ESET, spol. s r.o.

2020 CONSOLIDATED ANNUAL REPORT

Deloitte.

Deloitte Audit s.r.o.
Digital Park II, Einsteinova 23
851 01 Bratislava
Slovak Republic

Tel: +421 2 582 49 111
deloitteSK@deloitteCE.com
www.deloitte.sk

Registered in the Business
Register of the District Court Bratislava I
Section Sro, File 4444/B
Company ID: 31 343 414
VAT ID: SK2020325516

ESET, spol. s r.o.

SUPPLEMENT TO THE INDEPENDENT AUDITOR'S REPORT
to Section Report on Information Disclosed in the Annual Report

To the Partners and Executives of ESET, spol. s r.o.:

We have audited the separate financial statements of ESET, spol. s r.o. (the "Company") as at 31 December 2020 disclosed on pages 111 – 163 of the accompanying consolidated annual report of the Company, on which we issued an independent auditor's report on 9 April 2021 that is disclosed on pages 112 – 113 of the Company's consolidated annual report. We have also audited the revised consolidated financial statements of ESET, spol. s r.o. and its subsidiaries (the "Group") as at 31 December 2020 disclosed on pages 62 – 110 of the accompanying consolidated annual report of the Company, on which we issued an independent auditor's report on 18 June 2021 that is disclosed on pages 63 – 64 of the Company's consolidated annual report. We have prepared this supplement in accordance with Article 27 (6) of Act No. 423/2015 Coll. on Statutory Audit and on Amendment to and Supplementation of Act No. 431/2002 Coll. on Accounting, as amended (hereinafter the "Statutory Audit Act").

Based on the performed procedures described in section "Report on Information Disclosed in the Annual Report" of the independent auditor's reports specified above, in our opinion:

- Information disclosed in the Company's consolidated annual report prepared for 2020 is consistent with its separate and consolidated financial statements for the relevant year; and
- The consolidated annual report includes information pursuant to Act No. 431/2002 Coll. on Accounting, as amended.

Furthermore, based on our understanding of the Group and its position obtained during our audits of the separate financial statements and the consolidated financial statements, we are required to disclose whether material misstatements were identified in the consolidated annual report. There are no findings that should be reported in this regard.

Bratislava, 22 September 2021

Ing. Peter Longauer, FCCA
Responsible Auditor
Licence UDVA No. 1136

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

This is a translation of the original supplement to the auditor's report issued in the Slovak language to the accompanying annual report translated into the English language.

Dear friends,

The year 2020 was marked by the fight against the coronavirus. Not only did the pandemic impact ESET, but it had an impact on virtually all companies, individuals, and countries in the world. In early 2020, when the first wave of the COVID 19 pandemic was beginning to take hold in Europe, it seemed almost impossible that vaccination against this disease would start as early as the end of the very same year. Once again, science has proven its irreplaceable role in society and managed to provide several effective vaccines in record time.

From the very beginning of the pandemic, ESET has been aware of its severity. We quickly rolled out optional and later mandatory work from home, not just at our headquarters but also at our other branches and subsidiaries. In a very short time, we had to set up internal processes so that our employees could work from their homes safely and without restrictions, while also making sure that this process would not negatively affect the operation of our company.

In addition to protecting the health of our employees, we also wanted to contribute to helping solve the situation. Already in March 2020, the ESET Foundation created the Fund for Supporting the Effective Diagnosis and Treatment of COVID 19, receiving a contribution of €300 thousand from ESET. These financial resources were then used to finance the development and production of the first 100 thousand kits of accurate PCR tests, which were donated to the Slovak Republic by the ESET Foundation together with scientists.

Just like many other companies, even ESET's economic results were influenced by the pandemic. During the first wave of the pandemic in spring 2020, several of our markets experienced declines in revenue, which they only managed to offset partially throughout the rest of the year. Despite that, ESET Group's consolidated revenue saw a year-on-year increase of 4 % and its operating result (EBIT) increased by 13 % to €93 million.

In 2020, we did not make any significant changes to planned projects and we continued innovating and hiring new people. Our researchers continued to reveal complex security threats, such as Kr00k (a vulnerability affecting more than a billion Wi-Fi chips), Operation In(ter)ception (an attack against aerospace and military organizations), and Lazarus (a supply-chain attack in South Korea). They also helped discover CryCryptor, a piece of ransomware posing as the official Canadian COVID 19 tracing app, and they created a decryption tool to help the victims regain access to their data. Our researchers also took part in a global operation to disrupt the Trickbot botnet, one of the most active malware families that has infected more than a million devices all over the world since 2016.

We launched ESET Protect Cloud, our new platform for business customers that makes it possible to manage security across workstations, mobile devices, and servers from both the cloud and the local network. In addition to that, we released ESET Cloud Office Security and version 3.0 of ESET Secure Authentication. We also released new versions of our products for home users with Windows OS, specifically ESET Internet Security, ESET NOD32 Antivirus, and ESET Smart Security Premium. ESET Mobile Security was updated to version 6.0. Once again, our solutions received several awards, including the highest AV-Comparatives rating for our ESET Enterprise Inspector EDR solution and the eighth first place in a row in the Nikkei Business Publications survey, which is conducted annually among more than 12,000 Japanese companies and organizations. ESET Endpoint Security received its second AAA rating from SE Labs, and Radicati highlighted the solution in its Endpoint Security Market Quadrant, naming ESET a Top Player for the third year in a row.

Last year, we also continued our tradition of presenting the ESET Science Award for outstanding scientists in Slovakia. The second edition was organized under the auspices of Slovak President Zuzana Čaputová, with strict anti-pandemic measures in place. The international expert committee was chaired by world-renowned astrophysicist and Nobel Prize laureate Kip Thorne. The ESET Science Award also received the Via Bona Slovakia award in the Good Partner for the Community category. The Via Bona Slovakia awards ceremony also brought ESET the main prize, winning the Responsible Large Company category.

In 2020, we also supported the establishment of the Kempelen Institute of Intelligent Technologies (KInIT), the first scientific research institute of its kind in Slovakia. ESET even became one of its founding members. Together with other activities, this is further proof of our commitment to supporting outstanding science.

I hope that our activities in 2020 helped our customers, partners, and employees overcome the coronavirus crisis. I also hope that we have been successful in gradually fulfilling our mission of enabling everyone to enjoy the full potential of themselves and their technology in a secure digital world.

Richard Marko
Chief Executive Officer

CONTENTS

1. ESET GROUP PROFILE

Revenue
526 mil. EUR

+4 %

Operating result (EBIT)
93 mil. EUR

+13 %

Net cash flow from operating activities
89 mil. EUR

-2 %

Number of employees

1 831

Number of users

Over
110 mil.

When we were starting out in 1987, our goal wasn't to get rich—that wasn't even possible by doing business back then. We wanted to help people who already had computers back then, which meant that they were vulnerable. We wanted to create a tool that would protect people. In those days, it was pure philanthropy, but I was convinced that computers would one day make their way to every household, making security incredibly important.

Miroslav Trnka
ESET Co-founder and Co-owner

* ESET Group comprises of ESET, spol. s r.o.—the parent company headquartered in Slovakia—and all its subsidiaries listed in section 1.2.

1.1. HISTORY

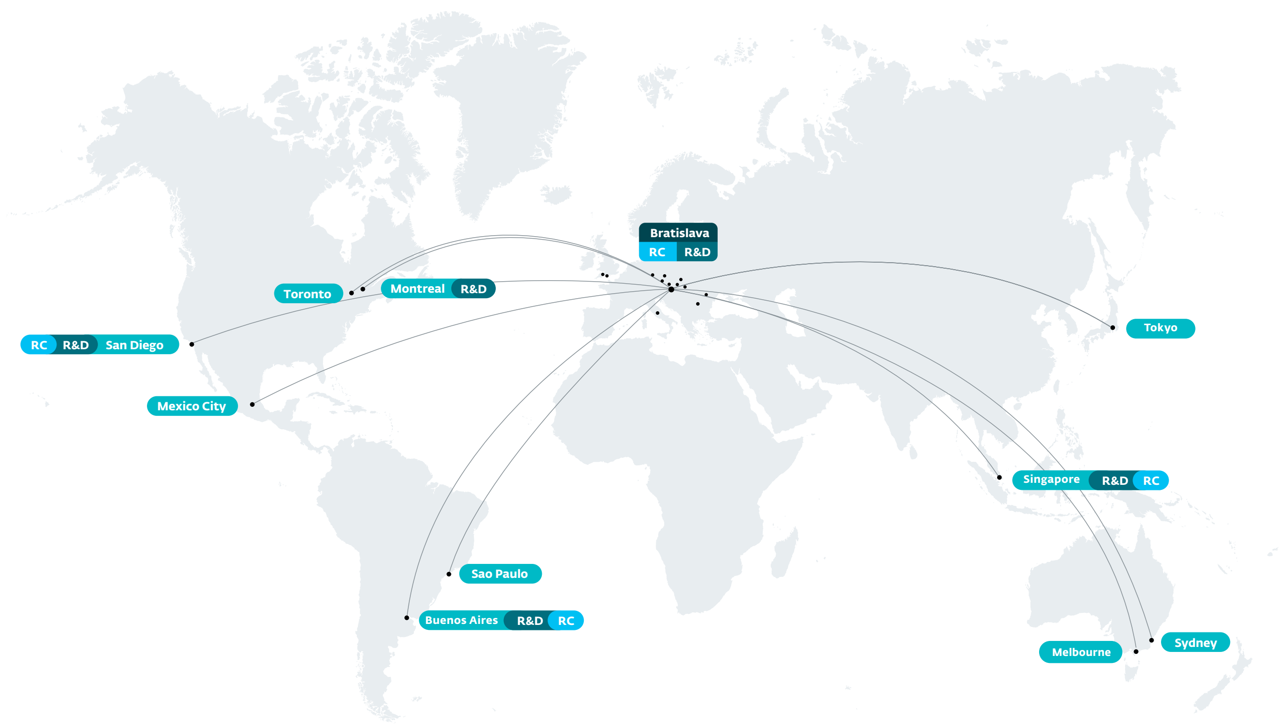
ESET, spol. s r.o. (hereinafter also referred to as “the company” or “ESET”), is a Slovak IT security company founded in 1992 by Miroslav Trnka, Peter Paško, and Rudolf Hrubý. Today it is headquartered in Bratislava and has local branches in Žilina and Košice. Its main business is the development of software to protect computers, computer networks, and other devices from malware, as well as the sale of licenses for this software.

Since its establishment, ESET has seen enormous growth and expansion to foreign markets. The growth and global success of the company kickstarted after 1998, when it received its first perfect score from the prestigious British magazine Virus Bulletin. The company then built a network of exclusive partners and distributors for most foreign markets, including regional sales branches in North America (1999), Latin America (2004), and Asia-Pacific (2010), as well as local branches in the Czech Republic (2001), Brazil (2011), Germany (2013), Australia (2013), the United Kingdom (2016), Japan (2017), Canada (2017), and Italy (2019). Thanks to this network of distributors and branches, ESET currently operates in more than 200 countries and territories, with 1,831 employees in 24 branches all over the world. Thirteen of these branches are research and development centers.

In 2016, ESET became the first company receive 100 awards for the same product from the prestigious British magazine Virus Bulletin. This proves that ESET’s antivirus program, originally created in an apartment block in the former Czechoslovakia, has grown into one of the best security solutions on the market. The program’s high level of effectiveness and stability keep fulfilling the original vision of its creators—to make leading-edge technology available to everyday users.

1.2. ESET GROUP STRUCTURE

ESET Group comprises of ESET, spol. s r.o.—the parent company headquartered in Slovakia—and all its subsidiaries, which are involved in the distribution of antivirus software, service provision, and research and development activities (R&D centers).



HQ

Headquarter

- Bratislava (SK)

RC

Regional Center

- Bratislava (SK)
- San Diego (US)
- Buenos Aires (AR)
- Singapore (SG)

Office

Europe

- Bratislava (SK)
- Praha (CZ), 2 offices
- Jablonec nad Nisou (CZ)
- Jena (DE)
- Munich (DE)
- Krakow (PL)
- Taunton (GB)
- Bournemouth (GB)
- Iași (RO)
- Žilina (SK)
- Brno (CZ)
- Milan (IT)
- Košice (SK)

Global

- Sao Paulo (BR)
- Sydney (AU)
- Toronto (CA)
- Montreal (CA)
- Mexico City (MX)
- Tokyo (JP)
- Melbourne (AUS)
- San Diego (US)
- Buenos Aires (AR)
- Singapore (SG)

R&D

Research & Development

- Bratislava (SK)
- Praha (CZ)
- Košice (SK)
- Krakow (PL)
- Žilina (SK)
- Iași (RO)
- Brno (CZ)
- Taunton (GB)
- San Diego (US)
- Buenos Aires (AR)
- Singapore (SG)
- Montreal (CA)
- Jablonec nad Nisou (CZ)

PARENT COMPANY

ESET, spol. s r.o. (SK)
Regional center (RC) and research and development center (R&D)

SUBSIDIARIES

NAME	CATEGORY	EQUITY PARTICIPATION %		ESTABLISHED	CORE BUSINESS
		2019	2020		
ESET, LLC (US)	Regional center (RC)	100 %	100 %	1999	Antivirus software distributor
ESET Canada Recherche Inc. (CA)	Research and development center (R&D)	100 %	100 %	2011	Research and development
ESET Canada Inc. (CA)		100 %	100 %	2015	Antivirus software distributor
ESET Deutschland GmbH (DE)		100 %	100 %	2012	Antivirus software distributor
ESET software spol. s r.o. (CZ)		100 %	100 %	2001	Antivirus software distributor
ESET Research Czech Republic s.r.o. (CZ) (1)	Research and development center (R&D)	100 %	100 %	2012	Research and development
ESET Polska Sp. z o.o. (PL)	Research and development center (R&D)	100 %	100 %	2012	Research and development
ESET SOFTWARE UK Limited (UK) (2) (3)		100 %	100 %	2016	Antivirus software distributor
PGNB Ltd (UK)		100 %	100 %		(4)
ESET RESEARCH UK Limited (UK) (5) (6)	Research and development center (R&D)	100 %	100 %	2011	Research and development
ESET Romania S.R.L. (RO) (7)	Research and development center (R&D)	100 %	100 %	2016	Research and development
ESET ITALIA S.R.L. (IT) (8) (9)		100 %	100 %	2019	Service provider, antivirus software distributor
ESET ASIA PTE. LTD. (SG)	Regional center (RC)	100 %	100 %	2010	Service provider, antivirus software distributor
ESET Software Australia, PTY, LTD. (AUS)		100 %	100 %	2013	Antivirus software distributor
ESET Japan Inc. (JP) (10)		90 %	90 %	2017	Service provider
ESET LATINOAMERICA SRL (AR) (11)	Regional center (RC)	100 %	100 %	2009	Service provider
ESET DO BRAZIL MARKETING LIMITADA (BR) (12)		100 %	100 %	2011	Service provider
ESET MÉXICO S. de R.L. de C.V. (MX) (13)		100 %	100 %	2017	Service provider
Nadácia ESET (SK)		100 %	100 %	2011	Foundation

1. ESET Research Czech Republic s.r.o. changed its registered office in January 2021. Its new registered office is at Palachovo náměstí 799/5, Starý Lískovec, 625 00 Brno, Czech Republic.
2. Since 30 December 2020, ESET SOFTWARE UK Limited has been a wholly owned subsidiary of the parent company. On this date, the parent company gained a 100 % share in ESET SOFTWARE UK Limited from the PGNB Limited subsidiary.
3. ESET SOFTWARE UK Limited changed its name in April 2019. The original name of the company was QNH Limited.
4. PGNB Limited did not conduct any business in 2020, other than selling its 100 % share in the ESET SOFTWARE UK Limited subsidiary company to the parent company.
5. ESET RESEARCH UK Limited changed its core business in January 2019, shifting focus from being a DESLock distributor to research and development.
6. ESET RESEARCH UK Limited changed its name in April 2019. The original name of the company was DESLock Limited.
7. ESET, spol. s r.o., owns 99.9963 % while the subsidiary ESET Research Czech Republic s.r.o. owns 0.0037 %.
8. ESET ITALIA S.r.l. was established in February 2019 as a wholly owned subsidiary of the parent company. It commenced its distribution activities in September 2019.
9. ESET ITALIA S.r.l. changed its registered office in March 2020. Its original office—Francesco Richini 6 CAP, 20 122 Milan, Italy—changed to Via Campo Lodigiano 3, 20122 Milan, Italy.
10. The parent company owns 90 % of the shares and Canon Marketing Japan Inc. owns the remaining 10 %. In January 2019, Canon IT Solutions Inc. transferred its 10 % share in ESET Japan Inc. to Canon Marketing Japan Inc.
11. The subsidiary ESET, LLC owns 90 % of the shares and the parent company owns the remaining 10 %.
12. The parent company owns 90 % of the shares and the subsidiary ESET, LLC owns the remaining 10 %.
13. The parent company owns 90% of the shares and the subsidiary ESET, LLC owns the remaining 10 %.

MANAGEMENT

Richard Marko
Chief Executive Officer

Palo Luka
Chief Operations Officer

Juraj Malcho
Chief Technical Officer

Ignacio Sbampato
Chief Business Officer

Martin Balušik
Chief Financial Officer

Vladimir Paulen
Chief Information Officer

STATUTORY BODY

Rudolf Hrubý

Peter Paško

Miroslav Trnka

REGISTERED EQUITY CAPITAL STRUCTURE BY PARTNERS IN THE REPORTING PARENT COMPANY

PARTNERS	SHARE IN REGISTERED CAPITAL		SHARE IN VOTING RIGHTS
	EUR	%	%
Rudolf Hrubý	30,800	22.000	22.000
Peter Paško	30,800	22.000	22.000
Miroslav Trnka	31,850	22.750	22.750
Richard Marko	16,975	12.125	12.125
Maroš Grund	16,975	12.125	12.125
Anton Zajac	12,600	9.000	9.000

Equity capital registered in the Commercial Register:	€ 140, 000
Equity capital not registered in the Commercial Register:	-

1.3. VALUES, VISION, AND MISSION

ESET is often presented as a success story of a Slovak company that has managed to succeed abroad, and we are aware of the responsibility that comes with that, especially at home in Slovakia. We don't take the easy way. We support areas that have long been neglected or overlooked. We also strive to be a voice that makes itself heard whenever needed: when our country finds itself in difficult times, so representatives of companies should speak up and represent the voice of reason. And perhaps we also help others see that there are people, companies, and organizations in Slovakia who genuinely care about the success and fate of our country.

Richard Marko
Chief Executive Officer, in his acceptance speech after receiving the main prize at Via Bona Slovakia

THE ESET VALUES

COURAGE

We don't take the easy way. We constantly push boundaries and are determined to make a difference.

INTEGRITY

We encourage honesty and fairness in everything we do. We have an ethical approach to business.

RELIABILITY

People need to know that they can count on us. We work hard to live up to our promises, and to build trust and rapport.

PASSION

We're passionate, driven, and determined to make a difference. We believe in ourselves and what we do.

These brand values are based on the vision of its founders and co-owners, which has remained unchanged for almost 30 years. ESET's goal is to make sure that everybody can enjoy the breathtaking opportunities that technology offers.

THE ESET VISION

We will enable everyone to enjoy the full potential of themselves and their technology in a secure digital world.

THE ESET MISSION

Working with ethical and passionate people, we are building a safer technology environment for everyone to enjoy. We are doing this through education and our commitment to research and development.

