

# ANNUAL REPORT

Deutsche Telekom  
IT Solutions Slovakia



DEUTSCHE TELEKOM IT SOLUTIONS



# ANNUAL REPORT 2021

## **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

Despite the hope for better, corona remained a constant companion throughout 2021, limiting our much-needed social interactions and resulting in work from home for the majority of our teams.

Consistently we have evolved our “new normal approach” into a permanent “activity based working model“, to allow our teams to decide how and from where to work best.

We recorded a stable order situation based on our diversified service offerings, resulting in a growth in revenue and EBIT. On a solid basis we continue our journey towards industry competencies and innovation to develop future products and services.

With a proven track record in interactive-exposure therapy (in cooperation with Svet Zdravja a.s. Trebišov Hospital) we further invest into the areas of Virtua / Augmented Reality. In the same way we have successfully demonstrated expertise in the fields of experiential learning, customer churn prediction, low code applica-

tion development and pandemic test solutions.

In 2021 we have also started with a new sovereign cloud portfolio which aims for providing the public sector with the ability to capitalise upon a secure, legally compliant public cloud. We will further strengthen our competences in this area, in particular, in healthcare cloud services.



It is with great pleasure that we have finally been recognized formally as application development centre for T-Systems International as well. Whilst this is certainly not a new field of engagement for us, we can expect a significant scale up of development capabilities in the very near future.

With reference to our industry focus we have successfully hosted a summit for automotive and manufacturing companies in collaboration with Slovak Telekom. Based on the excellent feedback from industry and partners we will continue with the same format in 2022.

We will further strengthen our competencies to lead, design, innovate and take overall responsibility for larger parts of the global value chain. Customer centricity remains our top priority and we aim to provide customers with expertise that directly supports their native business success. In summary - we continue to transform ourselves into a vertical full-service provider with strong industry competencies.

We will also maintain our Mess Up night events to promote an open failure culture, which has received lots of encouragement last year and contributed its fair share

towards an excellent TRIM result in 2021.

We are committed towards social responsibility and continuously give back to the community, in particular in the area of education & digital literacy. We continue to support various levels of schools and extend our collaboration with universities and technology transfer centres.

We also pursue our journey towards net zero energy consumption and emissions by refreshing our car fleet towards electric vehicles and introduce micromobility services. Not be forgotten is the fact that we also reduced commuting and travel requirements by our activity based working models.

Lastly, I would like to thank you most sincerely for your support and contribution, which made it again an exciting and successful year.

Stay safe, stay healthy and hope to see you soon.

A stylized, handwritten signature in black ink, likely belonging to a representative of Deutsche Telekom IT Solutions Slovakia.



# Company profile

The initial company T-Systems Slovakia was established in January 2006 as a subsidiary of T-Systems International, GmbH, a company based in Germany which was a member of the global group of Deutsche Telekom AG. As a member of the Deutsche Telekom group, the Slovak company offers outsourcing services targeted at corporate clients in Germany, the European Union and around the world. Since its establishment, T-Systems Slovakia has been based in Košice and is still very closely connected with the region.

Our parent company Deutsche Telekom AG decided to take strategic steps towards structural changes which have led to the division of T-Systems Slovakia into two legal entities, both operating under the joint brand Deutsche Telekom IT Solutions Slovakia, as of 1 July 2020.

**The following are the official names of the two legal entities belonging to the common brand:**

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

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

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

You will not find the production coming from Deutsche Telekom IT Solutions Slovakia in a store or warehouse. People come into contact with its services only indirectly, but daily - when buying articles of renowned brands or petrol or cars. Taken literally, when the ICT services are provided reliably, an ordinary consumer will not realise that a part of the ICT they use is provided remotely by Deutsche Telekom IT Solutions Slovakia. Deutsche Telekom IT Solutions Slovakia has in its portfolio leading brands from the automotive, telecommunications and oil industries, as well as financial and consulting services.



# Company management in 2021

Management of Deutsche Telekom IT Solutions Slovakia



**Andreas Truls**

Managing Director of Deutsche Telekom IT Solutions Slovakia



## **Frank-Stephan Hardt**

Vice President of Finance and Controlling



## **Igor Stančík**

Vice President of Human Resources



## **Juraj Girman**

Vice President of Telekom IT

A photograph of a rugged mountain range at sunset. The sky transitions from a deep blue at the top to a warm orange and pink near the horizon. The mountain peaks are silhouetted against the bright sky, with some slopes catching the low light and appearing in shades of orange and red. In the foreground, dark, jagged rocks are scattered across the ground. A large, solid pink circle is positioned on the right side of the image, containing white text.

