovlab

Innovlab is a startup center of DT IT Solutions Slovakia and focuses on innovations and trends in the areas of telco and health. The Telco area covers activities such as 5G, IoT, VR / AR and Ux, and in the field of health we deal with topics such as Digital Health, Biotech, Medtech and LifeTech.

The COVID-19 platform smeprpraveni.sk was established in Innovlab during a pandemic. The platform is used to group health volunteers in one place, to connect volunteers with institutions and to educate volunteers through videos and tutorials. 1504 volunteers registered on the platform, 61 institutions and 140 volunteers were effectively connected with the institutions. The platform also won the Country Favorite Award.

Among other projects, we also mention FaceRehab, Najditesa.online, or PocketHealth.

ENVIRONMENTAL PROTECTION

We have only one environment, so we do our activities to reduce negative impacts and achieve a society with a circular economy and a low carbon footprint. In 2020, we managed to meet the goal of using 100% renewable energy sources. Since 2021, our buildings have only used green energy. You will no longer find disposable plastic cups in our buildings and kitchens. Additionally, we have replaced all marketing materials with more environmentally friendly and easier to recycle.

As a green and healthy alternative to using mobility, our company offers its employees the opportunity to rent bicycles and e-bikes. This activity is called Bike IT. Employees can rent a bicycle via the Rent app and cycle for meetings in another location or for lunch outside the building. Employees can rent bicycles for the day or weekend. In 2020, the city of Košice prepared an application for the title of European Green Capital 2023, which is announced by the European Commission. DT IT Solutions Slovakia joined the proposed solutions, on which we can cooperate with the city in the future.

Our long tradition is to donate hardware to schools in the region. In this way, we not only help to innovate the technical equipment of schools, but also extend the life and use of the hardware itself, instead of throwing it away. This is how the two pillars of social responsibility come together - education and the environment. In 2020, we managed to donate 317 notebooks to schools in eastern Slovakia.

A total of 869 volunteers, 1,554 sports-oriented and kind-hearted employees participated in the CSR activities, supporting 8 organizations or individuals. In 2020, our activities had a direct impact on 328 event participants, 138 teachers and 45 children. Additionally, we supported the creation of 72 innovative projects and accompanied 8 startups on their way to their goals. Last but not least, we have improved the technical equipment of schools in the region by donating 317 notebooks and supported ecological mobility 218 times by renting company bicycles.



DEUTSCHE TELEKOM IT SOLUTIONS