OUR PLEDGE

We believe in technology–and we want to make sure that you can enjoy it in safety.

2. KEY EVENTS AT ESET IN 2020

ESET wins 1st place in the IT and Telecommunications category of the **Najzamestnávateľ** best employer survey

29 Jan 2020

AV-Comparatives recognizes ESET consumer products with **gold medals** in cybersecurity awards

11 Feb 2020

ESET launches version 3.0 of **Secure Authentication**

15 Feb 2020

ESET named a **Strong Performer** in Endpoint Security Suites 2019 Report by independent research firm

21 Feb 2020

ESET establishes a fund to support the effective **diagnosis of the SARS-CoV-2** coronavirus

17 Mar 2020

ESET helps with the security **testing of COVID-19 apps**

23 Mar 2020

ESET recognized as a **Top Player** in Radicati APT Protection Market Quadrant 2021 for the **second year in a row**

31 Mar 2020

7 Apr 2020

ESET Foundation has supported **development of a diagnostic PCR test** to detect the coronavirus SARS-CoV-2, the cause of COVID-19

15 May 2020

ESET-funded, Slovak-made diagnostic kit for COVID-19 receives regulatory approval in the Slovak Republic, with **100,000 tests ready** for delivery

19 May 2020

ESET to support EU CERTs with **free access to Threat Intelligence** during COVID-19

27 May 2020

ESET **performs best** in inaugural test of **Android security apps** for corporate users

10 Jun 2020

ESET **included** as **Enterprise Architecture EDR solution** in **Forrester Now Tech report**

11 Jun 2020

ESET exceeds **€0.5 billion in revenue** for the **first time**

20 Jul 2020

ESET supports the **fight against hatred and misinformation** on social networks

21 Aug 2020

ESET earns **high scores** across **AV-Comparatives H1 Business Security Test 2020**

10 Sep 2020

ESET launches **version 6 of ESET Mobile Security for Android**

16 Sep 2020

The new **headquarters and campus** for ESET will be designed by leading **Danish architectural studio BIG** (Bjarke Ingels Group)

30 Sep 2020

Nobel laureate Kip Thorne chairs the **ESET Science Award International jury** in 2020

15 Oct 2020

The international jury of the **ESET Science Award**, led by **Nobel Laureate Kip Thorne**, **selects this year's laureates**

22 Oct 2020

ESET introduces the **latest version** of its Internet Security, **NOD32 Antivirus** and **Smart Security Premium products**

5 Nov 2020

ESET launches **ESET Cloud Office Security** to provide advanced protection for **Microsoft 365**

25 Nov 2020

ESET named a **Top Player in Radicati's** "Endpoint Security" Market Quadrant for **third year running** as Endpoint Security Market continues to boom

1 Dec 2020

IDC MarketScape names ESET as a **Major Player for second year in a row**

21 Dec 2020

Google Chrome and **ESET** collaborate in **fight against online threats**

23 Dec 2020

ESET commended with **AV-Test Top Product awards for best Windows antivirus software**

3. CORPORATE SOCIAL RESPONSIBILITY AT ESET

Being a socially responsible company primarily means having a strong set of values rooted in corporate social responsibility in all integral parts of the company. Among other things, the pandemic year of 2020 showed how companies handled this responsibility and how they joined forces to help fight the pandemic. There were many ways in which companies could support and help communities, society, and the country as a whole. ESET has been diagnosing computer viruses ever since it was first established, always working closely with cutting-edge research. In this context, supporting the diagnostics of SARS CoV 2 (this time a biological virus) was an almost symbolic step for the company. By doing this, ESET has once again shown that support for cutting-edge research can not only significantly help in the fight against the pandemic, but also prepare the country for similar crises in the future.

As a global company, we want to bring state-of-the-art technology and innovations that are symbols of quality and help people achieve their potential everywhere we operate. We act responsibly, not just towards our employees, customers, business partners, and communities, but also towards the environment by reducing our environmental impact.

Towards the end of 2020, we started preparing a global CSR strategy for the whole ESET Group. In cooperation with the Boston College Center for Corporate Citizenship (BCCCC), we conducted an analysis of our existing CSR programs and activities in all regions where ESET operates and then compared them with our global competition. Our plan for 2021 is to create a global CSR team that will be led by a global CSR manager. We will also work with managers from individual countries to create a global corporate volunteering program. Another step we have planned for 2021 is a global stakeholder dialogue, giving all internal and external stakeholders and partners the opportunity to create a common vision of global corporate citizenship everywhere we operate. We believe that creating a global CSR strategy will strengthen our CSR activities in individual regions, increase awareness about our brand, and drive engagement among our employees and customers.

Our employees are what makes ESET a successful company. Without them, we would not be able to provide quality products and services. That is why we are helping them develop their talent and support them in coming up with innovative solutions. The year 2020 was exceptionally difficult, and it brought about significant changes in the way we work. Literally overnight, we found ourselves online and isolated. In this situation, the infrastructure and tools we had prepared allowed us to flexibly respond to the ever-changing conditions, while also being able to focus on supporting the mental health of our employees.

In December 2020, ESET signed the Slovak Diversity Charter, a voluntary initiative supported by the European Commission together with the European Platform of Diversity Charters. The initiative focuses on supporting the principles of diversity management and sharing best practices among leading world organizations. ESET's goal is to create a culture of mutual respect, trust, empathy, learning, and inclusion. This allows us to employ the best people and helps us be more innovative, more creative, and perform better. We strive to create a respecting environment for everyone. In this context, we are very glad that we managed to retain first place in the IT and Telecommunications category of the Najzamestnávateľ best employer survey. In 2020, our efforts to incorporate our long-term ethical values into our business model, and our contributions to popularizing science and research in Slovakia helped us win the Responsible Large Company category of the prestigious Via Bona Slovakia award presented by the Pontis Foundation. We also won in the Good Partner for the Community category, this time for supporting science and research through the ESET Science Award.

At ESET, we sincerely believe in what we do. We believe our employees and we also believe our country, where responsible companies play an irreplaceable role.

3.1. ETHICS AT THE CORE OF OUR BUSINESS

ESET considers ethics to be the foundation of its business. We have managed to gain the respect of our partners and the general public by being a company with a firm set of ethical values ever since being first established. In addition to upholding moral and ethical standards, we have also implemented numerous rules and guidelines, and we monitor compliance with legislation so that our activities not only comply with the laws of the countries where we operate, but they go beyond what is required.

The values, principles, and company culture we follow on a daily basis are formalized and written down in our Code of Conduct, which has been in effect since 1 January 2019. All employees have been familiarized with its principles by the company CEO. In 2020, we committed to create a custom online training focusing on the principles of our Code of Conduct and ethical business, one that all employees from the Slovak ESET headquarters would undergo. Due to the pandemic crisis of 2020, when we had to prioritize providing the necessary infrastructure, conditions, and support for working from home, we decided to move this goal to 2021 instead. Another thing we have planned for 2021 is the preparation of our Global Code of Conduct, which will unify the ethical principles and company culture of all ESET branches, replacing all existing guidelines on ethical conduct and business throughout the whole ESET Group. The release of our Global Code of Conduct is planned for 2022, and it will be followed by a training focusing on ethical conduct and compliance for all employees of all the ESET Group branches.

We have a zero-tolerance approach to corruption when dealing with employees and contractual partners. We are only interested in working with contractual partners who share the same values. In Slovakia, we have not recorded any incident of unfair practices or corruption among our employees or business partners. In this context, no employees were dismissed or no business partner contracts were terminated due to corruption in 2020.

In recent years, ESET had to deal with attacks from public officials who were spreading falsehoods and disinformation regarding the private activities of ESET's owners, who had contributed to the fight against corruption, transparently endorsed candidates for public offices, and supported independent journalism. In some of these cases, ESET filed defamation charges.

3.2. SAFER TECHNOLOGY

WHAT WE CREATED IN 2020

In 2020, we expanded our business portfolio with several new products and services. We also continued to improve our existing products in order to provide even better protection for business customers.

We primarily focused on the incremental improvement of our endpoint protection offer, completing our cloud protection offer, and presenting new professional and security services for larger business customers.

In the second half of 2020 we released ESET PROTECT Cloud, a remote administration console based on ESET Cloud Administrator which brought improved features that can even satisfy more sophisticated market needs while providing protection and management for up to 10,000 computers. New important features include synchronization with Active Directory, Syslog export, ESET Full Disk Encryption with integrated macOS FileVault management, the option to secure and manage mobile devices using Android Cloud Mobile Device Management and support for endpoint protection in version 8. Thanks to tight integration with ESET MSP Administrator, the solution is prepared to fulfill the needs of the managed service provider (MSP) segment.

The new generation of ESET Endpoint Security for Windows (8.0) brought customers new security features functions, such as a secure browser, a scanning engine that can scan the WMI repository, and new update options.

The importance of internet browsers is constantly growing and their use is increasingly more versatile. However, the use of cloud services also means an increased risk of attacks or leaks of sensitive data. Because of this, having a layer of protection that is able to protect the browser on a process level without the disadvantages of full isolation is something we consider a key element in strengthening overall security, for instance when working with intranet sites. The scanning engine now has the ability to scan system structures like registries and the Windows Management Instrumentation repository, both of which can be used for advanced fileless attacks that attempt to bypass the central protection of the file system. Unified exclusions together with optional product updates in automatic mode, which can significantly reduce and speed up the regular maintenance of large-scale networks, are a significant change that simplifies administrator responses to detected threats. Version 8 (together with v7.3) also secures compatibility with upcoming versions of Windows 10, whose character makes differences between versions increasingly blurry, while also bringing new changes.

In July 2020, we made ESET Dynamic Threat Defense available to smaller customers with 5 or more devices, allowing them to secure their networks better using a remote administration cloud console.

In December 2020, we released ESET Full Disk Encryption for macOS, the second most widespread operating system. Just like the Windows version, EFDE for macOS protects data on drives, completely preventing unauthorized use if the device is lost or stolen. Just like its Windows counterpart, ESET Full Disk Encryption for macOS is managed by the ESET Protect (Cloud) security consoles. It is important to note that this new version for macOS makes full use of FileVault2 native encryption from Apple because the makers of macOS do not allow any other way of encrypting disks on the operating system.

In the first half of 2020, ESET Enterprise Inspector reached an important milestone—we presented its support of EEI 1.4 for macOS at RSA 2020 and we brought several security and user features, such as two-factor authentication, using tags and comments to simplify cooperation withing security teams, quick isolation of endpoints from the rest of the network, a terminal (with the option to remotely use Powershell at endpoints), the capability to automatically address detections based on exclusions, a public REST API, and many others. We also focused on improvements in performance and scalability, allowing us to increase the number of endpoints that can be connected to the EEI server. In the second half of the year, we released version 1.5, which primarily focused on improved detection options, improved visibility of complex system processes, prioritization, and incident response.

During the first half of the year, we prepared a new concept of professional and security services for companies. This new concept takes into account importance of services to companies, as well as the role of our distribution partners, who have been directly involved in supplying services to end customers. In 2020, we launched a pilot program offering services in Germany and the Netherlands, aiming to collect valuable feedback from our most developed markets and then launch the sale of services to other regions. We launched a pilot version of the Threat Monitoring service, and we used the information collected from this pilot project to continue building our overall portfolio of solutions and services.

Our priority in cloud protection was to release a solution for Microsoft Office365 titled ESET Cloud Office Security, which provides protection for Exchange Online and OneDrive for business. The final version of the product was launched on 29 October. Since the very first day, it has supported integration with ESET MSP Administrator, which has allowed us to offer the solution through the MSP distribution channel. The product has seen significant improvements in regard to the user interface and overall user experience, which is conceptually unified with our other administration consoles and fits in with our portfolio of integrated business products. For the final version of the product, we managed to include security features based on the customer feedback collected during our early-access program, such as automatic protection of new email accounts and the option to add the source IP address of an email to a blacklist or whitelist. With our license-based business services ESET MSP Administrator and ESET Business Account, we primarily focused on making licenses for new products available, achieving integration, simplifying access, as well as automation with ESET Cloud Office Security, ESET PROTECT, and ESET PROTECT Cloud.

At the beginning of the year, we launched an improved version of ESET Secure Authentication, whose primary focus was support for the FIDO and SAML standards, as well as support for native biometric authentication.

HOME PRODUCTS

ESET Internet Security, ESET NOD32 Antivirus, and ESET Smart Security Premium 2021

The 2021 updates bring a fine-tuned HIPS *(Host-Based Intrusion Prevention System) and advanced machine learning modules*, which ensure quick protection against new, unknown malware.

Further key updates include WMI Scanner and System Registry Scanner, new scanning tools that are able to detect malware that abuses Windows Management Instrumentation or the Windows Registry hierarchical database. The Connected Home Monitor module has also been improved with more accurate detection of devices connected to the home router, as well as simplified responses to detected problems.

Financial security is our highest priority, which is why the updated Banking and Payment Protection layer includes a special secure mode for internet browsers that users can use to pay online securely. The new feature allows users to launch any supported browser in secure mode by default. If secure mode is turned on, communication of the keyboard and mouse with the browser is encrypted, thus protecting login details and financial data from keyloggers, pieces of malicious software that log pressed keys for attackers. Additionally, Banking and Payment Protection notifies users if the Remote Desktop Protocol (RDP) is turned on and warns them about the risk of abuse by malware that targets RDP.

ESET Password Manager has been completely reworked and now includes new features such as the option to remotely log out of websites and remotely delete browsing history from the internet browser. ESET Password Manager also continues to be available as a browser extension and a native mobile app.

ESET Mobile Security for Android

IN 2020, WE BROUGHT THE FOLLOWING IMPROVEMENTS TO ESET MOBILE SECURITY:

- **Payment Protection**
  This new premium functionality brings another layer of protection to the app's users. The function automatically categorizes installed apps from the Finance category (installed from Google Play). After launching one of these apps, ESET Mobile Security conducts a series of tests to verify if the phone's system is intact, detect apps recording the screen for later abuse of the collected data, and check if the user is not using an unsecure network or a rooted phone. The customer can add any sensitive app to the list so that the status of the phone is checked every time before the app is launched.
- The renewed **App Lock** now makes it more convenient to access apps that have an extra layer of protection by using one's fingerprint.
- **Support for Android 11**
- Added support for DuckDuckGo and Dolphin web browsers for **Antiphishing**

Optimizations and improvements in the user interface and compatibility with the newest operating systems were also brought to other apps from the home user segment—ESET Parental Control for Android, ESET Smart TV Security for Google/Android TV, as well as the macOS product family—ESET Cyber Security and ESET Cyber Security Pro.

CUSTOMER CARE

We offer solutions for both home consumers (B2C) and businesses (B2B). Our products have been designed to have minimal impact on hardware performance while optimizing ease of installation, making them suitable for less tech-savvy users as well. Our complimentary and highly qualified customer support is available to all customers in their local language.

In 2020, we have protected more than 110 million users with our products in over 200 countries and territories. In the same year, our technical support in Slovakia has processed 5 724 tickets. Out of these, 1,577 came from business customers and 4,147 came from the consumer segment. Over the same period, our technical support department answered 9,943 phone enquiries, out of which 5,631 were first-line support, 4,016 were second-line support, and 296 were enquiries regarding malware.

In December 2019, we expanded our global "Safer Kids Online" initiative to Slovakia by launching the Bezpečne na nete (Safe on the Web) educational project together with the *bezpecnenanete.sk* online platform. The goal of these platforms is to present online safety topics in an easy-to-understand way, while also producing content and communication to increase awareness about these topics in Slovak society. In 2020, we have focused on two main targeted groups—the general public (15+) and parents with children, whom we targeted with specially-made content. More information on this topic can be found in subchapter *3.4 A Better Slovakia*.

In order to support the fight against COVID 19 and to improve people's living situations in 2020, ESET decided to reduce the price of penetration testing. Since there was an increased chance that the activities of both individuals and organizations would move to the cyberspace, ESET wanted to protect personal data and sensitive health-related information. The 50 % price reduction was intended for public administration and health organizations in connection with the development of apps that either were affective at reducing the spread of SARS-CoV-2 or significantly were helping citizens to cope with the pandemic.

As a global leader in IT security, ESET implemented measures to help national cybersecurity centers (CERTs) in the European Union in order to mitigate the impact of cybernetic threats throughout the COVID 19 pandemic. As a producer of security solutions headquartered in the European Union, ESET focuses on partnerships with organizations all over the EU with the goal of ensuring that its citizens are protected and secure in the online world. ESET offered CERTs based in EU countries and financed from public resources a free access to the ESET Threat Intelligence information and data channels for a period of six months.

SUPPLIERS

Our procurement guidelines define how to responsibly purchase goods and services from various suppliers. Our main goal is to ensure a fair and equal approach to suppliers. As a result, our supplier selection process takes into account both traditional indicators (quality, price, time) and specific aspects such as the confidentiality of sensitive information. When selecting suppliers, we prefer regional ones whenever possible.

In 2020 in Slovakia, we purchased products and services from 741 suppliers, which is 57 fewer in comparison to 2019. Our biggest purchases in monetary terms were included office rental, software and hardware, marketing communication (partnership with the Borussia Dortmund football club), and telecommunications services.

3.3. SATISFIED EMPLOYEES

2020 was the year of the coronavirus, which greatly influenced all of our lives.

Our priority was to create safe working conditions for our employees as soon as possible. At the start of the year, we formed a working group tasked with creating a pandemic plan that we then followed throughout the entire year. This plan enabled us to respond quickly and adapt to the ever-changing situation better.

Right at the start of the pandemic in March 2020, we rolled out mandatory work from home. Thanks to the commitment and teamwork of our colleagues, we managed to implement this change quickly and successfully, allowing our employees to work from the safety of their homes.

This unprecedented situation brought a lot of uncertainty into our lives. That is why we placed focus on internal communication and used various platforms to inform our employees about the pandemic measures we were implementing.

The pandemic brought about significant changes to the way we worked. Everything including work meetings, job interviews, employee development activities, and foreign language courses moved online. We managed this change well thanks to the infrastructure we had prepared and the tools we had already been using before the pandemic.

We also considered the negative impact the pandemic could have on the mental well-being and health of our employees. For many employees, this was an incredibly difficult period. Many faced greater stress because their homes had turned into workplaces, schools, and kindergartens overnight. Because of this, we offered our employees the option to consult experts in psychology, coaching, and personal development, and we made this program available long-term. We also prepared numerous workshops and articles focusing on mental and physical health.

The coronavirus pandemic also brought about many positives in regard to the operation of our company. It showed us that we were able to work from home without any significant effect on our work. These findings later allowed us to roll out a more flexible work-from-home policy and implement the option to sign work contract addenda electronically.

We are proud that we managed to overcome the difficult pandemic situation together and that we once again won 1st place in the Najzamestnávateľ best employer survey in 2020. For us, this win is a great commitment towards our employees and supporters who see ESET as an attractive employer.

Drawing from the results of our previous employee satisfaction and motivation survey, in 2020 we worked on the three following improvement areas: Flexibility, Processes, and Career Growth and Education.

Flexibility: We increased the number of days employees are allowed to work from home to 12 per month and we also allowed more flexible working times. These changes come into effect on 1 January 2021.

Processes: We focused on making the performance review process more efficient. We continue to work on this goal.

Career Growth and Education: We focused on supporting knowledge sharing via our Inspire and Get Inspired blog, where employees can share their knowledge and experience.