**Vision,  
mission,  
and values**

## PORTFOLIO OF DELIVERED SERVICES

Under one unified brand of Deutsche Telekom IT Solutions Slovakia we serve three main markets – information and communication technology outsourcing solutions (ITO), software and application development (SDO) and solutions for business process outsourcing (BPO). These 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.



**Our services and  
Product portfolio  
in 2021**

# DEUTSCHE TELEKOM SYSTEMS SOLUTIONS S.R.O. – SERVICES & PRODUCT PORTFOLIO IN 2021

## 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 competences 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),
- Solution implementation and operation on Sovereign Cloud infrastructure for customers with increased data security and provenance requirements,
- 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:

- 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 centre 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.),
- Development and lifecycle management of T-Systems global business intelligence (BI) platform.

## **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,
- Sales and pre-sales consultancy for local customers in automotive, banking and public segments.

## 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, pre-sales consultancy and advisory to customers,
- Project management and transformation of customer ICT systems and solutions.

### **APPLICATION DEVELOPMENT AND SOLUTIONS**

As part of this part of our portfolio, we add strong supply and operational competencies and offer our customers software engineering and consultation. Our main competences include:

- Development of future cloud and software-defined platform (FCI),
- Managed solutions engineering and development for public and private clouds,
- Design and development of automation and digitization solutions, incl. software development.

# **DEUTSCHE TELEKOM IT & TELECOMMUNICATIONS S.R.O. – SERVICES & PRODUCT PORTFOLIO IN 2021**

## 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 Deutsche Telekom Group's core businesses in Germany, Europe and increasingly also US. 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,
- Development of smart solutions (Artificial Intelligence, Machine Learning, Big Data, Language Processing),
- Applied research in Virtual and Augmented Reality, development of applications for educational and healthcare segments.



**A short  
retrospection  
on 2021**

On the level of global Deutsche Telekom group, 2021 was a highly successful year, yet we continued our strive for a more effective alignment to respective customer markets. Also in Slovakia we brought in a greater focus on our customers and their specific business needs. We also created new opportunities for our top experts in fulfilling new ambitions of the global T-Systems and Telekom entities.

In terms of structural transformation our DT IT & Telecommunications Slovakia entity has been organized into two specialized divisions. One serves as an outsourcing centre for Telekom Deutschland and its telecommunication lines and network management business. The other one acts as an integral part of Deutsche Telekom IT in its role of a group-internal IT solution provider and software development house. Legally, both divisions operate as one legal entity, whose annual revenue in Slovakia doubled compared to the previous year. With this change we see further potential to reduce overhead costs on the global level and offer our customers more competitive connectivity offering.

During 2021, Deutsche Telekom Systems Solutions Slovakia (or DT SYSO SK) operat-

ed with three business divisions. The core technological ones were the “Classic IT” division oriented on managed IT services and private cloud solutions and the “Growth Portfolio” division bringing together the offerings in SAP, managed services on public clouds, cybersecurity, order and project management, and automation. The third division within DT SYSO SK acts as a business services centre for finance and controlling portfolio.

Year 2021 was the first full year, in which we acted and worked together under a joint Magenta Košice brand. The two customer-facing entities pursued a shared local strategy and shared a joint local brand with which they approached the local labour market as well as potential local clients. The “Deutsche Telekom IT Solutions Slovakia” has established itself well in the local market. It continued on the rich history of the former “T-Systems” brand and confirmed our strategic alignment at the level of Deutsche Telekom global group. The evidence of our joint brand’s vigour is visible in our runner-up position in Top Employer 2021, as well as the nomination at the CEE Shared Sharing Center services of 2021.

Our good business performance was linked to a positive change in workforce numbers. Compared to year 2020 the footprint of the two DT entities in Slovakia increased by 6%, to reach 4 420 employees, corresponding to 3 979 full-time equivalents. This change in quantity is interesting, but more importantly it corresponds with our strategic re-focusing on software development and solution design competence – deepening and strengthening our expertise distribution. Our strategic priority during 2021 was the increase of software development, business and customer facing roles in our companies. Relatively more visible ambition of our strategic re-focusing has met the known lack of senior candidates in the broader labour market – something that worries many other companies in Europe. To support flexible workplace arrangements and remote working we implemented so-called teleworking option for our employees that permits them to work from any place in Slovakia and up to half year in any country within EU.

The topic that has been still prominent during 2021 was the ongoing corona crisis and our responses to minimize the impact

of this major disruptor on our company. However, and despite the global downturn, as a joint local brand comprising two DT entities, we have achieved highly positive development in our business performance. Year on year, our cumulated revenue stepped up by approximately 8% and altogether reached Eur 187,7 mil. This was driven by a strong performance and rapid growth in the software development and digital solutions arena, as well as growth in demand for our global telecommunication services. 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 as the results show a good resilience and stability of our activities in Slovakia. Jointly we are turning 75% of our revenue to added value, in absolute numbers Eur 140,8 mil in 2021.

**As a joint DT IT Solutions brand, 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 2021 (overall)

**Rank 12.**

Largest IT service providers 2021 (IT segment)

**Rank 4.**

Largest revenue firms 2021 (ex financials)

**Rank 128.**

Largest tax payers 2021 (overall)

**Rank 25.**

Cumulative regional GDP contribution 2006–2021

**Eur 1,1 mld**

In the previous year we boosted the development of our competences in the segment of cloud solutions. In addition to our strong competence in delivering managed services on Microsoft Azure and Amazon's AWS platforms, we brought to the market Sovereign Cloud. Why this solution? Public clouds are recognized as means to speed up digitization in majority of companies in Europe. However, some industries find it easier to adopt public cloud and its benefits than others. One reason for this is that in Europe, protecting sensitive data is the top priority of the companies. Sovereignty in cloud means data sovereignty, where the client has full control over how, where, by whom are data processed in the cloud, where they are at any point in time and how they get encrypted when leaving cloud space. This new solution means also advances in terms of commercial, operational and software sovereignty – where more control and flexibility, yet more security and privacy is available to the customer.

In 2021 one of our flagship activities was the transformation of ourselves to a more flexible and agile organization, as well as strengthen our product development and innovative capabilities. In the former, we

have introduced flexible organizational structures and agile working models have become dominant in approximately 60% of our business activities. This was particularly visible in the software development portfolio of the DT ITTEL entity, but agile approach has been spreading also in DT SYSO. In terms of product development, we worked with multiple teams and candidate ideas during 2021. At the end, the systematic work has led to emergence of three potentially interesting product seeds – all being software-based, two aiming more at the infrastructural needs of our clients and one aiming at user experience the end users of our clients may obtain.

One new product aims at providing our clients an option to rapidly prototype their improvement ideas by turning business and subject matter experts into so-called “citizen developers”. The value of the product based on using low-code programming platform and ecosystem is in enabling up to 10 times faster delivery of working software solution (application) without the need to outsource the work to a specialized team of software developers. We managed to pilot this product in public sector and with two clients from industry, with a very promising pipeline.

Another new product addressed the requirement of smarter management of cybersecurity by our clients. With our next-generation security platform we are able to introduce AI techniques into learning usual communication patterns in a given company and distinguish them from potential attacks, hacks and unauthorized penetrations. Furthermore, this product helps the client, especially in manufacturing segments, manage their IT, OT and IoT networks in a unified way, on the level of users, data and applications rather than merely network elements.

Innovative insights have been turned into rolled products also in emergent technologies – our next product explored the fitness of virtual and augmented reality to a range of scenarios. In one, Cognito Care application successfully applied VR to enable doctor treat and diagnose his or her patients, where s/he has suspicion of a psychiatric disorder. The product has been also rolled out for broader clinical testing in cooperation with Svet zdravia, a.s. A related technology – augmented reality (AR) has led to a development of a product variant titled Zvedavo, which aims at families and children interacting in the context of local parks and woods. The tool enables deeper exploration,

encourages curiosity and thus is a valuable add-on to our educational sectors.

In addition to new cloud solution, we have established a software development shared centre within DT SYSO, whose ambition is to provide services to the global portfolio unit “Digital solutions”. In 2021 first projects were implemented by our new digital developers, including some high-profile deliveries to European institutions, leading European manufacturers in support of their push for e-mobility, smarter mobility, and similarly.

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 Kosice. Under the umbrella of T-UNI program we saw a team of first 13 students graduating and joining our entities as employees. We continue with our pledge to support accelerated development of know-how in IT by a scholarship reaching as much as 5 000 Eur during their master’s studies also in the upcoming year.

A group of people are gathered around a wooden table, looking at architectural plans. One person's hand is visible, pointing at a section of the plan. There are two laptops open on the table, a glass of water, and a calculator. A pink text box is overlaid on the left side of the image.

# **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 centres 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 Kosice city to translate technological visions into tangible products.