With the goal of supporting feedback culture, we implemented the Anytime Feedback tool, which enables employees to give kudos or provide constructive feedback to colleagues at any time throughout the year. We also focused on diversity in employee development activities and in 2020 we also launched an e-learning pilot project. Additionally, we focused on supporting managers and employees in the process of creating personal development plans and planning development activities. At the end of 2020, we used an online survey to collect information about development needs for 2021. We then used this information to plan trainings, workshops, and development programs. We have also created so-called development packages for individual development topics. These include trainings and other development formats, such as webinars, videos, e-learning courses, blogs, and self-study materials (books and articles). By doing this, we want to enable our employees to choose the best form of development for themselves.

In 2020, we worked on modifying our system of benefits and we implemented several changes to make it more flexible. In addition to the previously mentioned option of working from home up to 12 days per month, we also implemented a new benefit system called Cafeteria, which allows us to provide our employees with a wider scale of benefits, as well as a fair and accessible system for all employees. Employees can make use of this system starting 1 January 2021.

We value our employees and we are thankful for their tireless work and loyalty to ESET, which is why we decided to expand our loyalty program, adding rewards for 25, 30, 35 and 40 years worked at ESET.

ESET, SPOL. S R.O.:
NUMBER OF ESET EMPLOYEES IN SLOVAKIA AS OF 31 DECEMBER 2020: 1 004.

GENDER

WOMEN: **236**
MEN: **768**
TOTAL: **1004**

WOMEN
24 %

MEN
76 %

REGION

BRATISLAVA: **944**
KOŠICE: **48**
ŽILINA: **12**
TOTAL: **1004**

BRATISLAVA
94 %

KOŠICE
5 %

ŽILINA
1 %

AGE

25 AND YOUNGER: **56**
26–30: **230**
31–40: **503**
41–50: **180**
51 AND OLDER: **35**
TOTAL: **1004**

25 A MENEJ
6 %

26 – 30
23 %

31 – 40
50 %

41 – 50
18 %

51 A VIAC
3 %

FULL-TIME EMPLOYMENT

WOMEN: **214**
MEN: **751**
TOTAL: **965**

WOMEN
22 %

MEN
78 %

PART-TIME EMPLOYMENT

WOMEN: **22**
MEN: **17**
TOTAL: **39**

WOMEN
56 %

MEN
44 %

EMPLOYMENT RELATIONSHIP

WOMEN: **228**
MEN: **760**
TOTAL: **988**

WOMEN
23 %

MEN
77 %

WORK PERFORMED OUTSIDE AN EMPLOYMENT RELATIONSHIP

WOMEN: **8**
MEN: **8**
TOTAL: **16**

WOMEN
50 %

MEN
50 %

COLLECTIVE BARGAINING AGREEMENT

0

ESET GROUP

NUMBER OF ESET GROUP EMPLOYEES AS OF 31 DECEMBER 2020: 1 831.

GENDER

WOMEN: **482**
MEN: **1 349**
TOTAL: **1 831**

WOMEN
26 %

MEN
74 %

AGE

25 AND YOUNGER: **124**
26 – 30: **394**
31 – 40: **850**
41 – 50: **333**
51 AND OLDER: **130**
TOTAL: **1 831**

25 AND YOUNGER
7 %

26 – 30
22 %

31 – 40
46 %

41 – 50
18 %

51 AND OLDER
7 %

REGION

SINGAPORE	30	2 %
AUSTRALIA	20	1 %
BRAZIL	15	1 %
CANADA TORONTO	20	1 %
CANADA MONTREAL	11	1 %
CZECH REPUBLIC (RESEARCH)	82	3 %
CZECH REPUBLIC– PRAGUE	61	3 %
GERMANY	99	5 %
UK (RESEARCH)	14	1 %
ITALY	16	1 %
JAPAN	9	1 %
ARGENTINA	85	5 %
MEXICO	16	1 %
USA	200	11 %
POLAND	79	4 %
ROMANIA	10	1 %
SLOVAKIA	1 004	55 %
UK–BOURNEMOUTH	60	3 %
TOTAL	1 831	

PART-TIME EMPLOYMENT

WOMEN: **43**
MEN: **34**
TOTAL: **77**

WOMEN
56 %

MEN
44 %

FULL-TIME EMPLOYMENT

WOMEN: **439**
MEN: **1 315**
TOTAL: **1 754**

WOMEN
25 %

MEN
75 %

SUPPORTING DIVERSITY AND INCLUSION

Every person has their own unique life story. The best ideas are formed when people with different opinions, beliefs, ages, genders, nationalities, orientations, backgrounds, or cultures join forces. Diversity in technological companies, something that can be felt at ESET, is becoming a key factor in innovations. Because of this, at the end of 2020 ESET signed and became an ambassador of the Slovak Diversity Charter, an initiative that supports workplace diversity and equal opportunities.

At ESET, we view workplace diversity as a completely natural thing. Our goal is to create a culture of mutual respect, trust, empathy, learning, and inclusion, which will allow us to employ the best people and help us become more innovative, more creative, and perform better. We strive to create a respecting environment for everyone.

Employing people with diverse beliefs, orientations, and backgrounds gives us the advantage of having diverse views on our company. This way, support for inclusion leads to innovations of products and services for our customers, while also enriching ourselves.

In this context, ESET has an interest in addressing the low interest of girls and women in studying IT and STEM subjects. Showing girls and women that they can make outstanding contributions to the world of IT is the idea behind ESET's programs organized in cooperation with the Aj Ty v IT (You Can Be in IT Too) association. The newest program titled Security Girls highlights how important it is for the younger generation to stay safe in the cyberspace. The main tool it uses is training female program ambassadors at schools and in communities.

3.4. A BETTER SLOVAKIA

In 2018, ESET initiated an extensive stakeholder dialogue focusing on corporate social responsibility. In addition to ESET's first CSR report, the dialogue also resulted in the definition of mid-term and long-term priorities in this area. With the vision of making Slovakia better, the company defined areas that have the potential for significant improvement in Slovakia. These primarily include cybersecurity education, digital skills development, and support for the popularization of science and research. By supporting high-quality education and state-of-the-art research, together with long-term and persistent efforts to increase the public's interest in these topics, ESET tries to help build a better, innovative, and modern country that will be successful and attract talent.

In November 2020, when the prestigious Via Bona Slovakia 2019 award was being presented, this approach brought ESET a win in the main category—Responsible Large Company, specifically for incorporating our long-term ethical values into our business model and our contributions to popularizing science and research in Slovakia ESET was also successful with its other nomination, winning the Via Bona Slovakia award in the Good Partner for the Community category for popularizing and advancing science and research through the ESET Science Award. The Via Bona Slovakia award has been presented by the Pontis Foundation since 1998, awarding companies who inspire other businesses with their activities.

At ESET, we have a very critical view of the disinformation and hate that spread on social media. In our efforts to make the internet a safer place, we often come across malicious content whose goal is to manipulate, defraud, or harm users of social media platforms. To combat this, we provide long-term support to digital security initiatives. This is why we welcomed the lively public debate on this topic that was sparked in 2020 by the Stop Hate for Profit campaign, and we supported ideas aimed at improving the situation. We are convinced that Facebook has sufficient resources, technologies, and knowledge to significantly limit the spread of hate and disinformation on its platforms. Business interests must not be an obstacle to measures that would effectively put a stop to these negative trends. Because of this, throughout July and August 2020 ESET decided to temporarily halt paid promotions of its products and services on Facebook's social media platforms. Instead, ESET used Facebook's services to promote educational campaigns focusing on the fight against harmful content and disinformation, as well as the promotion of scientific knowledge, since these activities create a counterweight to the unregulated environment of social media. By doing this, ESET joined other advertisers and called upon Facebook to implement the necessary measures to limit the spread of hate and disinformation on its platforms.

SUPPORTING DIGITAL SECURITY EDUCATION

ESET makes long-term efforts to support digital security education. Since 2015, ESET has been working with the Slovak Technical University in Bratislava and Comenius University in Bratislava. At the ESET Research Center, top ESET experts teach subjects such as Reverse Engineering and Programming in C++, which are available to students of three faculties (FIIT and FEI at the Slovak Technical University, FMFI at Comenius University). In 2020, our experts spent a total of 400 hours remotely teaching Programming in C++. The second course, Reverse Engineering, did not open this year.

Last year, ESET also supported the creation and became a key partner of the Kempelen Institute of Intelligent Technologies (KInIT). It is the first international private research and education institute in Slovakia to focus on researching intelligent technologies—artificial intelligence, machine learning, and several areas of computer science and information technology, while also closely focusing on ethics in information technology and AI in particular. KInIT will allow researchers with academic experience to join forces with innovative companies, focusing on their needs and making use of their knowledge. By supporting an independent Slovak institute that has the ambition to conduct cutting-edge world-class research, we aim to prevent the brain drain of talented people.

Safer Kids Online (SKO) is a global initiative that is currently active in the United States, Europe, the Middle East, and Asia-Pacific. In the coming years, the initiative will also be localized to the other markets where ESET operates. It is a platform with resources for children, parents, and teachers that focuses on creating a safer online environment for children. Its website and newsletter include blogs, videos, advice for parents, and expertise, helping children safely make use of the full potential of the internet. Our ultimate goal is to become a valuable resource for children, parents, and teachers, while also supporting communities and schools through direct instruction by teachers.

In December 2019, we expanded our global Safer Kids Online initiative to Slovakia by launching the Bezpečne na nete (Safe on the Web) educational project together with the *bezpecnenanete.sk* online platform. Their goal is to present online safety topics in an easy-to-understand way, while also producing content and communication to increase awareness about these topics in Slovak society. In 2020, we focused on two main target groups—the general public (15+) and parents with children, whom we targeted with specially-made content.

THE EDUCATIONAL ACTIVITIES CARRIED OUT AS PART OF THE BEZPEČNE NA NETE PROJECT IN 2020 FOCUSED ON THREE MAIN AREAS:

1. **Content creation**
   Every month, we worked on one large security topic for a general target audience, as well as one specifically aimed at parents and children. The individual topics are presented in formats such as video series (Animalia: ages 8+, Elias Between Two Worlds: ages 11+), interviews with experts, explainer texts, infographics, podcasts, etc. In 2020, we created more than 110 unique pieces of content for the bezpecnenanete.sk platform. This number is even higher if we include the editorial content that was created in addition to the core content as part of the media collaborations mentioned in section 2 and the specialized activities aimed at promoting the educational content mentioned in section 3.

2. **Communication and cooperation with the media**
   Every month focuses on a specific online safety topic that is communicated and distributed to the target groups using the content formats mentioned in section 1. We use native ESET channels for distribution, such as social media and the company website, as well as widely targeted paid formats (online/offline advertising and native formats). The strength of our communication activities lies in our continuous cooperation with several media outlets in Slovakia that present this topic it to their readers in their unique editorial style together with links to comprehensive materials about the topic

at bezpecnenanete.sk. In 2020, bezpecnenanete.sk had more than 150 thousand unique visitors. As part of ESET's promotional activities on social media, the project's educational content generated more than 3.3 million impressions in total. There are now more than 10 mainstream media outlets that cooperate with us on communicating security topics or create unique content, significantly extending our reach.

3. **Supporting educational content**
   In 2020, we continued communicating and distributing Spojení navždy (Forever Connected), a book by Zuzana Gránska that was created with expertise and financial support from ESET in the second half of 2019. In 2020, we managed to distribute the book to more than 10 thousand readers in either print or electronic form.

Throughout 2020, ESET continued to work with the SME daily on a specialized podcast titled **Klik (Click)**, where we worked with the editors and used attractive content to present one security topic every month. Not only did the podcast include guest experts from ESET, but also professionals from a variety of other fields.

In 2020, we provided financial support and our expertise to help publish a book titled **Viete, čo robia vaše deti? Veľká príručka rodiča** (Do You Know What Your Children Are Doing? The Big Handbook for Parents), which was published by the Barecz & Conrad Books publishing house. With its quality content and appealing form, it became an enriching addition to the Slovak book market at the end of 2020.

In October 2020, the Denník N daily published a handbook titled **Hrozby internetu** (Dangers of the Internet). ESET contributed with its expertise and financial resources, which helped cover the costs of producing and distributing the handbook to more than 10 thousand schools all over Slovakia.

SUPPORTING SCIENCE AND RESEARCH

ESET has been diagnosing computer viruses ever since it was first established, always working closely with cutting-edge research. In this context, supporting the diagnostics of the COVID-19-causing SARS-CoV-2 virus in 2020 was an almost symbolic step for us. In March 2020, when the start of the pandemic caught countries unprepared and lacking protective equipment and viral tests, the ESET Foundation created the Fund for Supporting the Effective Diagnosis and Treatment of COVID 19 in Slovakia. The foundation contributed €300 thousand into the fund and these financial resources were then used to develop vDetect—the first Slovak-made PCR tests. As part of the project, ESET became part of a consortium that enabled outstanding collaboration between Slovak scientists from MultiplexDX, the Biomedical Research Center of the Slovak Academy of Sciences, and the Comenius University Science Park. This was also the first IVD test registered by the State Institute for Drug Control to be developed, produced, and registered in Slovakia The first 100 thousand pieces of these tests, which enabled the reliable detection of the SARS-CoV-2 virus, were donated by the ESET Foundation to state-run diagnostic laboratories in Slovakia.

The development of these Slovak tests proves that Slovakia is a country with state-of-the-art scientific research, and it also shows how science can bring solutions to society-wide problems. This is one of the reasons why supporting science is a long-term focus of ours

Richard Marko
Chief Executive Officer, ESET

ESET saw that developing countries were having a harder time dealing with the pandemic, which is why we provided the COVID-19 tests that the Slovak government used as official **humanitarian aid** for Kenya in July 2020. This aid was coordinated by the Slovak ministries of interior and foreign affairs together with the EU's Emergency Response Coordination Center.

Although the pandemic situation has been very serious, it has also had some positive effects in regard to science—according to the **annual representative survey of science and scientist perception in Slovakia**, which the ESET Foundation organizes in cooperation with the 2muse agency, the job of scientists is viewed as more important than the year before. While in 2020 only 19 % of respondents listed it among the three most important jobs, this year it was 22.1 %. The survey has also seen a year-on-year increase in the group of people who consider medical doctors to be important (83.7 %).

While in 2019, when the survey took place for the first time, only 9 % of the respondents could name at least one Slovak scientist, by the start of 2021 this percentage had grown to 27 % as a result of the pandemic. Scientists have become a voice of reason and a symbol of hope. The respondents shared the opinion that Slovakia needs to improve the social position of science and scientists.

In 2019, ESET launched the prestigious **ESET Science Award** through the ESET Foundation with the vision of supporting scientific knowledge and the scientific community in Slovakia. Drawing attention to Slovak scientists, improving their social position, and increasing the international prestige of Slovak science—these are the goals of this prestigious event and its year-round accompanying project aimed at popularizing science and research. In 2020, despite the complicated pandemic situation, the second edition of the event was organized successfully. Once again, it was organized under the auspices of Slovak President Zuzana Čaputová.

Due to the anti-pandemic measures in place, **the second edition of the award** ceremony was only attended by the finalists, while people had the option to watch the ceremony live online. The international committee was chaired by **Kip Thorne, Nobel Prize laureate in physics**, who also addressed the attendees in a short video. Other experts in the committee included biologist Fiona Watt, physicist Rolf-Dieter Heuer, chemist Hana Dvořáková, mathematician Tibor Krisztin, and chemist Ralf Riedel.

Based on a rigorous evaluation process, **physicist Fedor Šimkovic** received the prize in **the Outstanding Individual Contributor to Slovak Science category**, while **Tamás Csanádi**—an expert on ceramic materials—won **the Exceptional Young Scientist in Slovakia Under the Age of 35 category**. The prize laureate in Outstanding Academic category was decided by representatives of Slovak universities, who awarded it to **Ivan Varga**—a professor of anatomy, histology, and embryology.

The award sparked a positive reaction among both experts and the general public. **The ESET Science Award received the Via Bona Slovakia award** in **the Good Partner for the Community category for investing in the popularization and advancement of science**, something that is very important for the future of Slovakia.

The pandemic also slowed down the activities of the working group responsible for preparing the National Declaration on the Reinforcement of Research Integrity in Slovakia, which is part of the SK4ERA project (Horizontal Support of Slovakia's Involvement in the European Research Area) organized by the Slovak Center of Scientific and Technical Information (CVTI SR). In 2021, representatives of CVTI SR, the Slovak Academy of Sciences, important Slovak universities, and ESET (as the only representative of the private sector) are expected to publish the Code of Research Conduct and Integrity for Research Institutions.

Since 2020, the ESET Foundation has been organizing an annual call for grant proposals with the aim of supporting science and research popularization in Slovakia. In 2020, the foundation allocated €30,000 for this initiative. Of course, the winning organizations adapted their projects to the pandemic situation.

Naturally, our plans focus on the further popularization of science and research. We want to gradually present our excellent scientists, not just in Slovakia but also abroad. We are convinced that we can even help improve international awareness about Slovak science and research and that we can attract new talent by highlighting our qualities. An example of this ethos is our collaboration with KInIT, the Kempelen Institute of Intelligent Technologies.

A STRONG CIVIL SOCIETY

ESET is one of the most reputable and successful Slovak companies. That is why we feel responsible for the development of Slovakia and we want our voice to be heard, especially when the country's progress is threatened.

ESET is a proud member of the **Fund for Transparent Slovakia**, a unique initiative of responsible companies who provide financial and non-financial support to analytics and watchdog organizations, while also helping to monitor ethical standards and legal compliance, and reducing the potential for corruption.

For the same reason, ESET is an active member of the **Slovensko.digital** association, which aims to simplify the state's digital services, make the use of public resources for these services more transparent and efficient, and simplify the services to make them understandable. We are proud that expert volunteers from ESET are helping with the digitization of public administration processes.

ESET is also a founding member of **SAPIE**—the Slovak Alliance for Innovation Economy, which supports the innovation ecosystem and also actively participates in commenting on legislation that aims to improve the Slovak business environment.

Improving the business environment, increasing transparency, and reducing corruption—these are not changes that can be made overnight. However, we support the vision of Slovakia as a well-functioning, educated country with rule of law, a predictable and stable business environment, as well as well-functioning and trustworthy institutions. In order to **create positive systemic change**, the ESET Foundation also supports certain independent non-governmental organizations that exert social pressure to solve burning problems, help monitor the management of public matters, and call for increased transparency and efficiency in regard to the use public resources.

SUPPORTING ENGAGEMENT AND VOLUNTEERING

Since we wish to increase the impact of our help, we support the engagement of our employees in various employee programs. Support for employee engagement in volunteering activities has been increasing since 2019, when we managed to launch our employee volunteering program (EVP). We defined important partnerships with organizations where we not only provide financial support, but where we can significantly address community needs through volunteering and our expertise to create the biggest possible impact.

In ESET's first CSR report, we set the following goal in the A Better Slovakia category: 20 % of our employees participating in expert or manual volunteering. Since the pandemic measures and uncertainty thwarted our plans, we did not manage to meet this goal and moved it to 2021. However, as many as 100 people participated in volunteering activities organized as part of our EVP in 2020, spending 1,500 hours volunteering. Out of these, 30 were expert volunteers who spent a total of 500 hours doing expert volunteering activities.

We also provide support through our **Employee Grant Program**, which is announced by the ESET Foundation twice a year. The program enables our employees to request support for projects they are part of as volunteers. In 2020, the ESET Foundation allocated €40 000 and supported 24 projects through the program.

We are proud of our employees, who have been helping in the fight against the coronavirus since the very beginning of the pandemic, participating in various volunteering activities for a variety of organizations. For instance, ESET employees participated in the **Slovensko-help** initiative, which was organized by the Slovensko. Digital association. As part of the initiative, our volunteers helped coordinate the sorting of requests from assistance organizations and hospitals, working as programmers, IT specialists, copywriters, and designers. They created informative posters for pharmacies, post offices, and other shops, something that was very sought-after at the start of the pandemic. As part of the Pomôž nemocnici (Help a Hospital) initiative, they worked in collaboration with 3D printer operators to help print face shields for hospitals.

VIRTUAL VOLUNTEERING

In October 2020, we managed to successfully launch the **Security Girl** project in online form. We joined forces with the Aj Ty v IT association, who had reached out to us as experts on digital security. The project is aimed at girls aged 15–19 and its main goal is to offer them sufficient education in digital security, allowing them to protect themselves and their data. Each of the girls will then pass on this newly gained knowledge to her peers, creating a community where people give each other advice and support one another. The "security girls" will serve as ambassadors of safe online behavior, organize meetings, explain the core principles of online safety, and point out risks. Last but not least, they will improve their communication and presentation skills, helping them develop their inner motivation and confidence.

In 2019, as a member of the Digital Skills initiative organized by the Business Leaders Forum (BLF), we and other partners continued to show Slovak teachers how to teach digital skills. Thanks to the project partners, we managed to organize trainings in 75 Slovak districts. We trained a total of 1,066 teachers from more than 400 schools, as well as students of education faculties in Ružomberok and Banská Bystrica. In 2020, the project continued on a smaller scale in 15 Slovak cities. Due to the coronavirus crisis, the project took place in the autumn in the form of online trainings for 45 teachers. ESET provided all the attendees with a book titled Spojení navždy—Ako nestratiť deti v digitálnej dobe (Forever Connected—How Not to Lose Your Kids in the Digital Age), which offers a guide on how to raise children with strong values and help them not to lose their way in the digital age.

In August 2020, we launched a pilot project of digital competence coordinators at schools, with the goal of improving the digital maturity of schools and making more effective use of digital technology in the education process. As one of the project partners, ESET organized a training on digital security.

The pandemic put a stop to the popular excursions to the ESET Virus Lab, which had always been a draw for students of both primary and secondary schools. One of our regular collaborations with Mini Tech MBA moved online, which allowed the attendees of this education program to attend an inspiring lecture on digital security.

The Mini Tech MBA program, specially designed for women, opens the door to the world of IT. One of the most popular paths leads to the field of computer security. At first, our instructors help our attendees understand the main challenges and solutions in the field of personal and business security. Thanks to our collaboration with ESET, we have the opportunity to experience these principles from a practical perspective as well. These visits are always a big success, no matter if they take place in ESET's 'Houston' or online. Perhaps this is why several of our former attendees have chosen ESET for their future careers.

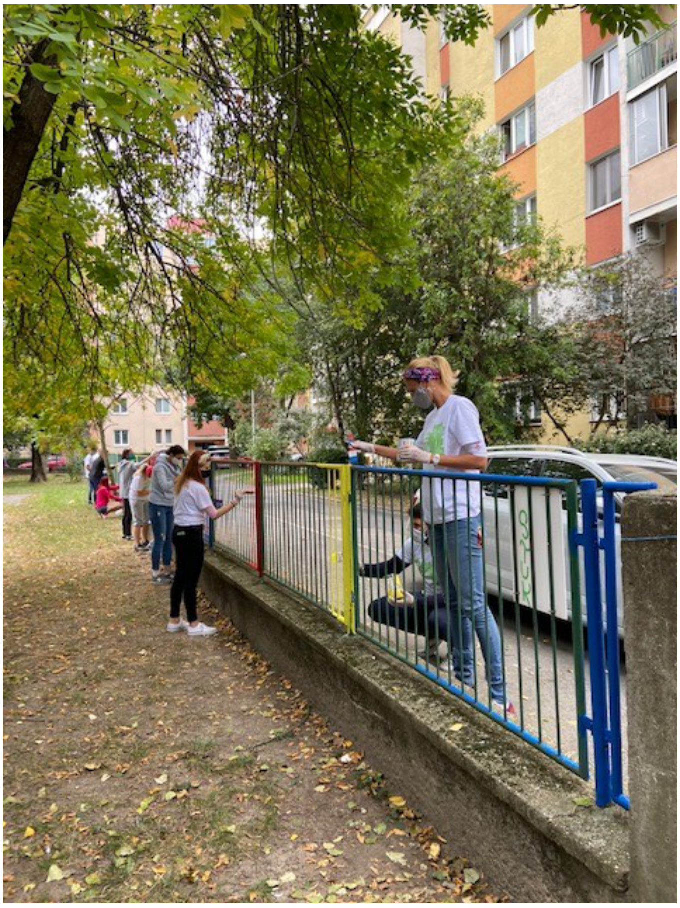
Mirka Uhnak
Mini Tech MBA CEO

As a member of BLF, we have been working with the Faculty of Business Management at the University of Economics in Bratislava for four years in a row now. The students attend a subject called Ethics in Business, where they can learn about real-world examples of corporate social responsibility directly from selected company representatives. The topic of Sustainable Development and CSR at ESET is popular not only among the students of this faculty. In the academic environment, we also share specific real-world examples of CSR and ESET's vision in regard to the Sustainable Development Goals as part of a research project titled The Development of Business Ethics in the Slovak Business Environment, which is conducted at the Faculty of Management at Comenius University in Bratislava.

OUR CITY

Despite the pandemic restrictions, even in 2020 we managed to participate in Our City–the biggest corporate volunteering event in Slovakia. As many as 70 ESET volunteers in Bratislava and Košice helped selected organizations paint a kindergarten wall, plant new plants, clean up a stream, repaint the fence of a playground, and once again improve the surroundings for the cycling community.

In the previous years, the Our City volunteering event motivated us to form a volunteering group among our employees. The members of the group would then pay regular visits to their friends from a retirement home. In order not to lose contact during the pandemic, our volunteers collected and donated creative equipment, digital devices, radios, and tablets, enabling the seniors to stay in touch with their families. Thanks to the active help of our volunteers and financial support from the ESET Foundation, we managed to successfully furnish a patio for the seniors at a time when safety precautions prevented them from going for walks.



GIVING TUESDAY

In 2020, ESET participated in the #GivingTuesday campaign for the fourth time. As part of the campaign, we supported organizations that focus on helping people who are either marginalized or do not have access to health care. ESET's Giving Tuesday campaign also focused on people who found themselves in need, in a life-threatening situation, or marginalized by society. We also supported a project that identifies websites that spread disinformation and harmful content. In addition to the successful campaign, we also created an **online charity quiz**, where our employees could make contributions to the EQUITA civic association, which operates a mobile doctor's surgery for homeless people. The **ESET Foundation** then **matched the donations** collected from ESET employees during the campaign. In total, we supported selected **Giving Tuesday** projects with €6 848.

As part of the Giving Tuesday campaign, we also participated in the traditional **autumn clothing collection** for three selected organizations that focus on helping homeless people. Altogether we managed to collect 50 bags of clothing with a volume of 140 liters.

A GREENER WORLD

REDUCING OUR ENVIRONMENTAL IMPACT

ESET set the goal to reduce its environmental impact already in 2018. Back then, the company identified three main areas of focus for the following years:

- energy efficiency
- waste management and recycling
- employee environmental awareness

Then in 2019, we started regularly monitoring our energy consumption and waste production in cooperation with the Institute of Circular Economy (INCIEN).

In 2020, we continued evaluating the environmental impact of our activities—energy consumption and waste production—while also fine-tuning the measurement parameters and designing measures for further reductions in CO_2 emissions.

ESET also came to the conclusion that the proper implementation of the principles of environmental sustainability and the circular economy requires these principles to be properly defined. The company has already taken several steps in this regard:

ECO-INNOVATIONS

PRODUCT PACKAGING

- removing unnecessary plastic from product packaging and completely replacing it with paper packaging
- phasing out the use of laminated boxes to make their recycling more efficient

REDUCING RESOURCE CONSUMPTION

- partial minimization of energy consumption (heating/cooling) in offices when employees are not present

SHARED SERVICES

- using three company cars for business trips

RECYCLING

MUNICIPAL WASTE:

- sorting municipal waste on the company premises into plastics, glass, paper, and mixed waste

CARBON FOOTPRINT CALCULATION

We have decided to use 2019 as the baseline since that was the last year ESET functioned normally. In 2020, the pandemic had a positive impact on our carbon footprint, but since that was not an intentional change, we want to achieve the values we had in 2020 in the following period as well, this time under normal conditions.

In 2020, we defined several specific measures to reduce our environmental impact. We carried out an evaluation of ESET's environmental sustainability (both qualitative and quantitative) and circularity, which we then compared with the previous year—2019. The main goal of the qualitative evaluation, which was conducted as a questionnaire survey, was to get an overview of ESET's activities and direction in regard to the circular economy and environmental sustainability. The questions were formulated in a way that made it possible to evaluate our current state, the measures we have already implemented, and the measures that we are planning on implementing in the following years.

The methodology for calculating our carbon footprint was based on the international GHG Protocol2, which is currently the most common tool that companies and organizations use for calculating their production of greenhouse gas emissions.

The analysis of our carbon footprint included all sources of emissions from Scope 1 and Scope 2, as well as selected significant items from Scope 3 that impact our overall emissions, in line the requirements of the GHG Protocol (a significant item that remains not included is the purchase of electronics and appliances).

Scope 1 (direct emissions)
– gasoline and diesel, natural gas (office heating), coolants

Scope 2 (indirect emissions from energy consumption)
– electricity use in offices

Scope 3 (other indirect emissions)
– electricity used in external data centers, waste, water use, paper use

The scope of the analysis was defined using a direct control approach, and the emission calculations included the two administrative buildings in Bratislava where ESET is headquartered. In order to improve the evaluation of our environmental impact, our plan for the coming period is to expand the scope of the report primarily so that it includes so-called indirect emissions from Scope 1.

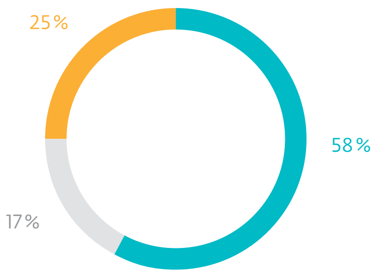
A COMPARISON OF 2019 AND 2020 AT THE ESET HEADQUARTERS

Total **CO_2 emissions** in 2019: **1338.3 t CO_2e**

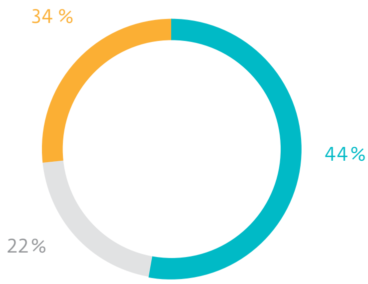
Total **CO2 emissions** in 2020: **801.9 t CO_2e**

THE MAIN FINDINGS OF OUR QUANTITATIVE ANALYSES OF 2020 AND 2019:

- In 2020, the monitored operations saw a 40.1 % decrease in emissions.
- The buildings themselves were the greatest contributors to our production of emissions, with an approximately 63 % share in 2020. Compared to 2019, there was a decrease of approximately 7 %.
- Heating consumption in the buildings increased by 5 % even though their use was low, which indicates the necessity to set up more efficient energetic measures for the buildings.
- Energy consumption in data centers increased by 20 %, primarily due to an increase in data usage.
- Paper use dropped by 57 %, which was, of course, caused by the absence of employees in our offices, resulting in a reduced need for printing.
- There was an increase in sorted waste and a decrease in mixed municipal waste.



Graph 2019



Graph 2020

Scope 1—Direct emissions

Scope 2—Indirect emissions from energy consumption

Scope 3—Other indirect emissions

INDICATOR (t CO_{2e})	2019	2020	↑↓
Total carbon footprint (required and optional emissions in Scope 1, Scope 2, and Scope 3)	1.338.3	801.9	-40.1 %
Carbon footprint (only required emissions in Scope 1 and Scope 2)	1.002.8	529.3	-47.2 %
Carbon footprint per 1 employee (total emissions including optional ones)	1.61	0.85	-47.3 %
Carbon footprint per 1 employee (only required emissions)	1.21	0.56	-53.7 %

EMPLOYEE ENVIRONMENTAL AWARENESS

Although the main impact of 2020 on ESET's functioning comprised of the necessary changes caused by the pandemic, ESET still continued to actively educate and support its employees in regard to sustainable development. The biggest role was played by our group of volunteer **eco-ambassadors**, which has been carrying out a variety of promotional and educational activities on this topic since 2017. Our team of eco-ambassadors currently consists of 18 members from various departments of the ESET Slovakia headquarters in Bratislava.

THE **ECO-AMBASSADORS' MAIN ACTIVITIES** INCLUDED:

- Organizing **educational activities** that helped increase awareness about the need for environmental protection.
- **Motivating** other employees **to actively participate in creating a more eco-friendly company culture**.
- A regular **eco-blog**.

In 2020, the eco-ambassadors joined forces with INCIEN to organize an online webinar focusing on the following topic: **The Truth and Myths About Waste Sorting and Recycling**. The webinar, **organized (not just) for ESET employees**, explained how important it is to sort waste and highlighted the importance of not creating waste in the first place.

It has been a tradition for several years now that ESET motivates its employees to ride their bicycles to work, thus supporting a healthy lifestyle and reducing our carbon footprint. Even though most of us worked from home, we managed to make use of more eco-friendly modes of transport (especially bicycles) **794 times** in total. In September alone, we used them to travel as much as **7,400 km**, which adds up to a reduction of **2,022 kg of CO_2**. A mature tree absorbs approximately 10 kg of CO_2 per year. Since our trips by bicycle, on foot, or by public transport helped us save as much as 2,022 kilograms of CO_2 in comparison with driving a car, choosing these modes of transport allowed us to **plant 202 virtual trees** for a year.

3.5. OUR GOALS

This section evaluates the fulfillment of our CSR goals for 2020 as defined in the **2018 CSR report**, while also **setting new goals**.

AREA
ETHICS AT THE CORE
OF OUR BUSINESS

GOAL

Preparation of online training on ethical business and the principles encompassed in the Code of Conduct.

STATE OF GOAL IN 2020

Goal postponed.

The training has been moved to 2021 due to the need to set up the technical aspects and approve the content of the training.

GOAL FOR 2021

100 percent of ESET employees in Slovakia will attend an online training session on ethical business and the principles encompassed in the Code of Conduct.

- We will compare existing codes of conduct in our various regions and create a Global Code of Conduct.

AREA
SAFER TECHNOLOGY

GOAL
An analysis of cybersecurity awareness in the general population, identifying weak points, and preparing activities aimed at raising awareness.

STATE OF GOAL IN 2020
Goal achieved.

Based on an analysis of the available internal and external data, we decided to focus on two target groups in 2020:

1. The general public (15+)
2. Parents and children

Supporting the Bezpečne na nete platform (bezpecnenanete.sk) in regard to content and communication with the goal of improving awareness in the field of digital security.

GOAL FOR 2021
Continuing the Bezpečne na nete project (bezpecnenanete.sk), providing support in regard to content and communication.

Expanding the project content by adding a section for teachers, including relevant communication activities for this target group.

GOAL
Distributing a book on raising children in the digital age, which will reach at least 15,000 households in Slovakia (either in print or electronically).

STATE OF GOAL IN 2020
Goal achieved.

Book: Viete, čo robia vaše deti? (Do You Know What Your Children Are Doing?)

- Published with 15,000 copies printed
- 3,000 copies were distributed to Slovak bookshops and approximately 12,000 copies through ESET's marketing and communication activities (employees, events, social media competitions) in 2020.

GOAL

Creating a set of educational and communication activities based on an analysis conducted in 2019 that will support raising awareness about cybersecurity in the general population.

STATE OF GOAL IN 2020

Goal achieved.

The overall communication activities in regard to education about online safety are described in detail in the Supporting Digital Security Education subchapter.

GOAL FOR 2021

Support for and expert assistance with the Security Girls project

- Creating syllabi for the initial training sessions
- Providing three follow-up trainings for selected “security girls”

AREA

SATISFIED EMPLOYEES

GOAL

Implementing an internal mentoring system.

STATE OF GOAL IN 2020

Goal postponed.

In the first half of 2021, we are preparing the concept for a mentoring program for both new and experienced managers. Our plan is to launch it in the second half of 2021.

GOAL FOR 2021

Our plan is to create a mentoring program for new managers by the end of 2021 and launch it at the start of 2022.

GOAL

Conducting the second annual employee satisfaction survey, with a focus on the topics identified in 2019.

STATE OF GOAL IN 2020

Goal achieved .

Drawing from the results of our previous employee satisfaction and motivation survey, in 2020 we worked on the three following improvement areas: Flexibility, Processes, and Career Growth and Education.

GOAL FOR 2021

We will prepare the second edition of our employee satisfaction and motivation survey in the second half of 2021 and launch it in January 2022.

GOAL

Modifying our system of benefits based on the survey results.

STATE OF GOAL IN 2020

Goal achieved.

In 2020, we worked on modifying our system of benefits and we implemented several changes to make it more flexible.

In addition to the previously mentioned option of working from home up to 12 days per month, we also implemented a new benefit system called Cafeteria, which allows us to provide our employees with a wider scale of benefits, as well as a fair and accessible system for all employees. Employees can make use of this system starting 1 January 2021.

GOAL

Identifying top talent for key positions.

STATE OF GOAL IN 2020

Goal postponed.

We have decided to incorporate this goal into the preparations of our strategy for succession planning and employee potential identification.

GOAL FOR 2021

Until the end of 2021, we will work on creating criteria that will be used to define key positions and employee potential, designing this process in cooperation with regional HR departments.

GOAL

Supporting the formation of employee resource groups, i.e., employee-led interest groups that support inclusion.

STATE OF GOAL IN 2020

Goal achieved.

In addition to our group of eco-ambassadors, we now have a female book club whose members provide each other with inspiration and education in various topics.

AREA

A BETTER SLOVAKIA

GOAL

20 percent of our employees participating in expert or manual volunteering.

STATE OF GOAL IN 2020

Goal not achieved.

Only 15 percent of our employees participated in the employee volunteering program. The lower number was caused by the pandemic, which resulted in several volunteering events being cancelled.

GOAL FOR 2021

20 percent of our employees participating in expert or manual volunteering.

AREA

A GREENER WORLD

GOAL

Setting up measurements of the environmental impact of our activities (measuring CO_2 emissions, energy consumption, waste production).

STATE OF GOAL IN 2020

Goal achieved.

We have created a methodology for calculating the CO_2 emissions of selected activities. The methodology was used to calculate our carbon footprint for 2019/2020.

GOAL FOR 2021

- Design the CO_2 measurements for 2021—Collect more input data (information about data centers abroad, international business trips, the use of electronics)
- Implement quick fixes that will influence our carbon footprint in the following year:
  - Reduce our consumption of paper
  - Reduce our consumption of bottled water

GOAL

Launching measurements of the environmental impact of our activities and setting up measures to mitigate it.

STATE OF GOAL IN 2020

Goal achieved.

Our 2019/2020 Carbon Footprint Report evaluated the impact of ESET's individual activities.

The report evaluated both years simultaneously. The year 2019 was used as the baseline.