Today, even medium-sized companies frequently rely on more than one cloud provider. Cloud is often seen as the first step into the digitization of business activities of our clients. 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 planning to broaden our Elastic Search as a Service or BI as a Services solutions, for instance, – one example of helping our customers to ingest their data, analyse 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 the next years to help municipalities tackle the reductions in their budgets stretched by the Corona crisis. We are planning to make our footprint more visible in the local, Slovak market. In this context we plan to enter into partnership with other “magenta” entities as well as leading innovators in Slovakia, so that we introduce new items from our digital solutions and business digitization solutions also to SME’s in Slovakia. This local commercial ambition is underpinned by our leading communication platform – we intend to extend the scope and value of

our ITMA event and bring together IT and manufacturers to speed up innovation and transformation to digital economy also in our country.

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.

The need to be faster, flexible, yet innovative is very strongly visible also in our core strategic segments – manufacturing and automotive. These segments are today almost fully automated, however, the companies in these segments are facing enormous pressure to transform – from manufacturers to mobility services, from cars for the human drivers to autonomous vehicles, from cars to e-cars, connected cars, etc. These trends affect not only the actual car makers but the entire ecosystem – Tier 1 and 2 suppliers as well as OEM partners. Already in 2025 we expect that about 40% of revenue for these companies will come from business models other than the actual vehicle production. Our Deutsche Telekom Systems Solutions division acts as a core partner for the clients in automotive and manufacturing and helps them pursue dual strategy for today's volatile market. On one hand side, our solution helps them to optimize existing processes and further push digitization – not only “in-house” but increasingly across supply chain ecosystems. On the other hand, we are together developing new business models and foundations enabling their transformation to mobility

providers of software-defined and potentially smart vehicles.

Our strategic offering aims to make digitization tangible for the manufacturers, especially automotive ones. Our Deutsche Telekom Systems Solutions division plans to introduce also to the broader regional market solutions ranging from virtual control of vehicles from a remote, distant location, through addressing high security requirements on a partly or fully connected car, all way to the application of our latest advances in 5G and Edge Computing to transform production facilities into smart, self-organized factories equipped with smart sensors and sensor networks. The connected factory thus enables communication between devices, robots, full assembly lines (potentially across the supply chain), as well as towards cloud, human users, workers and specialists.

Our AI-based research explores the opportunity for service technicians being able to identify defective parts in the production of an intelligent factory before they have impact, within seconds and investigate details using VR or AR technologies. Although this sounds like science fiction, this is a reality enabled by advanced ICT technologies, cloud, AI and fast data transfer capabilities of 5G campus network hubs. Thanks to our vertical understanding of the sector, DT IT Solutions is keen to apply our competences in digital and cloud solutions also to the engines of our local economy.



# Education and Development Centre in 2021



## Employee development

The most valuable asset of our company is our employees. We are committed to ensuring that they have opportunities for growth and for the constant development of their professional skills, and are thus capacitated to ensure the continuous quality improvement of the services we provide to our company's customers. We see employee training and development as an important investment in our future. Our development strategy is focused on the Future Skills. It is an array of skills defined by us that we continuously develop in alignment with our product-oriented direction. They are focused on areas such as architecture, solution design and engineering, data analysis or cloud solutions. IT skills are combined with agility, strategic and analytical thinking, customer orientation and business.

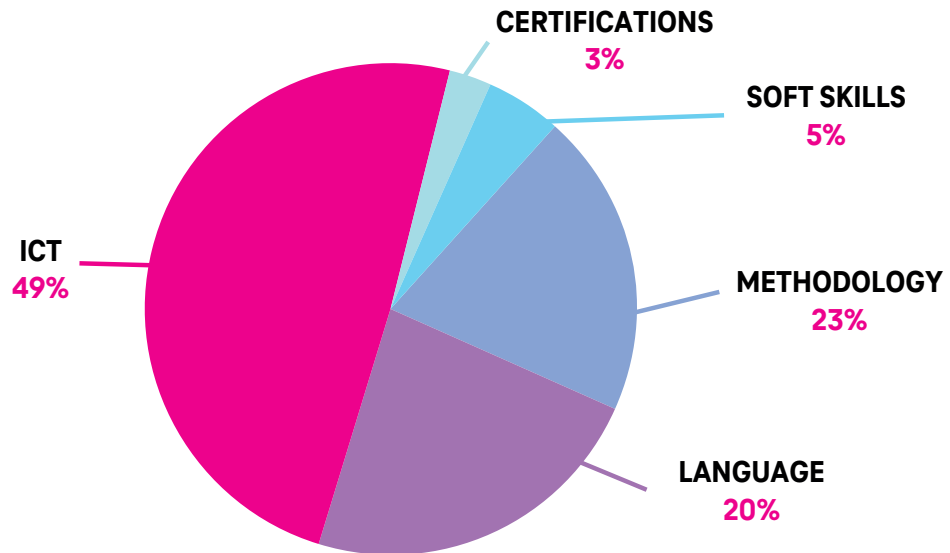
Our education efforts in 2021 followed the already established trend of transition to e-learning. More than 90% of all training courses took place online. We organised 1,525 training courses for our employees, of which about a third were internal courses delivered directly by our company's employees. Our employees spent on average

5 days on training. In addition to organised training events, employees have access to an e-learning platform that provides various courses, certificates, videos, books, audiobooks and other teaching formats. This platform enables participation in many courses provided by renowned international universities. This opportunity is available anytime and anywhere.