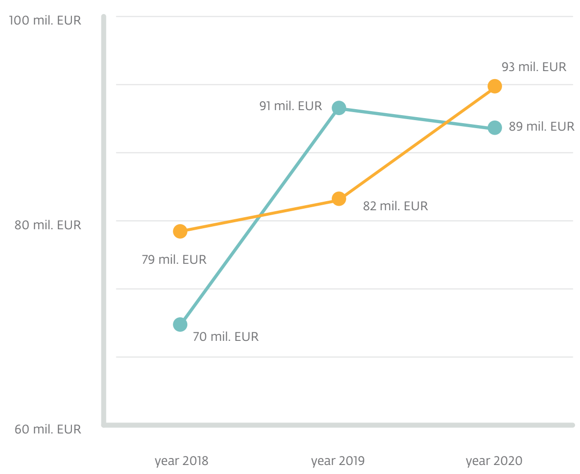
GOAL FOR 2021

- Creating a strategy for carbon footprint reduction until 2025
- Creating a roadmap that will present individual measures and their implementation, focusing on our main sources of emissions, such as:
  A. Coolants
  B. Heat consumption
  C. Energy consumption in offices
  D. Mixed municipal waste
- Add sustainability in supplier relationships to our Global Code of Conduct

4. 2020 FINANCIAL RESULTS

When evaluating its financial situation and performance, ESET Group follows the development of key financial indicators, which primarily include billings and revenue from the provision of end user licenses and services, as well as operating result (EBIT) and net cash flow from operating activities. When interpreting ESET Group's financial situation and performance to make managerial decisions, we focus both on traditional and alternative (non-IFRS) financial indicators. Despite the general economic conditions, which have been influenced by the global pandemic crisis, ESET Group has been achieving positive development in these key financial indicators from both a short-term and a long-term perspective. In the following period, ESET Group expects sales and revenue to grow by up to 10 %, which highlights the group's good financial situation and performance despite the ongoing uncertainty caused by the global pandemic situation.

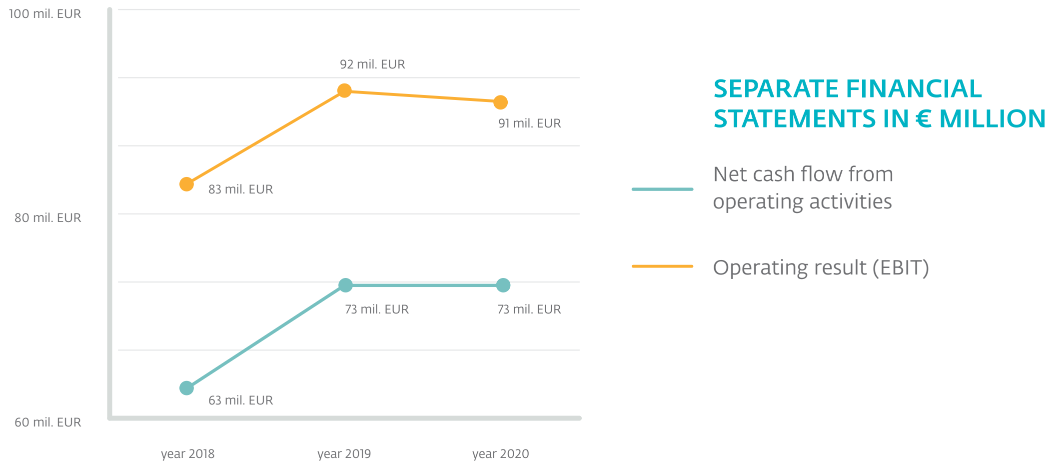
	CONSOLIDATED FINANCIAL STATEMENTS IN € MILLION			SEPARATE FINANCIAL STATEMENTS IN € MILLION		
INDICATOR	**2019**	**2020**	**↑↓**	**2019**	**2020**	**↑↓**
Revenue	504	526	4 %	527	534	1 %
Operating result (EBIT)	82	93	13 %	92	91	-1 %
Net cash flow from operating activities	91	89	-2 %	73	73	- %



CONSOLIDATED FINANCIAL STATEMENTS IN € MILLION

Net cash flow from operating activities

Operating result (EBIT)



The differences in the presented absolute numbers, as well as the relative changes of financial indicators in the consolidated financial statements in comparison with the separate financial statements are caused by the fact that ESET Group's consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS), while the separate financial statements of the ESET parent company follow the Slovak legislation. These two reporting frameworks create a precondition for different ways of recognition and presentation of particular evaluating and reporting individual elements of the consolidated and separate financial statements. Of these the most significant are for example revenues (IFRS 15 Revenue from Contracts with Customers) and leases (IFRS 16 Leases).

In 2020, ESET Group's revenue increased from €504 to €526 million, which represents an increase of 4 % in comparison to the previous accounting period. Over the same period, the ESET parent company's revenue increased from €527 to €534 million, which represents an increase of 1 %, comparable to the growth of this consolidated financial indicator. Since the year-on-year increase in ESET Group's revenue (under IFRS 15) was faster than the growth of revenue of the ESET parent company, the presented difference in absolute numbers between the consolidated and separate financial statements decreased.

From a long-term perspective, ESET Group is operationally efficient, i.e. it has a positive trend in profitability. In 2020, ESET Group's operating result increased from €82 to €93 million, which represents an increase of 13 % in comparison with the previous accounting period. Over the same period, the ESET parent company's operating result decreased from €92 to €91 million, which represents a decrease of 1 %. The operating result that ESET Group achieved in 2020 is comparable to the operating result of the ESET parent company.

This level of profitability increases the tax burden, whereby ESET Group's total expenses on income tax due in 2020 represent €20 million, out of which the total expenses of the ESET parent company represent almost €17 million.

In 2020, ESET Group's net cash flow from operating activities decreased from €91 million to €89 million, which represents a decrease of 2 %. Over the same period, the net cash flow from operating activities of the ESET parent company remained unchanged at €73 million. ESET Group's high liquidity is further boosted by both the cash and cash equivalents balance of €116 million at the end of 2020 as well as by the absence of loans, contributing to a strong dividend policy.

RESEARCH AND DEVELOPMENT

Similarly to previous years, the ESET parent company did not receive any donations, investment grants, or other financial support from the Slovak or any other government in 2020. As a research and development center, the ESET parent company utilized the benefits provided by the Income Tax Act (§ 30c of the Act) and applied an R&D cost deduction from the tax base of €6,452,066.60. In 2020, the products that are described in more detail in Section 3.2 were introduced as part of R&D activities.

DISTRIBUTION OF PROFIT

As per a per rollam resolution of the shareholders on 11 June 2021 (outside the general meeting), the shareholders approved the separate financial statements of the ESET parent company. On 24 June 2021, the board of directors approved ESET Group's corrected consolidated financial statements. The net profit of €78 164 453 enumerated in the separate financial statements for 2020 will be transferred to the retained earnings as undistributed net profit in the amount of €78,164,453.

On 11 June 2021, the shareholders approved the distribution of the 2019 retained earnings in the amount of €77,830,086.93 in the following way:

- One part of the retained earnings in the amount of €50,000,000 is to be distributed among the shareholders in proportion to their shares in the company by 30 June 2021.
- The other part of the retained earnings in the amount of €27,830,086.93 is to be distributed among the shareholders in proportion to their shares in the company by 30 November 2021.

SUBSEQUENT EVENTS

ESET, spol. s r.o., and its subsidiaries immediately adopted preventive measures so that they could continue to offer their full range of services while also protecting the health of their employees and customers. In early March 2020, all international business trips were immediately suspended, preventive hygienic measures supported by online trainings were introduced in all operations, voluntary and later mandatory work from home was rolled out for most employees at our branches worldwide. All work that did not require one's physical presence at the workplace was to be carried out from home.

For ESET Group, 2020 was a challenge—not just when it came to supporting science and research, but also in regard to the implementation of various measures that affected people's work and private lives. That is why ESET Group—via the ESET Foundation—established the Fund for Supporting the Effective Diagnosis and Treatment of COVID-19, donating €300,000. By doing so, ESET Group supported the development of the first Slovak-made PCR test. In the first phase of the project, the group financed the production of the first 100 thousand PCR tests and—together with the other participating companies and scientists—donated them to the Slovak Republic.

ESET Group has developed its own Pandemic Flu Business Continuity Plan, which is regularly reviewed. This plan enables the group to provide services even in the event of a long-term crisis, while taking into account the resolutions and regulations adopted by the relevant state bodies.

At the time of publication of this annual report, ESET Group's management did not see a significant decrease in sales, reducing the distributors' ability to settle receivables, or the impact on the group's ability to settle its obligations due to the COVID 19 pandemic. Due to the formation and spread of new mutations of the COVID 19 virus, the pandemic situation is constantly changing, which is why it is impossible to foresee its future effects. However, the ESET group is not expecting reductions in the value of its assets or any significant losses.

The management will continue to monitor the potential impact of the pandemic and take all measures necessary to mitigate any negative impact it might have on the ESET group or its employees.

On 16 December 2020, the board of directors decided to pay its shareholders €23,385 thousand in dividends, which are included in the "trade and other payables" item of the consolidated statement of financial position as of 31 December 2020. The dividends were paid on 18 January 2021.

Between 31 December 2020 and the day when the financial statements were prepared, no other events took place that would significantly impact the ESET group's assets and liabilities, except 2019 retained earnings distribution as described above.

5. **ANNEXES**

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT AS OF 31 DECEMBER 2020

ESET, spol. s r.o.

INDEPENDENT AUDITOR'S REPORT AND CORRECTED CONSOLIDATED FINANCIAL STATEMENTS (PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EU)

For the year ended 31 December 2020

Deloitte.

Deloitte Audit s.r.o.
Digital Park II, Einsteinova 23
851 01 Bratislava
Slovak Republic

Tel: +421 2 582 49 111
deloitteSK@deloitteCE.com
www.deloitte.sk

Registered in the Business
Register of the District Court Bratislava I
Section Sro, File 4444/B
Company ID: 31 343 414
VAT ID: SK2020325516

ESET, spol. s r.o.

INDEPENDENT AUDITOR'S REPORT

To the Partners and Executives of ESET, spol. s r.o.:

REPORT ON THE AUDIT OF THE REVISED CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the revised consolidated financial statements of ESET, spol. s r.o and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying revised consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union (EU).

Basis for Opinion

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

Emphasis of Matter

We draw attention to note 4. Changes in Accounting policy of the financial statements, which describes impacts of changes to the accounting polies of the Company introduced in 2020. Our opinion is not qualified in respect of this matter.

We also draw attention to note 1.1. General information which describes revision of the original consolidated financial statements prepared on 3 May 2021. This revised and reissued report fully supersedes our auditor's report issued on 3 May 2021 on the original Company's consolidated financial statements prepared on 3 May 2021.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS as adopted in the EU, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

This is a translation of the original auditor's report issued in the Slovak language to the accompanying financial statements translated into the English language.

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

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

We communicate with those charged with governance about, inter alia, the planned scope and time schedule of the audit and significant audit findings, including all material deficiencies of internal control identified during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on Information Disclosed in the Consolidated Annual Report

The statutory body is responsible for information disclosed in the consolidated annual report prepared under the requirements of the Act on Accounting No. 431/2002 Coll. as amended (the "Act on Accounting"). Our opinion on the consolidated financial statements stated above does not apply to other information in the consolidated annual report.

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

As at the issuance date of the auditor's report on the audit of consolidated financial statements, the consolidated annual report was not available to us.

When we obtain the consolidated annual report, we will assess whether the Group's annual report includes information whose disclosure is required under the Act on Accounting, and based on procedures performed during the audit of the consolidated financial statements, we will express an opinion on whether:

- Information disclosed in the consolidated annual report prepared for 2020 is consistent with the consolidated financial statements for the relevant year; and
- The consolidated annual report includes information pursuant to the Act on Accounting.

Furthermore, we will disclose whether material misstatements were identified in the consolidated annual report based on our understanding of the Group and its position, obtained in the audit of the consolidated financial statements.

Bratislava, 18 June 2021

Ing. Peter Longauer, FCCA
Responsible Auditor
Licence UDVA No. 1136

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

CONSOLIDATED FINANCIAL STATEMENTS
PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EU
For the year ended 31 December 2020

CONTENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020
(in thousands EUR)

	Note	*2020*	*2019*
Revenues from the provision of end-user licences and services	8	526 022	503 958
Services	9	(307 116)	(304 178)
Personnel expenses	10	(111 493)	(102 655)
Depreciation		(12 439)	(13 880)
Other operating (expenses)/income, net		(2 298)	(1 566)
Finance income	11	148	2 172
Finance costs	12	(5 575)	(575)
Profit before tax		87 249	83 276
Income tax	13	(17 082)	(18 229)
PROFIT FOR THE YEAR		**70 167**	**65 047**
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange differences on translating foreign operations into the reporting currency		*3 765*	*(1 609)*
TOTAL COMPREHENSIVE INCOME		**73 932**	**63 438**
Profit attributable to:			
Owners of the parent company		70 154	65 043
Minority interests		13	4
Total profit for the period		**70 167**	**65 047**
Other comprehensive income attributable to:			
Owners of the parent company		3 730	(1 573)
Minority interests		35	(36)
Total other comprehensive income for the period		**3 765**	**(1 609)**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2020
(in thousands EUR)

	Note	*31 December 2020*	*31 December 2019 Restated*	*31 December 2018 Restated*
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	14	39 990	40 096	40 683
Right-of-use assets	23	27 858	29 691	-
Intangible assets	15	4 690	4 612	6 579
Other assets		2 842	2 859	2 620
Capitalised costs of obtaining a contract	16	67 781	68 946	65 712
Deferred tax asset	20	55 246	54 026	48 949
Total non-current assets		198 407	200 230	164 543
CURRENT ASSETS				
Cash and cash equivalents	19	115 555	59 922	72 967
Trade and other receivables	17	13 198	11 955	19 496
Income tax assets		3 523	796	1 092
Capitalised costs of obtaining a contract	16	149 049	148 128	142 410
Inventories		515	479	644
Total current assets		281 840	221 280	236 609
TOTAL ASSETS		**480 247**	**421 510**	**401 152**
EQUITY AND LIABILITIES				
EQUITY				
Registered capital		140	140	140
Equity reserves		1 297	1 477	2 355
FX translation reserve		(533)	(4 429)	(4 162)
Retained earnings		(24 197)	(54 144)	(24 946)
Equity attributable to the owners of the parent company in total		*(23 293)*	*(56 956)*	*(26 613)*
Minority interest		59	10	42
Total equity		(23 234)	(56 946)	(26 571)
NON-CURRENT LIABILITIES				
Deferred income	24	122 256	121 393	112 637
Non-current lease liabilities	22	23 480	25 921	8
Other non-current liabilities		178	122	2 654
Provisions for liabilities	23	4 012	4 389	4 170
Deferred tax liability	20	29	-	-
Total non-current liabilities		149 955	151 825	119 469
CURRENT LIABILITIES				
Trade and other payables	21	71 129	48 489	52 762
Deferred income	24	275 361	270 010	255 034
Current lease liabilities	22	6 387	6 623	33
Provisions for liabilities	23	220	153	135
Current income tax		429	1 356	290
Total current liabilities		353 526	326 631	308 254
TOTAL EQUITY AND LIABILITIES		**480 247**	**421 510**	**401 152**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020
(in thousands EUR)

	Registered Capital	*Equity Reserves*	*Foreign Currency Translation Reserve*	*Retained Earnings*	*Total (Owners of the Parent Company)*	*Minority Interest*	*Total*
Balance at 31 December 2018	140	2 355	(4 162)	(24 946)	(26 613)	42	(26 571)
Net profit for the year	-	-	-	65 043	65 043	4	65 047
Allocation to reserves from profit	-	60	-	(60)	-	-	-
Dividends paid	-	-	-	(94 000)	(94 000)	-	(94 000)
Impact of IFRS 16	-	-	-	-	-	-	-
Hyperinflationary restatement	-	(938)	1 306	(181)	187	-	187
Other comprehensive income, net	-	-	(1 573)	-	(1 573)	(36)	(1 609)
Balance at 31 December 2019	**140**	**1 477**	**(4 429)**	**(54 144)**	**(56 956)**	**10**	**(56 946)**
Net profit for the year	-	-	-	70 154	70 154	13	70 167
Allocation to reserves from profit	-	(125)	-	125	-	-	-
Dividends paid	-	-	-	(40 331)	(40 331)	-	(40 331)
Hyperinflationary restatement	-	(55)	166	(1)	110	-	110
Other comprehensive income, net	-	-	3 730	-	3 730	36	3 766
Balance at 31 December 2020	**140**	**1 297**	**(533)**	**(24 197)**	**(23 293)**	**59**	**(23 234)**

A minority interest is attributable to a 10% share in ESET Japan Inc. (a subsidiary); the share is held by Canon Marketing Japan Inc.

Hyperinflationary restatement is recognised in accordance with the requirements of IFRS as regards the subsidiary, ESET LATINOAMERICA S.R.L., for individual items of assets, liabilities, equity, expenses and revenues that are measured at ARS due to the hyperinflation in Argentina.

The Group recognises negative equity due to differences between the Slovak accounting regulations and IFRS. Dividends are paid out annually based on the comprehensive income/loss reported in the separate financial statements of the Parent Company, which are presented in accordance with the Slovak accounting regulations. Negative equity has resulted from accumulated differences between the comprehensive income/loss under the separate financial statements and the consolidated financial statements and from thus paid dividends for previous accounting periods.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020
(in thousands EUR, if not stipulated otherwise)

	2020	*2019 Restated*
Cash flows from operating activities		
Profit before tax	87 249	83 276
Non-cash transactions affecting profit/loss from ordinary activities before income tax:		
Interest charged to expenses	903	565
Interest charged to income	(111)	(758)
Profit from the sale of assets	9	124
Depreciation	12 439	13 880
Change in expense accruals	(432)	(600)
Change in provisions for liabilities	(375)	236
Foreign exchange differences	(274)	(1 103)
Other non-cash items	853	216
	100 261	95 836
Effect of changes in working capital		
(Increase)/decrease in inventories	(36)	165
(Increase)/decrease in trade and other receivables	707	5 136
(Increase)/decrease in capitalised costs of obtaining a contract	(4 843)	(7 284)
Increase/(decrease) in trade and other payables**	3 481	(4 186)
Increase/(decrease) in deferred income*	13 611	22 409
	113 181	112 076
Cash flows from operating activities		
Income tax paid	(23 582)	(21 335)
Interest received	111	758
Interest paid	(904)	(564)
Net cash flows from operating activities	**88 806**	**90 935**
Cash flows from investing activities		
Acquisition of non-current assets	(5 538)	(5 502)
Proceeds from the sale of assets	211	98
Net cash flows from investing activities	**(5 327)**	**(5 404)**
Cash flows from financing activities		
Expenditures for finance lease	(6 821)	(6 337)
Dividends paid**	(18 000)	(94 000)
Net cash flows from financing activities	**(24 821)**	**(100 337)**
Net increase/(decrease) in cash and cash equivalents	**58 658**	**(14 806)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD	59 922	72 967
EFFECT OF FOREIGN EXCHANGE DIFFERENCES	(3 025)	1 761
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	**115 555**	**59 922**

** Deferred income from contracts with customers comprises contract liabilities.*
*** In the original consolidated financial statements for the year ended 31 December 2020, prepared on 3 May 2021, incorrect cash flow amounts were stated in the line "Dividends paid". A portion of the dividends approved for payment by the decision of the Management Board of 16 December 2020 in the amount of EUR 23 385 thousand, which were paid on 18 January 2021, were incorrectly reported as paid in 2020 in the original financial statements. The amount in the line "Increase/(decrease) in trade and other payables" and the subtotal lines of effects of changes in working capital ("Net cash flows from operating activities" and "Net cash flows from financing activities") were incorrectly overstated by the same amount in the original financial statements.*

(in thousands EUR, if not stipulated otherwise)

1. COMPANY'S DESCRIPTION

1.1. General Information

The consolidated financial statements for the year ended 31 December 2020 were prepared by ESET, spol. s r. o. (hereinafter the "Parent Company") and its subsidiaries (together the "Group") in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union (the "EU"). The reporting currency of the Group is the euro (EUR). The consolidated financial statements were prepared under the going-concern assumption.