There are 190 internal trainers at Deutsche Telekom IT Solutions Slovakia. All of them are full-time employees who carry out their daily job duties and, at the same time, belong to our internal trainer community. They play an important role in the personnel development and train other colleagues in the areas in which they are specialists. In 2021, we provided 459 internal educational activities and training courses, mostly online.

During 2021, our employees used the opportunity to attend a training 8615 times, which is the number of processed training requests. Our employees spent 165,168 hours on our trainings. On average, each employee dedicated 5 days to their own development and training.

## Structure of education costs



In 2021, most of our employee trainings were focused on technologies such as AWS, Azure, Python, Linux, Agile & Scrum and SAFe DevOps. Of course, the development of an employee requires education extending beyond the boundaries of their expertise and, accordingly, our employees also received training in fields other than IT, including in particular soft skills, leadership and corporate culture. Also, further employees obtained certification in the areas of SAP, AWS and Azure, Agile & Scrum and CISCO.

Given the preferences of the company's current and future customers, we deem communication in the German language to be an important skill for the future. In addition to language courses organised internally or externally, our employees have unlimited access to an e-learning platform focused on English and German. In 2021, 894 employees attended German language courses. To support communication in the German language, a local initiative entitled "Sprich mit uns" was created, which highlights the importance of language skills through campaigns and activities.

## Dual education

Dual education has become the choice of many graduates. Since 2013, Deutsche Telekom IT Solutions Slovakia, in cooperation with the Secondary Vocational School of Electrical Engineering in Košice, has been offering a dual education program in the field of information and communication technology. We are the first ICT company to offer dual education opportunities. Graduates are ready to undertake specific job positions in various fields. Our students are the first in Slovakia to follow the successful German model and have the opportunity to obtain a certificate from the Slovak-German Chamber of Commerce and Industry (DSIHK) that corresponds to the certificate received by students in Germany. Dual education combines theoretical learning and practical training in the environment of our company. Emphasis is placed on the development of ICT knowledge and hard skills as well as soft skills in our students through extensive education and experience building at our company. The practical training and theoretical teaching of students account for 70% and 30%, respectively. The education and training

take place at the school and on the premises of Deutsche Telekom IT Solutions Slovakia. Due to the coronavirus pandemic, we were made to move to the online world. We transited to distance learning, online internship and online interviews for the new academic year beginning in September 2021. We managed to conduct 47 online interviews and have received a positive feedback as to the interview format from the candidates. With this experience, we will further rely on this format also in the future. We have found out that the online world suits the new generation very well and we intend to make the most of this fact. The number of new students for the academic year 2021/2022 is 30 and the total for all three grades is 77 students.

In the school year 2020/2021, the total attendance (for Dual Education) was 82 students. 23 students successfully graduated in June and became our employees (14 of them received the German “Fachinformatiker” certificate). They hold positions such as ICT Administrator III and II, Application or Cloud Administrator, Junior Application Developer, ABAP Developer or Scrum

Master. Their career advancement may also bring them to engineering or consulting positions. The whole educational process is managed by three Personal Development Managers who tutor, coach, evaluate or provide consultation to students. The whole system involves 17 internal trainers, of whom 11 are certified instructors: 6 with certificates from DSIHK, 11 with certificates from the Slovak Chamber of Commerce and Industry (some have both certificates, and new instructors are awaiting the certification).

## Educational activities within the region

We continued to work on various projects within the region and institutions. One of them is “Skills for Success - From University to Workplace”, a course for university students provided by companies associated within the Business Service Center Forum and under the auspices of the American Chamber of Commerce in Slovakia. In 2021, we provided two out of the six available modules at Pavol Jozef Šafárik University and the Faculty of Electrical Engineering and Informatics of the Technical University of Košice. We have actively supported the “Train the Trainer” accredited soft-skill program for university and secondary school teachers.

Dual education students participated in Innovation Days 2021. Innovation Days is an event for people with feasible ideas in the fields of digital health, telemedicine and AI. This is an opportunity for those who want to take their idea to a higher level. The event is organised in 32 European countries and aims to support and develop creativity in regions. The Dual Education team with its Blood Share application was ranked the first in Slovakia and the sixth in the European round.

At the end of the year, we as the main partner supported the nationwide BeReady Awards innovation competition, in which young technicians from the best secondary schools designed innovative “Smart Cities” solutions. They gained not only skills important for their future careers, but also a financial scholarship, thus helping their school. The whole competition program took place on a digital platform where the teams came together to work on real solutions in the online space.



# **Financial report for 2021 and financial indicators**

## Revenues of Deutsche Telekom Systems Solutions Slovakia s.r.o. for the year 2021

Type of service	2021
ICT service lifecycle management for managed services, private and public cloud solutions	58,738,886
Platform as a Service (PaaS) management, “SAP as a Service” and “SAP/HANA”	28,996,742
Customer- and business sector-specific application & telecommunication solutions delivery	1,330,560
ICT Service Management and support	9,312,733
Project management and project delivery	6,151,525
Other	15,041,843
<b>TOTAL:</b>	<b>119,572,289</b>

### **FINANCIAL INDICATORS**

The current/quick ratio is 2.0, which reflects the company's good ability to repay its liabilities. Profitability of sales is 5.48%, which means 5.48 cents of profit per 1 euro of sales.

The company's total debt ratio of 44.6% expresses the proportion of capital from outside sources in the company's total assets and indicates that 55.4% of the company's assets is covered by its own funds.

The decrease in revenues from services compared to 2020 amounts to EUR 22,517,289 and it is attributable to the split of the company in 2020.

## Revenues of Deutsche Telekom IT & Telecommunications Slovakia s.r.o. for the year 2021

Type of service	2021
ICT service lifecycle management for managed IT infrastructure services	1,732,126
Lifecycle management of group's SAP solutions and SAP application development	8,615,098
Lifecycle management & development of Telco sector-specific application & software solutions	26,305,504
Lifecycle management of telecommunication infrastructure solutions (VoIP, WAN, LAN, SDN, network security)	15,395,309
ICT Service Management and support	21,906
Project Management & Software Development Projects	12,316,192
Other	3,726,118
<b>TOTAL:</b>	<b>68,112,253</b>

## **FINANCIAL INDICATORS**

The current/quick ratio is 1.2, which reflects the company's good ability to repay its liabilities. Profitability of sales is 3.96 %, which means 3.96 cents of profit per 1 euro of sales.

The company's total debt ratio of 75.2 % expresses the share of capital from outside sources in the company's total assets and indicates that 24.8 % of the company's assets is covered by its own funds.

The increase in revenues from services compared to 2020 amounts to EUR 35,957,154 (revenues for 2021 amount to EUR 68,112,253).

## **Other information**

### **RISK ASSESSMENT**

The company performs the risk assessment on a regular quarterly basis. In 2021, the company identified only modest risks associated with the staffing of specific job positions that require highly qualified personnel. These risks were continuously mitigated by the company by enhancing the attractiveness of its job offers on the available labour markets. No other significant risks that could pose a serious threat to the company have been identified.

### **EVENTS THAT OCCURRED AFTER 31 DECEMBER 2021 UNTIL THE DATE OF THE FINANCIAL STATEMENTS FOR THE YEAR 2021:**

There are no events occurring between 31 December 2021 and the date of the financial statements that are subject disclosure or reporting in the financial statements for 2021.

### **INFORMATION ABOUT THE ACQUISITION OF TREASURY SHARES, PROVISIONAL SHARE CERTIFICATES AND INTERESTS AND SHARES, PROVISIONAL SHARE CERTIFICATES AND INTERESTS OF A CONTROLLING ENTITY:**

The company did not acquire any treasury shares, provisional share certificates and interests and/or shares, provisional share certificates and interests of a controlling entity.

### **SCIENCE AND RESEARCH**

The company carried out research and development activities in the current and immediately preceding accounting periods. The science and research projects were focused mainly on increasing the rate of automation of the IT environment.

We are currently working on the following projects:

- MPMS - creation of a platform-independent migration service
- MANAP - creation of new solutions or products or services for security clear, reliable, fast data analysis to increase automation
- JARVIS - virtual assistant for the application control operations centre

The research and development costs for 2020 amount to approx. EUR 100,000.

### **ORGANISATIONAL UNIT**

The accounting entity has no organisational unit abroad.

# Creating a better balance of life and work



## Work-life coaching program

We need motivated employees and competent leaders to do our business efficiently and successfully. We care about our people in all situations. The year 2021 was extraordinary in all aspects of our professional and private lives.