The consolidated financial statements of the Group for the year ended 31 December 2020 were prepared pursuant to Article 22 of Act No. 431/2002 Coll. on Accounting, as amended, for the reporting period from 1 January 2020 until 31 December 2020.

These consolidated financial statements are corrected consolidated financial statements and they were prepared on 18 June 2021. In the original consolidated financial statements, prepared on 3 May 2021, incorrect cash flow amounts were stated in the line "Dividends paid" of the consolidated statement of cash flows for 2020. A portion of the dividends approved for payment by the decision of the Management Board of 16 December 2020 in the amount of EUR 23 385 thousand, which were paid on 18 January 2021, were incorrectly reported as paid in 2020 in the original financial statements. The amount in the line "Increase/(decrease) in trade and other payables" and the subtotal lines of effects of changes in working capital ("Net cash flows from operating activities" and "Net cash flows from financing activities") were incorrectly overstated by the same amount in the original financial statements. The Company corrected these errors in these consolidated financial statements. Other adjustments were only made in Note 26 Litigation. Information on the development of litigation between 3 May 2021 and the preparation date of these financial statements was added to this note.

The Parent Company was incorporated on 17 September 1992 by registration in the Commercial Register (Commercial Register of the District Court Bratislava I, Section: Sro, Insert No.: 3586/B).

Seat of the Parent Company:

Einsteinova 24
Bratislava
851 01
Identification number (IČO): 31333532
Tax identification number (DIČ): 2020317068
VAT identification number (IČ DPH): SK2020317068

At present, the owners of the Parent Company are the following individuals:

Structure of the Registered Capital by the Partners of the Reporting Parent Company

Owners	*Share in Registered Capital*		*Voting Rights*
	EUR ´000	*%*	*%*
Rudolf Hrubý	31	22.000	22.000
Peter Paško	31	22.000	22.000
Miroslav Trnka	32	22.750	22.750
Richard Marko	17	12.125	12.125
Maroš Grund	17	12.125	12.125
Anton Zajac	12	9.000	9.000

Registered capital registered in the Commercial Register:	EUR 140 thousand
Registered capital not registered in the Commercial Register:	-

1.2. Scope of Activities

The Group develops software solutions providing immediate and comprehensive protection against constantly-evolving computer security threats. The Group deals with the development of innovative security solutions focusing on the proactive detection of malware and the protection against computer crime and software piracy. The key products for households are ESET Internet Security, ESET NOD32 Antivirus and ESET Smart Security Premium. The Group offers a range of products in the ESET Protect and ESET Protection line to its corporate customers, which are continuously improved to enable customers to utilise their full potential and technology capabilities in a secure digital world. The Group develops security solutions for end-user devices, servers, mobile devices, cloud applications, disk encryption, mail security, and endpoint detection and response to attacks with the ability to control them remotely. The Group operates in the following geographic regions: North and South America; Europe, the Middle East and Africa (hereinafter "EMEA"), Australia and Asia.

1.3. Employees

The number of the Group's employees for the year ended 31 December 2020 was 1 831, of which executive management: 32 (for the year ended 31 December 2019: 1 684, of which executive management: 31).

The Group's full-time equivalent was 1 756 as at 31 December 2020 (for the year ended 31 December 2019: 1 647).

2. NEW INTERNATIONAL FINANCIAL REPORTING STANDARDS AND CHANGES IN ESTIMATES

2.1. Application of New and Revised International Financial Reporting Standards

The Group has adopted all of the new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that have been endorsed for use in the European Union (hereinafter the "EU") and that are relevant to its operations and effective for annual periods beginning on 1 January 2020.

The following new standards, amendments to the existing standards and new interpretation issued by the International Accounting Standards Board (IASB) and adopted by the EU are effective for the current reporting period:

- **Amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"** – Definition of Material – adopted by the EU on 29 November 2019 (effective for annual periods beginning on or after 1 January 2020),

- **Amendments to IFRS 3 "Business Combinations"** – Definition of a Business – adopted by the EU on 21 April 2020 (effective for business combinations for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of this period),

- **Amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosures"** – Interest Rate Benchmark Reform – adopted by the EU on 15 January 2020 (effective for annual periods beginning on or after 1 January 2020),

- **Amendments to IFRS 16 "Leases"** – Covid-19-Related Rent Concessions – adopted by the EU on 9 October 2020 (effective for annual periods beginning on or after 1 January 2020, no later than on 1 June 2020),

The Group applied an exception under the Amendment to IFRS 16 "Leases" related to the recognition of Covid-19-related rent concessions and recognised such concessions as variable lease payments and included them in "Services" in the consolidated statement of financial position.

- **Amendments to References to the Conceptual Framework in IFRS Standards** – adopted by the EU on 29 November 2019 (effective for annual periods beginning on or after 1 January 2020).

The adoption of these amendments to the existing standards has not led to any other material changes to the Group's financial statements.

At the date of authorisation of these financial statements, the following new standard, amendments to the existing standard, and the interpretation issued by the IASB and adopted by the EU are not yet effective:

- **Amendments to IFRS 4 "Insurance Contracts"** – Extension of the Temporary Exemption from Applying IFRS 9 – adopted by the EU on 15 December 2020 (effective for annual periods beginning on or after 1 January 2021).

The Group has elected not to adopt this new standard, amendments to the existing standards and the interpretations in advance of their effective dates. The Group anticipates that the adoption of these standards, amendments to the existing standards and the interpretation will have no material impact on the financial statements of the Group in the period of initial application.

New standards and amendments to the existing standards issued by the IASB but not yet adopted by the EU

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the IASB, except for the following new standards and amendments to the existing standards, which were not endorsed for use in the EU as at the date of publication of these financial statements:

- **IFRS 17 "Insurance Contracts" and Amendments to IFRS 17** (effective for annual periods beginning on or after 1 January 2023),
- **Amendments to IAS 1 "Presentation of Financial Statements"** – Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023),
- **Amendments to IAS 16 "Property, Plant and Equipment"** – Proceeds before Intended Use (effective for annual periods beginning on or after 1 January 2022),
- **Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"** – Onerous Contracts – Cost of Fulfilling a Contract (effective for annual periods beginning on or after 1 January 2022),
- **Amendments to IFRS 3 "Business Combinations"** – Reference to the Conceptual Framework with Amendments to IFRS 3 (effective for annual periods beginning on or after 1 January 2022),
- **Amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement", IFRS 7 "Financial Instruments: Disclosures", IFRS 4 "Insurance Contracts" and IFRS 16 "Leases"** – Interest Rate Benchmark Reform – Phase 2 (effective for annual periods beginning on or after 1 January 2021),
- **Amendments to various standards due to "Annual Improvements to IFRS Standards (2018 – 2020 Cycle)"** resulting from the annual IFRS improvement project (IFRS 1, IFRS 9, IFRS 16 and IAS 41) primarily with a view to removing inconsistencies and clarifying wording (The amendments to IFRS 1, IFRS 9 and IAS 41 are effective for annual periods beginning on or after 1 January 2022. The amendment to IFRS 16 only relates to an illustrative example, so no effective date is stated.),
- **IFRS 14 "Regulatory Deferral Accounts"** (effective for annual periods beginning on or after 1 January 2016) – the European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard,
- **Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures"** – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date deferred indefinitely until the research project on the equity method has been concluded).
- **IFRS 14 "Regulatory Deferral Accounts"** issued by IASB on 30 January 2014. This standard is intended to allow entities that are first-time adopters of IFRS, and that currently recognise regulatory deferral accounts in accordance with their previous GAAP, to continue to do so upon transition to IFRS.
- **IFRS 17 "Insurance Contracts"** issued by the IASB on 18 May 2017. The new standard requires insurance liabilities to be measured at the current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 "Insurance Contracts" and related interpretations while it is applied. Amendments to IFRS 17 "Insurance Contracts" issued by the IASB on 25 June 2020 defer the date of initial application of IFRS 17 by two years to annual periods beginning on or after 1 January 2023. Additionally, the amendments introduce simplifications and clarifications of some requirements set forth in the standard and provide additional reliefs when applying IFRS 17 for the first time.
- **Amendments to IFRS 3 "Business Combinations"** – Definition of a Business issued by the IASB on 22 October 2018. Amendments were introduced to improve the definition of a business. The amended definition emphasises that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. In addition to amending the wording of the definition, the IASB also provided supplementary guidance.

- **Amendments to IFRS 3 "Business Combinations"** – Reference to the Conceptual Framework with amendments to IFRS 3 issued by the IASB on 14 May 2020. The amendments: a) update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework; b) add to IFRS 3 a requirement that for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and c) add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

- **Amendments to IFRS 4 "Insurance Contracts"** – Extension of the Temporary Exemption from Applying IFRS 9 issued by the IASB on 25 June 2020. The amendments change the fixed expiry date for the temporary exemption from applying IFRS 9 "Financial Instruments" stated in IFRS 4 "Insurance Contracts" so that entities will be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.

- **Amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosures"** – Interest Rate Benchmark Reform issued by the IASB on 26 September 2019. The changes in the Interest Rate Benchmark Reform:
  a) Modify specific hedge accounting requirements so that entities apply these hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of the interest rate benchmark reform;
  b) Are mandatory for all hedging relationships that are directly affected by the interest rate benchmark reform;
  c) Are not intended to provide relief from any other consequences arising from the interest rate benchmark reform (if a hedging relationship no longer meets the requirements for hedge accounting for reasons other than those specified by the amendments, discontinuation of hedge accounting is required); and
  d) Require specific disclosures about the extent to which the entities' hedging relationships are affected by the amendments.

- **Amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement", IFRS 7 "Financial Instruments: Disclosures", IFRS 4 "Insurance Contracts" and IFRS 16 "Leases"** – Interest Rate Benchmark Reform – Phase 2, issued by the IASB on 27 August 2020. The changes relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements, and disclosure requirements applying IFRS 7, and accompany the amendments regarding modifications and hedge accounting:
  a) **Modification of financial assets, financial liabilities and lease liabilities** – the IASB has introduced a practical expedient for modifications required by the reform (modifications required as a direct consequence of the IBOR reform and made on an economically equivalent basis). These modifications are accounted for by updating the effective interest rate. All other modifications are accounted for using current IFRS requirements. A similar practical expedient is proposed for lessee accounting applying IFRS 16.
  b) **Hedge accounting requirements** – under the amendments, hedge accounting is not discontinued solely due to the IBOR reform. Hedging relationships (and related documentation) must be amended to reflect modifications to the hedged item, hedging instrument and hedged risk. Amended hedging relationships should meet all the qualifying criteria which apply to hedge accounting, including effectiveness requirements.
  c) **Disclosures** – in order to allow users to understand the nature and extent of risks arising from the IBOR reform to which an entity is exposed and how the entity manages these risks, and the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition, the amendments require that an entity discloses the following information:
     - How the transition from interest rate benchmarks to alternative benchmark rates is managed, the progress made at the reporting date, and the risks arising from the transition;
     - Quantitative information on non-derivative financial assets, non-derivative financial liabilities and derivatives that continue to reference interest rate benchmarks subject to the reform, disaggregated by the significant interest rate benchmark;
     - If the IBOR reform results in changes to an entity's risk management strategy, a description of such changes and how the entity manages such risks.
  d) The IASB also amended IFRS 4 so that insurers that apply the temporary exemption from IFRS 9 must also apply the amendments in their accounting for modifications directly required by the IBOR reform.

- **Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures"** – Sale or Contribution of Assets between an Investor and its

Associate or Joint Venture issued by the IASB on 11 September 2014. The amendments address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of the gain or loss recognition depends on whether the assets sold or contributed constitute a business.

- **Amendments to IFRS 16 "Leases"** – Covid-19-Related Rent Concessions issued by the IASB on 28 May 2020. The amendments exempt lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the Covid-19 pandemic are lease modifications and allow lessees to account for such rent concessions as if they were not lease modifications. It applies to Covid-19-related rent concessions that reduce lease payments due on or before 30 June 2021.

- **Amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"** – Definition of Material issued by the IASB on 31 October 2018. The amendments clarify the definition of material and how it should be applied by including it in the definition guidance.

- **Amendments to IAS 1 "Presentation of Financial Statements"** – Classification of Liabilities as Current or Non-Current issued by the IASB on 23 January 2020. The amendments provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date.

- **Amendments to IAS 16 "Property, Plant and Equipment"** – Proceeds Before Intended Use issued by the IASB on 14 May 2020. The amendments prohibit deducting from the cost of an item of property, plant and equipment proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

- **Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"** – Onerous Contracts – Cost of Fulfilling a Contract issued by the IASB on 14 May 2020. The amendments specify that the "cost of fulfilling" a contract comprises the "costs that relate directly to the contract". Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

- **Amendments to various standards due to "Annual Improvements to IFRS Standards (2018 – 2020 Cycle)"** issued by the IASB on 14 December 2020. These are amendments to various standards resulting from the annual IFRS improvement project (IFRS 1, IFRS 9, IFRS 16 and IAS 41) primarily with a view to removing inconsistencies and clarifying wording. The amendments: (a) clarify that a subsidiary which applies paragraph D16 (a) of IFRS 1 is permitted to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRS (IFRS 1); (b) clarify which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 when assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf (IFRS 9); (c) remove from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve a potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in this example (Illustrative Example 13 accompanying IFRS 16); and (d) remove the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique (IAS 41).

- **Amendments to References to the Conceptual Framework in IFRS Standards** issued by the IASB on 29 March 2018. As the Conceptual Framework was revised, the IASB updated references to the Conceptual Framework in IFRS standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32. This was done to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS applies to a particular transaction.

The Group expects that the adoption of these new standards and amendments to the existing standards will have no material impact on the financial statements of the Group in the period of initial application.

Hedge accounting for a portfolio of financial assets and liabilities whose principles have not been adopted by the EU remains unregulated.

According to the Group's estimates, the application of hedge accounting to a portfolio of financial assets or liabilities pursuant to **IAS 39 "Financial Instruments: Recognition and Measurement"** would not significantly impact the financial statements if applied as at the reporting date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Basis of Accounting

The consolidated financial statements have been prepared in accordance with IFRS as adopted by the European Union (hereinafter the "EU"). IFRS as adopted by the EU do not significantly differ from IFRS as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements are prepared under the historical cost convention, except for the revaluation of certain financial instruments. The principal accounting policies adopted are detailed below. The accompanying consolidated financial statements reflect certain adjustments and reclassifications not recorded in the accounting records of certain Group companies in order to conform the Slovak statutory and other financial statements to financial statements prepared in accordance with IFRS as adopted by the EU.

a) Principles of Consolidation

The consolidated financial statements include the financial statements of the Parent Company and entities controlled by the Parent Company (by its subsidiaries) prepared as at 31 December on an annual basis. Control is achieved when the Parent Company:

- Has power over its investee;
- Has exposure to, or has rights to, variable returns from its participation in the investee; and
- Has the ability to use the power over the investee to affect the amount of investor's returns.

The Parent Company reassesses whether or not it has control over an investee if facts and circumstances indicate that there have been changes to one or more of the three elements of control listed above.

If the Parent Company has less than a majority of the voting rights of an investee, this is considered to be control over the investee if the voting rights are sufficient to acquire the practical ability to unilaterally direct the relevant activities of the investee. When assessing whether the Parent Company's voting rights in an investee are sufficient to gain control, the Parent Company considers all relevant facts and circumstances, including:

- The extent of the voting rights of the Parent Company in relation to the extent and scope of holdings of other holders of voting rights;
- Potential voting rights of the Parent Company, other holders of voting rights or other parties;
- Rights resulting from other contractual arrangements; and any other facts and circumstances indicating whether or not the Parent Company has the current ability to direct the relevant activities at the time a decision has to be made or not.

Consolidation of a subsidiary begins as of the moment the Parent Company obtains control over the subsidiary and ceases as of the moment the Parent Company loses control over the subsidiary. In particular, the results of subsidiaries generated during the year are included in profit or loss from the date on which the Parent Company gains control until the date on which the Parent Company ceases to control the subsidiary.

Adjustments to the financial statements of subsidiaries are made, if necessary, so that the accounting principles used are in line with the Group's accounting principles.

All intragroup assets and liabilities, equity, revenues, expenses and cash flows relating to transactions among the Group's members are eliminated upon consolidation.

The Parent Company presents non-controlling interests in the consolidated statement of financial position in equity, separately from the equity of the Parent Company's owners. Interests of non-controlling shareholders, which are present ownership interests and entitle their holders to a proportionate share of net assets of the subsidiary upon liquidation, may initially be measured at fair value or at the current proportionate share of ownership instruments recognised in the amounts of identifiable net assets of an acquiree. The choice of measurement method is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequently, non-controlling interests are adjusted for the non-controlling interests' share of subsequent changes in the equity of the subsidiary.

Profit or loss and all components of other comprehensive income are attributed to the owners of the Parent Company and to non-controlling interests. The total comprehensive income of the subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a negative balance.

Changes in the Parent Company's interests in subsidiaries that do not result in a loss of control are accounted for by the Parent Company as equity transactions. The carrying amount of the Parent Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the company's owners.

If the Parent Company loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between the aggregate of the fair value of the consideration received and the fair value of any retained interest and the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to such a subsidiary are derecognised as if the Group had directly disposed of the related assets or liabilities of the subsidiary. The fair value of any investment retained in the former subsidiary at the date of loss of control is regarded as the fair value upon initial recognition for subsequent recognition under IFRS 9 when applicable, or as the cost upon initial recognition of an investment in an associate or a joint venture.

b) Business Combinations

Subsidiaries

Those business undertakings in which ESET spol. s r.o., directly or indirectly, has an ownership interest of usually higher than one half of the voting rights or otherwise controls the operations are considered subsidiary undertakings (subsidiaries) and have been fully consolidated. Subsidiaries are consolidated as of the date on which ESET spol. s r.o. acquires control and are no longer consolidated as of the date when such control ceases.

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date.

If the consideration transferred by the Group in a business combination includes contingent considerations, the contingent considerations are measured at their fair value at the acquisition date and are included as part of the consideration transferred in the business combination. Changes to the fair value of a contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments to goodwill. Measurement period adjustments are adjustments that arise due to additional information obtained during the measurement period (which may not be longer than one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. A contingent consideration classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent considerations are remeasured to fair value at subsequent reporting dates and changes in fair value are recognised in profit or loss.

c) Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the acquired identifiable assets and the liabilities assumed as at the acquisition date. If, after reassessment, the net amount of the acquired identifiable assets and liabilities assumed as at the acquisition date exceeds the sum of the transferred consideration, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

The Group assesses indicators of an impairment of goodwill annually, or more frequently when there is an indication that the goodwill may be impaired. When assessing impairment of goodwill, the Group assesses the following indicators:

- Negative development in the industry;
- Decrease in the market value; and
- Growth of sales slower than estimated.