We offer a customised work life coaching program to our employees and their families.

Highly trained professionals are available to every employee at any time. Psychological, legal and financial counselling is provided for free and on a strictly confidential basis.

Employees and professionals work together to find solutions, such as to problems with stress at work, changes in work or private life, tensions in working relationships, problems in the family, with the partner or children, interpersonal problems as well as problems with indebtedness. In exceptional cases, crisis intervention and urgent psychological care are also available through consultants.

We also provide websites and leaflets for employees on topics such as:

- Basic tips for home-office work,
- How to better cope with isolation,
- Family with children under the same roof,
- Communication with the elderly during crisis,
- How to communicate valuable encouragement.

During 2021, we also organised a number of lectures for employees to support their mental health:

- Psychological wellbeing,
- Resilience in difficult times,
- Anti-stress techniques.

# Social responsibility in 2021



DT IT Solutions Slovakia has for long been supporting people, activities and ideas that have the potential to bring a positive change to the region, city and Slovakia as a whole. In 2021, we continued our efforts under the corporate social responsibility strategy within the four pillars in which we develop our responsibility to the community: education, social innovation, environmental protection and charity and volunteering. All activities are initiated and voluntarily performed by our employees and we are proud of being able to provide them with the necessary space and time.

# EDUCATION

The core characteristic of educational support is the sharing of our employees' know-how and association with schools, universities and non-profit organisations in the field of education.

## School of the Future grant program

The primary purpose of the School of the Future grant program is to support innovative primary schools or civic associations that make efforts to become more than mere schools in their communities. The aim of the program is to enable them to adopt new trends, try new approaches, innovate and be creative in their teaching work. In the school year 2020/2021, the Carpathian Foundation received 23 projects, of which 10 were successful. The innovative projects were focused on science, introduction to robotics and 3D modelling and the development of students' cognitive and social skills.

## Teacher of the Future grant program

This grant program supports projects of teachers from eastern Slovakia that promote innovative and non-traditional approaches to teaching. The program will provide a personal grant to teachers who enrich the teaching process with innovation, creativity and experiential forms of learning. In the school year 2020/2021, the Carpathian Foundation received 10 projects, of which 6 were successful. The innovative projects were focused on improving students' communication and social skills, highlighting the importance of environmental protection and interlinking theoretical knowledge with practice through experiential learning.

## My Machine

My Machine is an educational program that develops creative thinking. Its uniqueness lies in cooperation between three levels of the education system: primary, secondary vocational and tertiary. Each program cycle is completed by a dream invention. In the school year 2021/2022, two of our employees are involved as consultants (experts from practice) for students who are trying to turn into reality the ideas of children from primary schools in Košice and Tvrdošín.

## 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 introduce a digital competence coordinator role at schools and help to increase the digital maturity of schools and enhance the effectiveness of use of digital technology in the educational process. In the school year 2021/2022 as the second year of the program, six of our employees train and mentor digital competence coordinators at schools on the practical application of the Scrum framework through a series of individual courses focused on particular Scrum topics, such as values, principles, roles, practical exercises, user stories or retrospective.

## T Kids

During the whole year, volunteers within the internal group named T Kids spend their time educating children, students or even teachers who want to learn and improve their digital skills. In 2021 they trained 175 teachers, 30 university students and 40

## #PartnerforSustainability

In 2021, it was the first time that we shared our best practices within the education pillar as a member of the initiative of the Slovak-German Chamber of Commerce called #partnerfor-sustainability. Along with us, the initiative was also joined by other German companies based in Slovakia with the aim of inspiring each other in our sustainability efforts.

## VOLUNTEERING

Alike the previous year, a group of people found themselves at risk of poverty or social exclusion due to the COVID -19 pandemic also in 2021. Moreover, unexpected health problems in family, job loss or other misfortunes may happen to anyone of us or our close ones. DT IT Solutions Slovakia is aware of this and offers a helping hand, mainly through the initiatives of our employees and huge openness to charitable events. In 2021, our brand was involved in a number of charitable events, most of which took place in a virtual form.

Despite the pandemic measures, we continued in 2021 the activity called Charity Cake Day. This collection event, based on the buying of cakes baked by our volunteers, used to take place in our premises in previous years. Since it had received an excellent response, we decided to organise it virtually. Our employees baked their cakes at home and in addition to sending financial contributions to a transparent account, they also shared with us images of their goodies as a symbol of this event. The proceeds from the Charity Cake Day, which took place in April 2021, were donated for the treatment of a small disabled boy. Thanks to all those who took part, a beautiful 2000 euros was collected.

Since 2019, we have been supporting the Charity Run Tour series organised by the Active Life jogging community. In 2021, we managed to organise four runs: Art Run, Kukadlá Run, Charity Cake Run and a virtual St Nicholas run. The money raised was donated to children with disabilities as well as students from socially disadvantaged backgrounds through the “Smile as a Gift” organisation. A total of 3839 runners took part in the whole run series and EUR 27,778 was collected.

The gradual lifting of pandemic measures allowed our employees to help organisations within the framework of the largest corporate volunteering event in Slovakia called Our City. Nearly 70 employees helped to plant trees, clean a garage or renovate furniture in various organisations based in Košice.

## SOCIAL INNOVATION

Digital transformation and a more efficient way of working and delivering services are essential for achieving progress. During the COVID-19 pandemic, we all have experienced how technology helps to protect health or connect sectors that had operated before only on the basis of face-to-face meetings and paper certificates. On the other hand, a majority of the population already owns a smartphone and they thus can work from anywhere, connect with the whole world and obtain all necessary services. This is why digitalisation and innovation are the priorities of DT IT Solutions Slovakia's social responsibility efforts. One of the main promoters of social innovation is the Innovlab start-up centre, where not only our people but also the general public can find support for turning their ideas into reality.

### Innovlab

Innovlab is a start-up centre of DT IT Solutions Slovakia which focuses on innovation and trends in the telco and healthcare areas. The telco area includes activities such as 5G, IoT, VR / AR and Ux, and topics such as Digital Health, Biotech, Mectech and LifeTech are covered in the field of healthcare.

In 2021, Innovlab achieved several successes. Innovlab became a part of the Slovak Space Incubator and set up its Košice hub in cooperation with the Slovak Academy of Sciences. Five events were organised to support the system of start-ups in eastern Slovakia. The online events with more than 250 participants were a success. The online Innovlab community platform was joined by 206 new active members. 2185 people participated in the local online development program for start-ups. Thanks to Innovlab, body temperature measurement cameras were installed in the kindergarten and primary school in Poproč.

Among other projects, two unique products are worth mentioning: Cognito Care and Zveda-vo. Thanks to Cognito Care, hospitals and healthcare institutions will obtain an innovative

therapeutic method with new diagnostic possibilities. The Cognito Care virtual reality application innovates the established forms of therapy and helps patients to achieve self-fulfilment and supports the cooperation with a therapist. The Zvedavo application combines the children's desire to discover new options and features offered by digital technology with the exploration of nature. In close cooperation with schooling institutions and public administration, we have created an educational application for children that uses 3D rendering of animals in a real environment. The AR application motivates children to experience hiking and discover animals typical of the visited area using GPS locators integrated within the application.

## ENVIRONMENTAL PROTECTION

Being aware that we have only one and single environment, we carry out activities to reduce negative environmental impacts and achieve a society with a circular economy and a low carbon footprint. In 2020, we managed to meet the target of using 100% renewable energy sources. Since 2021, our buildings have thus been using green energy only. You will no longer find disposable plastic cups in our buildings and kitchenettes. Moreover, we have replaced all marketing materials with ones that are more environmentally friendly and easier to recycle.

As a consequence of the pandemic situation, we have reviewed the necessity of business trips and a large portion of them has been substituted by online meetings with our colleagues and partners from other countries.

As a green and healthy mobility alternative, our company offers its employees the opportunity to rent bicycles and e-bikes. This activity is referred to as Bike IT. Employees can rent a bicycle through the Rent app and go to a meeting in another location or for lunch outside the building by bike. Employees can rent bicycles for the whole day or for the whole weekend. At the end of 2021, we started planning the gradual replacement of all company cars with electric ones. The target is to have only electric cars by the end of 2024.

Donating hardware to schools in the region is our long tradition. We thus not only help to innovate the technical equipment of schools, but also extend the life and use of the hardware, instead of throwing it away. This is how education and the environment as two pillars of social responsibility come together. In 2021, we donated 177 laptops and 23 monitors to schools in eastern Slovakia.

## Summary of CSR activities

The total number of those taking part in the CSR activities included 140 volunteers, 350 employees who contributed financially or materially to various collections and 3839 sports-loving and kind-hearted employees who supported nine organisations or individuals. In 2021, our activities had a direct impact on 300 event participants, 125 teachers and 595 students. We improved the technical equipment of schools in the region by donating 177 laptops and 23 monitors and supported ecological mobility 400 times by renting company bikes.







**DEUTSCHE TELEKOM IT SOLUTIONS**