For the purpose of impairment testing, goodwill is allocated to all cash-generating units ("CGU") expected to benefit from the synergies of the business combination. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently if there is an indication that the CGU may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the CGU, the impairment loss is initially allocated to reduce the carrying amount of any goodwill allocated to the CGU and subsequently to the other assets of the CGU pro-rata on the basis of the carrying amount of such assets.

Any impairment loss for goodwill is recognised directly in comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods. Upon disposal of a CGU, the amount of goodwill is included in the determination of the profit or loss on disposal.

d) Financial Instruments

Financial assets and liabilities are recognised on the Group's balance sheet when the Group as a contractual party is subject to the provisions concerning the given financial instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not include a significant financing component and are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value with changes recognised through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Compensation of financial assets and financial liabilities

Licenses are sold both directly and indirectly. Direct sales are mainly made via the ESET website to end customers. Indirect sales are mainly made via independent distributors and resellers, who make the majority of total sales. For indirect sales, receivables from the fulfilment of contracts with customers and payables to distributors and sellers are recognised on a net basis as receivables from or payables to distributors and sellers where this has been contractually agreed. The settlement of receivables and payables on a net basis is agreed with selected distributors and sellers in distribution contracts.

If the Group satisfies its obligation of contract performance by transferring the software use rights during the specified period to a customer before the maturity of the receivable, the contract claim for a consideration is recognised by the Group as a contract asset. In accordance with IAS 32, the Group offsets contract assets against liabilities to distributors and sellers (liabilities representing compensation for activities performed by distributors and sellers). Even though contract assets constitute a contractual claim against end customers and liabilities represent a performance obligation towards distributors and sellers, their settlement on a net basis is contractually agreed upon in distribution contracts with distributors and sellers.

The Group only undertakes compensation if it currently has the legally enforceable right to compensate the recognised amounts and the intention to either settle the asset and the liability on a net basis, or realise the asset and settle the liability simultaneously.

e) Trade Receivables

Trade receivables are stated at the expected realisable value, net of provisions for debtors in bankruptcy or restructuring proceedings, and net of provisions for overdue bad and doubtful receivables where risk exists that they will not be settled by the debtor in full or in part.

The Group only recognises receivables which represent an unconditional right to a consideration. Receivables are recognised when an unconditional amount of the consideration is enforceable or falls due. Consideration is deemed enforceable before the maturity of the receivable if the Group satisfied its contractual performance obligation by transferring the software use rights during a part of the contract period to a customer. In such a case, the contract claim to a consideration is recognised as a contract asset. Subsequently, when the maturity date is reached, the contract asset is reclassified as a receivable, unless a consideration was paid by the customer.

The Group applies an expected loss model when assessing provisions for financial assets. The simplified approach is based on the use of a matrix for the calculation of provisions that determines the extent of impairment for groups of receivables based on the number of days until their settlement. The historical loss rate applied in the calculation of provisions also reflects forward looking information. The applied expected loss model has no significant impact on the amount of provisions for financial assets.

f) Property, Plant and Equipment and Non-current Intangible Assets

Property, plant and equipment and non-current intangible assets (hereinafter "Non-current Assets") are recognised at cost less accumulated depreciation and amortisation, and accumulated impairment losses. Cost includes all expenses directly attributable to placing the Non-current Assets into service for their intended purpose.

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at fair value as at the acquisition date. Subsequently, they are recognised at cost less accumulated amortisation and accumulated impairment losses on the same basis as intangible assets acquired separately.

Items of non-current tangible and intangible assets that are worn out or disposed of for another reason are derecognised from the statement of financial position at the net book value. Any gain or loss resulting from such wear and tear or disposal is recognised in the statement of comprehensive income.

All items of property, plant and equipment are depreciated using the straight-line method based on the asset's estimated useful life. Land is not depreciated. The depreciation of assets begins when the assets are ready for their intended use. Depreciation charges are recognised in the income statement so that non-current assets are depreciated over the remaining useful life up to the amount of the estimated residual value. The useful lives of non-current assets can be summarised as follows:

	Estimated Useful Lives in Years	***Depreciation Method***
Software	2 – 4	Straight-line
Structures and technical improvements of premises	Up to the expiration of the lease contract	Straight-line
Fixtures and fittings	Up to the expiration of the lease contract	Straight-line
Plant and machinery	3 – 5	Straight-line
Transportation means	4 – 5	Straight-line

The estimated useful lives, net book values and the depreciation method are reviewed at the end of each reporting period, and the effect of changes, if any, in estimates is recognised on a prospective basis.

Right-of-use assets are depreciated over the shorter of the lease term and the useful life of the right-of-use assets.

At each reporting date, an assessment is made as to whether there is any indication that the realisable value of the Group's non-current assets is below their carrying amount. When such an indication occurs, the realisable value of the asset, being the higher of the asset's fair value less costs to sell and the present value of future cash flows ("value-in-use"), is estimated. Any impairment loss provision is recognised in full in the income statement in the year in which the impairment occurs. The discount rates used to calculate the present value of the future cash flows reflect the current market assessments of the time value of money and the risks specific to the asset. In the event that a decision is made by the Group to abandon an investment project in progress or significantly to postpone its planned completion date, the Group assesses its potential impairment and a provision is recorded, if appropriate.

Expenditures relating to an item of non-current assets after being placed into service increase the carrying amount of the asset when the Group may expect future economic benefits, in excess of the original assessed standard of performance. All other expenditures are treated as repairs and maintenance and are expensed in the period in which they are incurred.

g) Research and Development

R&D expenses for software products are recognised in expenses (Services) in the actual amount, unless they meet the capitalisation criteria under IAS 38. R&D expenses include salaries and benefits of researchers, supplies and other expenses incurred in connection with R&D work. The Group undertakes R&D continuously. R&D results tend to have a short useful life without further development and continuous improvement. When R&D expenses are incurred, it is generally not possible to determine the possibility of the technical completion of the development for its use and sale. For a portion of development expenses for minor or major upgrades or other changes to software functions, the criteria are not met as the product's design or functionalities are not substantially new. Such expenses are therefore recognised as an expense in the consolidated statement of comprehensive income when incurred.

h) Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of raw materials and other inventories includes the acquisition price and the related incidental costs, and the cost of inventories developed internally includes raw materials, other direct costs and production overheads.

i) Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand and cash in bank, and highly-liquid securities with an insignificant risk of changes in value and original maturities of three months or less from the date of issue.

j) Provisions for Liabilities

A provision is recognised when the Group has a present obligation (legal or constructive non-contractual) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are re-assessed at each reporting date and are adjusted to reflect the current best estimate. The amount of the provision is the present value of the risk-adjusted expenditures expected to be required to settle the obligation; these expenditures are determined using the estimated risk-free interest rate as a discount rate. Where discounting is used, the carrying amount of the provision increases in each period to reflect the unwinding of the discount by the passage of time.

k) Revenues from Contracts with Customers

The Group recognises revenue from the provision of software resulting mainly from licence fees and support services under contractual arrangements with end users.

The Parent Company provides end customers and partners in Slovakia, and partners in the EMEA region, APAC, Brazil, Russia and South Africa with the right to use the antivirus software. Eset Software spol. s r.o. (subsidiary) has concluded an agreement with the Parent Company on the distribution of products in the Czech Republic. ESET, LLC. (subsidiary) distributes ESET products primarily in the USA and the LATAM region (except for Brazil). ESET Deutschland GmbH (subsidiary) distributes products on the German, Austrian, Swiss and Croatian markets. ESET Software Australia, PTY, Ltd. (subsidiary) undertakes distribution activities in Australia and ESET ASIA primarily in the APAC region. ESET Software UK Limited (subsidiary) distributes products in the UK and Malta. ESET Canada Inc. (subsidiary) undertakes distribution activities on the Canadian market. ESET ITALIA S.r.l. (subsidiary) launched its activities on the Italian market.

Sales are made directly or indirectly. The direct sales are mainly represented by Internet sales via the ESET website to end customers. Indirect sales are mainly made through independent distributors and resellers who contribute to total sales in the greatest extent.

Upon the initial application of IFRS 15, the Group evaluated and applied the principles of this standard, and analysed and refined the recognition of contracts with customers. The Group continues to improve historical data on revenues and evaluates all new sales methods.

Based on a detailed analysis of contractual arrangements, rights and obligations of all members of the distribution chain, the Group applies the gross revenue recognition method. During the contract period, the Group recognises revenues in the amount of revenues from the sale of ESET products and services generated by distributors and resellers of the Group. Remuneration for the activities performed by distributors and resellers is initially capitalised as the cost of contract acquisition and amortised as expenses over the term of the licence in proportion to the amount of recognised licencing revenues.

The cost of contract acquisition is related to the commissions paid to distributors and resellers for the acquisition of licence agreements with end customers. Distribution commissions are expenses that the Group would not incur if the contract were not acquired. The Group also incurs other costs necessary to make sales, but these costs would be incurred even if the customer chose not to conclude the contract and would therefore not be capitalised.

The Group as a member of the ESET Technology Alliance also sells products of other companies. In this case, the Group acts as an agent and recognises revenues in the amount of the portion of the consideration received from the end customer which belongs to the Group for its services as an agent. Compensation for the activities performed by distributors and resellers when selling products of other companies is recognised in expenses.

The Group **recognises revenues from the provision of licences to use the antivirus software and associated support services** as follows: each customer is required to pay a fee for the right to use the software during a specified period. Revenue is recognized on accruals basis over the licence term from the moment of licence activation by the end customer. In addition to revenues from the sale of antivirus software, the Group also recognises revenues from the sale of encryption software. When analysing such revenues, the Group identified two primary contractual performance obligations which were measured by the Group separately using the five-step model under IFRS 15. The first performance obligation represents delivery of an encryption key used by a customer to secure their end-user devices. The Group recognises this portion of revenue as a lump sum at the moment of the sale to the end customer. The second performance obligation of the contract includes support and maintenance provided to the end customer over a specified period. The revenue from such performance is recognized on accruals basis over the specified period. Revenues from the sale of third-party products – members of the ESET Technology Alliance are recognised as a lump-sum at the moment of a sale to an end customer or business partner. In the current year, the corresponding amount of revenue is recognised as "revenue from the provision of end user licences and services" in the consolidated statement of comprehensive income.

If the customer pays the consideration or the receivable is due before the Group grants the customer the right to use the software for a specified period, the Group presents the contract as a contract liability. Initial recognition takes place when the payment is made or the receivable is due, whichever occurs first. A contract liability is the Group's obligation to transfer to the customer the right to use the software for a specified period, for which the Group has received consideration from the customer, or such consideration is due. The Group recognises contract liabilities in the line Deferred income in the consolidated statement of financial position.

The Group also distributes license products in the form of registration keys and a series of registration keys – batches, in case of which a time mismatch occurs between the distributor's billing and activation by the end-user. At the moment of receipt of consideration from the distributor, or at the moment the distributor's invoice becomes due (whichever occurs first), the Group incurs a contract liability, which it recognises in deferred income. At the moment of licence activation by the end user, the Group recognises revenue which is deferred over the licence validity term.

If a prepaid batch of registration keys is not refundable, the Group proceeds as follows: The generated revenue attributable to the sold and non-activated registration keys is estimated by the Group based on the historical development of the activation of licenses from the respective batch. Such revenue is recognised by the Group over the term of a contractual liability in individual reporting periods. Significant differences may arise in the amount and timing of revenues for a certain period if management applies different judgments or different estimates. Such estimates impact the "Deferred income" in the consolidated statement of financial position and the "Revenues from the provision of end user licences and services" in the consolidated statement of comprehensive income.

End users may return ESET products, subject to limitations, via distributors and resellers or may ask the ESET Group directly for a refund within a reasonably-short period from the date of purchase. The Group estimates and recognises a refund liability based on historical experience by decreasing revenues. The amount of the refund liability is immaterial.

The Group has identified the main types of contract modifications and recognises revenues in accordance with IFRS 15 requirements. The main types of contract modifications over the contract term include the extension of the license validity term, addition or reduction of requirements, products and services, when the Group accounts for a contract modification on a prospective basis. In the event of a price change or product return by an agreed time limit, the Group cumulatively adjusts recognised revenues. If a contract modification is made after the termination of a contract's validity, the Group recognises such contract modification as a separate contract.

l) Mandatory Social Insurance and Pension Security

The Group is required to make contributions to various mandatory government insurance schemes, together with contributions by employees. Social security expenses are charged to the consolidated statement of comprehensive income in the same period as the related wages and salaries.

m) Short-term and Long-term Employee Benefits

The Group recognises all forms of consideration provided by the Group in exchange for services rendered by employees, or for termination of employment, as employee benefit obligations. These liabilities are recognised in the period in which the Group received the services provided by the employees.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

Estimated employee benefit obligations are included in the line Provisions for liabilities in the consolidated statement of financial position.

n) Leases

As of 1 January 2019, the Group applies the new IFRS 16 when assessing leases. The Group assesses whether a contract contains a lease at the inception of the contract. The Group acts as a lessee for all existing lease contracts. In respect of leases, the lessee recognises a right-of-use asset (lease asset) and the related lease liability. Each lease payment is divided into the payment of a lease liability and the accrued financial interest expense. Finance costs are recognised directly through profit or loss over the lease term. Right-of-use assets are depreciated on a straight-line basis over the shorter of the useful life of the assets, or the lease term.

Payments for short-term lease contracts, lease contracts for low-value assets and lease contracts for other assets excluded from the scope of IFRS 16 due to materiality are recognised on a straight-line basis over the lease term as an expense of the current year included in the statement of comprehensive income. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise leases of assets with a value of up to EUR 5 thousand, such as printers, coffee machines and water dispenser stands. Other assets excluded from the scope of IFRS 16 due to materiality are leases of cars and data storage.

Upon the initial application of IFRS 16, the Group applied the following practical expedients:
- Application of a single discount rate for the entire portfolio of leases with similar characteristics;
- Measurement of a lease asset in the amount of a lease liability adjusted for prepaid or accrued lease payments and incentives from the lessor;
- Recognition of operating leases with a residual lease term of less than 12 months as at 1 January 2019 as short-term;
- Exclusion of the initial direct costs for the measurement of right-of-use assets (lease asset) at the date of initial application;
- Use of an initial assessment of the lease term applied as at 1 January 2019 if the contract contains options to extend or to terminate the lease. The initial assessment of the lease term was applied if there was no change in the assessment (significant event within the control of the lessee affecting the initial assessment), revision of the assessment (exercise of an initially unconsidered option or non-exercise of an initially considered option) or a contract modification.

Practical expedients applied at the initial application of IFRS 16 have an impact on the reported financial results and financial position also in 2020.

Lease assets and lease liabilities are primarily measured at their present values. The present value of lease liabilities comprises:

- Fixed payments less any lease incentives receivable;
- Variable lease payments (based on an index);
- The exercise price of an option to extend the lease (if reasonably certain);
- Penalties for early termination (if reasonably certain);
- Amounts payable under residual value guarantees.

Variable lease payments that do not depend on an index or rate are not included in the measurement of a lease liability and right-of-use assets. The related payments are recognised as an expense in the relevant period on an accrual basis and are included in the line "Services" in the consolidated statement of comprehensive income.

As a practical expedient, IFRS 16 permits a lessee to not separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group applied the above practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group includes fixed payments and variable payments (based on an index) in additional lease or non-lease components when measuring a lease liability.

Rent concessions in the form of rent holidays, and rent reductions as a direct consequence of the COVID-19 pandemic were not considered to be modifications of the lease contract, but instead were recognised as part of variable lease payments if the following conditions were met:

- Changes to lease payments result in a revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- Any reduction in lease payments only affects payments originally due on or before 30 June 2021;
- There is no substantive change to other terms and conditions of the lease.

Lease payments are discounted using a weighted average interest rate, which is the interest rate that the lessee would have to pay if it had to borrow the funds necessary to obtain an asset of a similar value in a similar economic environment under similar conditions.

Lease liabilities are presented by the Group as Non-current lease liabilities and Current lease liabilities in the consolidated statement of financial position. Subsequently, lease liabilities are measured by increasing the carrying amount by interest expense (reflecting the effective interest rate) and reducing the carrying amount by lease payments made.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use asset) if:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change to the assessment of the exercise of a purchase option. In such a case, the lease liability is measured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or changes to expected payments under a guaranteed residual value. In such a case, the lease liability is measured by discounting the revised lease payments using an unchanged discount rate (unless the change to the lease payments is due to a change in a floating interest rate, in which case a revised discount rate is applied).
- A lease contract is modified and the lease modification is not accounted for as a separate lease. In such a case, the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

During the year, the Group presented modifications of lease contracts in line with the above procedure.

Right-of-use assets are initially measured at cost, which comprises:

- The amount of the initial measurement of a lease liability;
- Initial direct costs;
- Lease payments less lease incentives before the commencement date of a lease;
- An estimate of disposal costs/restoration costs.

o) Income Tax

Income taxes of the Parent Company are calculated on accounting profit as determined under Slovak accounting procedures after adjustments for certain items for taxation purposes using the income tax rate of 21%. Subsidiaries' income taxes are calculated on accounting profit as determined under accounting procedures effective in the subsidiary's country of domicile using the income tax rate valid in the respective country.

(in thousands EUR, if not stipulated otherwise)

The Group recognises an estimated income tax liability where the determination of a tax liability is uncertain, but it is likely that there will be an outflow of funds to the tax office in the future. Provisions for liabilities are measured at the best estimate of the amount that the Group expects will be payable to the tax office. Such an assessment is based on the judgment of the Group's tax experts and on previous experience with such activities, and in some cases on the advice of an independent specialist tax advisor.

p) Deferred Income Tax

Deferred income tax is recognised, using the liability method, for all temporary differences arising between the net tax value and the net book value of assets and liabilities. Deferred tax is calculated at the tax rates that are expected to apply for the period when the asset is expected to be realised or the liability settled. Deferred tax is recognised in the consolidated statement of comprehensive income, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also recognised in equity.

The valid income tax rates are as follows:

Country	***2021***	***2020***	***2019***
Slovakia	21%	21%	21%
USA – federal tax	21%	21%	21%
– California state tax (effective tax rate – **1.17%** in FY19, **1.14%** in FY19)	8.84%	8.84%	8.84%
Czech Republic	19%	19%	19%
Argentina	30%	30%	30%
Singapore	17%	17%	17%
Poland	19%	19%	19%
Germany	31.58%	31.58%	31.58%
UK	19%	19%	19%
Canada	26.5%	26.5%	26.5%
Australia	26%*	26%	27.5%
Brazil**	24%	24%	24%
Romania	16%	16%	16%
Mexico	30%	30%	30%
Italy***	27.9%	27.9%	-
Japan	23.2%	23.2%	23.2%

** Tax rate applicable to the taxation period from 1 July 2020 to 30 June 2021. For the taxation period from 1 July 2021 to 30 June 2022, the applicable tax rate is 25%.*
*** In addition to the statutory corporate income tax rate of 15%, a 10% tax is applied to annual income exceeding BRL 240 000 and 9% social security income tax applied on adjusted net income (20% for financial institutions).*
**** Italian legal entities are subject to corporate income tax of 24% and a regional production tax of 3.9%.*

Major temporary differences arise as a result of differences between the carrying amount and tax value of deferred income and capitalised costs of obtaining a contract. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred income tax is recognised on temporary differences arising on financial investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not be realised in the foreseeable future.

The Group offsets deferred tax assets and deferred tax liabilities if there is a legal right to offset current tax assets against current tax liabilities and these deferred tax assets and deferred tax liabilities are related to income taxes collected by the same tax authority and the Group intends to settle its current tax assets and liabilities on a net basis.

q) Transactions in Foreign Currencies

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

On consolidation, the assets and liabilities of foreign subsidiaries are translated at the ECB exchange rates prevailing on the reporting date. Revenues and expenses are translated at the average exchange rates for the relevant period. Goodwill and fair value adjustments resulting from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are also translated at the ECB's exchange rate valid at the reporting date. Foreign exchange differences, if any, are included in equity classified as foreign exchange translation reserve. Such reserve is dissolved in the consolidated statement of comprehensive income as at the moment the financial investment in a subsidiary is disposed of.

Expenses and revenues, items of assets, liabilities and equity of foreign subsidiaries in a functional currency which is hyperinflationary are translated using the ECB's rate prevailing as at the reporting date. Resulting differences from the consolidation of capital are included in equity as retained earnings or accumulated loss from previous years.

4. CHANGES IN ACCOUNTING PRINCIPLES AND METHODS

Based on two years of experience with the application of IFRS 15, in 2020, the Group reassessed its accounting policy for the recognition of contracts with customers and reviewed the method of recognising contract liabilities and the moment of initial recognition of trade receivables.

Contract liabilities were recognised as deferred income on a net basis in the past, i.e. net of unamortized balance of commissions paid to distributors and resellers. Based on a detailed analysis of contractual relationships with end customers, distributors and resellers, the Group decided to align the method of recognising contract assets and liabilities in the consolidated statement of financial position with the gross method of recognising revenues and expenses in the consolidated statement of comprehensive income. The Group recognises contract liabilities as deferred income on a gross basis in an amount representing the Group's obligation to transfer to the customer the right to use software for a specified period, for which the Group has received consideration from the customer. Remuneration for activities performed by distributors and resellers is capitalised as the costs of obtaining a contract and amortised in expenses over the term of the licence and presented as a separate item in the consolidated statement of financial position.

The Group distributes licenced products using various sales channels, and in some cases there is a time discrepancy between the invoicing by the customer or distributor and activation by the end user, i.e. the moment when the Group grants the customer the right to use the software for a specified period. In previous reporting periods, the Group recognised receivables at the moment of invoicing the customer or distributor, i.e. at the moment of granting access to the licence keys, and did not examine the conditionality of the right to consideration. The Group decided to change this accounting policy, and only recognises receivables when the unconditional amount of consideration is claimable or due. Consideration is considered claimable before the due date of a receivable if the Group has met the contract performance obligation to perform the contract by transferring the right to use the software for a part of the contract term to the customer. In such a case, the Group presents the contractual right to consideration as a contract asset. Subsequently, the Group reclassifies the contract asset to a receivable at the due date, unless the consideration has been in the meantime paid by the customer.

Changes in Presentation

During 2020, the Group modified the presentation of right-of-use assets and lease liabilities. In the preceding reporting period, the Group recognised right-of-use assets in Property, plant and equipment, non-current lease liabilities in Other non-current liabilities and current lease liabilities in Trade and other payables. However, in accordance with IFRS 16, it is also appropriate to present such amounts as separate line items of the consolidated statement of financial position.

In 2020, the Group modified the presentation of non-current liabilities that mainly comprise the fund created from profit to pay bonuses to selected employees, which is regulated by the bonus scheme rules. The Group reassessed the amount of the liability as estimated and adjusted the presentation in the consolidated statement of financial position to "Provisions for liabilities".

During 2020, the Group also modified the presentation of foreign exchange gains and foreign exchange losses to better reflect the approach used to derive economic benefits. Foreign exchange gains and foreign exchange losses are presented on a net basis. For the sake of consistency, comparable amounts were reclassified in the consolidated statement of comprehensive income. This resulted in the reclassification of EUR 977 thousand in 2020 from "finance income" to a decrease in "finance costs" and the reclassification of EUR 1 892 thousand in 2019 from "finance costs" to a decrease in "finance income".

Changes to the above accounting principles have no effect on the items of the consolidated statement of changes in equity, or in the consolidated statement of comprehensive income. The following table summarises the impact of changes to the accounting principles on the Group's financial results.

(in thousands EUR, if not stipulated otherwise)

Consolidated statement of financial position

	31 Dec 2019 Initially Presented	Adjustment to Accounting Policy	Adjustment to Presentation	31 Dec 2019 Restated
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	69 787	-	(29 691)	40 096
Right-of-use assets	-	-	29 691	29 691
Capitalised costs of obtaining a contract	-	68 946	-	68 946
Total non-current assets	131 284	68 946	-	200 230
CURRENT ASSETS				
Trade receivables and other receivables	43 031	(31 076)	-	11 955
Capitalised costs of obtaining a contract	-	148 128	-	148 128
Total current assets	104 228	117 052	-	221 280
TOTAL ASSETS	**235 512**	**185 998**	**-**	**421 510**
EQUITY AND LIABILITIES				
NON-CURRENT LIABILITIES				
Deferred income, net	68 828	52 565	-	121 393
Non-current lease liabilities	-	-	25 921	25 921
Other non-current liabilities	29 087	-	(28 965)	122
Provisions for liabilities	1 345	-	3 044	4 389
Total non-current liabilities	99 260	52 565	-	151 825
CURRENT LIABILITIES				
Trade payables and other payables	30 681	24 431	(6 623)	48 489
Deferred income, net	161 008	109 002	-	270 010
Current lease liabilities	-	-	6 623	6 623
Total current liabilities	193 198	133 433	-	326 631
TOTAL EQUITY AND LIABILITIES	**235 512**	**185 998**	**-**	**421 510**

	31 Dec 2018 Initially Presented	Adjustment to Accounting Policy	Adjustment to Presentation	31 Dec 2018 Restated
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	40 683	-	-	40 683
Right-of-use assets	-	-	-	-
Capitalised costs of obtaining a contract	-	65 712	-	65 712
Total non-current assets	98 831	65 712	-	164 543
CURRENT ASSETS				
Trade receivables and other receivables	48 565	(29 069)	-	19 496
Capitalised costs of obtaining a contract	-	142 410	-	142 410
Total current assets	123 268	113 341	-	236 609
TOTAL ASSETS	**222 099**	**179 053**	**-**	**401 152**
EQUITY AND LIABILITIES				
NON-CURRENT LIABILITIES				
Deferred income, net	62 321	50 316	-	112 637
Non-current lease liabilities	-	-	8	8
Other non-current liabilities	5 705	-	(3 051)	2 654
Provisions for liabilities	1 127	-	3 043	4 170
Total non-current liabilities	69 153	50 316	-	119 469
CURRENT LIABILITIES				
Trade and other payables	29 384	23 411	(33)	52 762
Deferred income, net	149 708	105 326	-	255 034
Current lease liabilities	-	-	33	33
Total current liabilities	179 517	128 737	-	308 254
TOTAL EQUITY AND LIABILITIES	**222 099**	**179 053**	**-**	**401 152**

(in thousands EUR, if not stipulated otherwise)

Consolidated statement of cash flows

	31 Dec 2019 Restated	***Adjustment to Accounting Policy***	***Adjustment to Presentation***	***31 Dec 2019 Initially Presented***
Change in expense and income accruals	(600)	(8 961)	(14 779)	23 140
Foreign exchange differences	(1 103)	2 681		(3 784)
	95 836	**(6 280)**	**(14 779)**	**116 895**
Effect of changes in working capital	-			-
(Increase)/decrease in trade receivables and other receivables	5 136	5 934	-	(798)
(Increase)/decrease in capitalised costs of obtaining a contract	(7 284)	1 668	(8 952)	-
Increase/(decrease) in deferred income*	22 409	(1 322)	23 731	-
	112 076	**-**	**-**	**112 076**

**Deferred income from contracts with customers comprise contract liabilities.*

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies, as described in Note 3, the Group has made the following decisions concerning uncertainties and estimates that have a significant impact on the amounts recognised in the financial statements. There is a significant risk of material adjustments in future periods relating to such matters, including the following:

- The Group derives a substantial portion of its revenues from system security and network security solutions. The market in which the Group operates is highly competitive and rapidly changing. Significant technological changes, changes in customer requirements, and the emergence of competitive products with new capabilities or technologies could adversely affect the operating results.
- The Group sells its antivirus products via intermediaries, i.e. distributors, resellers, etc. The top ten distributors accounted for 42% of revenues in 2020 and 42% of revenues in 2019.
- A significant portion of revenues and net income is derived from international sales. Fluctuations of the euro against foreign currencies, changes in local regulatory or economic conditions, piracy, or non-performance by distributors or partners could adversely affect the operating results.
- The Group regularly reviews the collectability and creditworthiness of its distributors and resellers to determine an appropriate provision for receivables. The uncollectible accounts could exceed the current or future provisions. Receivables are written off on a case by case basis, considering the probability whether the amounts can be collected. At 31 December 2020 and 2019, the provision for receivables amounted to EUR 2 645 thousand and EUR 2 594 thousand, respectively.
- The Group maintains a significant portion of cash balances and all of its short-term investments with two financial institutions. The Group invests with financial institutions that have high quality credit; under an internal policy, ESET limits the amount of deposit exposure to any one financial institution.
- The Group applies accounting policy relating to deferred income over the licence validity period in accordance with IFRS. Given the comprehensiveness of the portfolio and the number of active licences, the Group determines some revenues from licences which are deferred using estimates. A change in judgments used to calculate these estimates could have a material impact on the financial statements. Other information related to revenue recognition in the Group is stated in Note 3.1 k) Revenue from contracts with customers.
- The Group determines the lease term as a non-terminable lease term together with the periods covered by the option to extend the lease when it is reasonably likely that they will be exercised, or periods to which the option to terminate the lease applies, when it is reasonably certain that the Group will not exercise this option. The Group has a number of lease contracts that include an option to extend or terminate contracts. The Group exercises judgment when assessing whether it is reasonably certain that the Group will or will not exercise an option to extend or terminate a lease. This means that the Group takes into account all relevant economic incentives when assessing the possibility of exercising an option to extend or terminate a lease. After the inception date of a lease, the Group reassesses the lease term when a significant event or change in circumstances occurs that is under its control and that will impact its ability to exercise or not exercise an option to extend or terminate a lease.
- Under IFRS 16, lease liabilities are measured at the present value of future lease payments discounted using the weighted average of the lessee's incremental borrowing rate. Given that the implicit interest rate of a lease cannot be readily determined, the Group applied the incremental borrowing rate to the entire lease contract portfolio based on their lease term. The incremental borrowing rate is the rate the Group would pay if it borrowed the funds necessary to acquire right-of-use assets with a similar value as right-of-use assets recognised at 31 December 2020 in a similar economic environment, under similar conditions, with similar collateral. Based on the above, the Group applied the estimate when determining the incremental borrowing rate, as it takes into account the interest rate the Group would have applied and would have to pay if it had to obtain funds necessary to acquire right-of-use assets.

- The reported goodwill is tested for impairment annually by the Group. An impairment exists when the carrying amount of assets, or of a cash generated unit (CGU), exceeds their recoverable amount, which is the higher of their fair value reduced by costs of sale, and value in use. Fair value reduced by costs of sale is calculated from available data on binding sale transactions undertaken under standard market conditions for similar assets, or observable market prices reduced by additional costs of sale of an asset. The calculation of value in use is based on a model of the present value of future cash flows ("DCF model"). Cash flows are derived from the budget for the next three years and do not include major future investments which increase the output of assets of the tested CGU. The recoverable amount is sensitive to the discount rate used for the DCF model and to expected future cash inflows and the growth rate used for extrapolation purposes.

- The costs of long-term employee benefits are measured at their present value using actuarial estimates. Actuarial estimates include various assumptions which may differ from the actual future development. These assumptions include determining the discount rate, future increases of salaries, employee turnover and the estimated time of retirement. Given the complexity of the measurement and its long-term nature, the amount of the employee benefit obligation is very sensitive to changes in such assumptions. All assumptions are reassessed at each reporting date.

  The discount rate is the parameter that is most subject to change. When determining the appropriate discount rate, management takes into account interest rates on corporate bonds in the currencies corresponding to the currencies of the employee benefit obligations. In countries with no active market for corporate bonds, bank bond rates are taken into account. Discount rates correspond to the estimated time for the settlement of employee benefit obligations.

(in thousands EUR, if not stipulated otherwise)

6. GROUP STRUCTURE

Consolidated Subsidiaries

The consolidated subsidiaries as at 31 December 2020:

Name	***Seat***	***Ownership Share %***		***Principal activity***
Subsidiaries		***2020***	***2019***	
ESET, LLC	610 West Ash Street, Suite 1700, San Diego, CA 92101, USA	100%	100%	Antivirus software distributor
ESET software spol. s r.o.	Praha 7 - Classic 7 Business Park, Jankovcova 1037/49, 170 00 Prague 7, Czech Republic	100%	100%	Antivirus software distributor
ESET LATINOAMERICA S.R.L. [(1)]	1270 Juan Diaz de Solis, 2nd Floor, Vicente Lopez, Buenos Aires CP: B1638BHF, Argentina	100%	100%	Service provider
ESET ASIA PTE. LTD.	3 Anson Road Springleaf Tower #12-01/02, Singapore 079909, Singapore	100%	100%	Service provider + Antivirus software distributor
ESET Canada Recherche Inc. [(2)]	473, Rue Sainte-Catherine Quest, Bureau 300, Montreal QC, H3B 1B1, Canada	100%	100%	Research and development
ESET DO BRASIL MARKETING LTDA [(3)]	Rua Verbo Divino, 2.001, Cjts 1407/1410 Chácara Santo Antônio São Paulo/SP – Brazil Zip 04.719-002	100%	100%	Service provider
ESET Polska Sp. z o.o. [(4)]	Jasnogórska 9, 31 – 358 Kraków, Poland	100%	100%	Research and development
ESET Deutschland GmbH	Spitzweidenweg 32, 07743 Jena, Germany	100%	100%	Antivirus software distributor
ESET Research Czech Republic s.r.o. [(3)]	U Přehrady 3204/61, Mšeno nad Nisou, 466 02 Jablonec nad Nisou, Czech Republic	100%	100%	Research and development
ESET Software Australia, PTY, LTD.	Level 3, 50 Yeo Street, Neutral Bay NSW 2089, Sydney, Australia	100%	100%	Antivirus software distributor
ESET RESEARCH UK Limited [(4)] [(5)]	3 Heron Gate Office Park Hankridge Way, Taunton, Somerset TA1 2LR, United Kingdom	100%	100%	Research and development
ESET Canada Inc.	44 Chipman Hill Suite 1000, Saint John NB, E2L 2A9, Canada	100%	100%	Antivirus software distributor
Nadácia ESET	Einsteinova 24 851 01 Bratislava, Slovak Republic	100%	100%	Foundation
PGNB Limited	5th Floor Holland House, 20 Oxford Road, Bournemouth, Dorset, BH8 8EZ, United Kingdom	100%	100%	[(5)]
ESET SOFTWARE UK Limited [(7)] [(8)]	5th Floor Holland House, 20 Oxford Road, Bournemouth, Dorset, BH8 8EZ, United Kingdom	100%	100%	Antivirus software distributor
ESET Romania S.R.L. [(9)]	Strada Palas Nr. 7D-7E, Cladirea United Business Center 3 (Corp C2), Etaj 2, Spatiul C2S9, Municipiul Iași, Judet Iași, Romania	100%	100%	Research and development
ESET MÉXICO S. de R.L. de C.V. [(10)]	Av. Paseo de la Reforma 250 – Office 981 A-B-C-D-, Colonia Juárez, Delegación Cuauhtémoc, Ciudad de México, Mexico	100%	100%	Service provider
ESET Japan Inc. [(11)]	2-16-4 Konan, Minato-ku, Tokyo 108-0075, Japan	90%	90%	Service provider
ESET ITALIA S.r.l. [(12)] [(13)]	Via Campo Lodigiano 3, 20122, Milan, Italy	100 %	100 %	Antivirus software distributor

(1) 90% of the shares are held by ESET, LLC and 10% are held by the Parent Company.
(2) 90% of the shares are held by the Parent Company and 10% are held by ESET, LLC.
(3) ESET Research Czech Republic s.r.o. changed its registered office in January 2021. Its new registered office is at Palachovo

(in thousands EUR, if not stipulated otherwise)

náměstí 799/5, Starý Lískovec, 625 00 Brno, Czech Republic.
(4) In January 2019, ESET RESEARCH UK Limited changed its principal activity from DESLock software distributor to research and development.
(5) ESET RESEARCH UK Limited changed its business name in April 2019. The original name of the company was DESLock Limited.
(6) PGNB Limited undertook no business activities in 2020, except for the sale of its 100% share in its subsidiary, SOFTWARE UK Limited, to the Parent Company.
(7) ESET SOFTWARE UK Limited is a 100% subsidiary of the Parent Company as of 30 December 2020.
(8) ESET SOFTWARE UK Limited changed its business name in April 2019. The original name of the company was QNH Limited.
(9) 99.9963% of the shares are held by ESET, spol. s r.o. and 0.0037% are held by ESET Research Czech Republic s.r.o.
(10) 90% of the shares are held by the Parent Company and 10% are held by ESET, LLC.
(11) 90% of the shares are held by the Parent Company and the remaining 10% are held by Canon Marketing Japan Inc. In January 2019, Canon IT Solutions Inc. transferred its 10% share in ESET Japan Inc. to Canon Marketing Japan Inc.
(12) ESET ITALIA S.r.l. was established in February 2019 and 100% is held by the Parent Company. ESET ITALIA S.r.l. commenced distribution activities in September 2019.
(13) ESET ITALIA S.r.l. changed its registered office in March 2020. The original registered office was at Francesco Richini 6 CAP, 20,122 Milan, Italy.

The Group had an organisational unit in the Republic of Poland: ESET, spol. s r. o., Sp. Z o.o. Oddział w Polsce, ul. Pilotów 2, 31-462 Krakow. Based on the shareholders' decision of 5 November 2018, the organisational unit was dissolved as at 31 December 2018 and entered into liquidation, which was completed on 28 December 2018.The organisational unit was deleted from the Polish Business Register on 19 April 2019.

ESET RESEARCH UK Limited registered under No. 078 75 689 is exempt from the obligation to have its separate financial statements audited by an auditor under section 479A of the Companies Act 2006.

Under the contract for transfer of intellectual property rights concluded on 20 December 2018 between the Parent Company and ESET RESEARCH UK Limited, the transfer of the rights to the DESLock encryption software was agreed. The Parent Company became the new owner of the DESLock encryption software as at 1 January 2019. The subsidiary, ESET RESEARCH UK Limited, was transformed into a branch providing R&D services.

Based on the shareholders' decision dated 22 March 2017, a subsidiary was established in Mexico for product marketing and distribution under the name ESET MÉXICO S. de R.L. de C.V. on 13 December 2017. On 24 January 2019, the Governing Board of the Parent Company decided to increase the registered capital of the subsidiary.

Based on a shareholders' decision of 18 October 2017, the Parent Company decided to acquire a 100% ownership interest in the registered capital of ESET Japan Inc. established and registered in Japan, which was acquired as at 21 November 2017. Subsequently, the Parent Company's shareholders decided to increase the registered capital of ESET Japan Inc. and transfer some ESET Japan Inc. shares to Canon IT Solution Inc. in order to establish a joint venture in Japan. As at 1 April 2018, the registered capital of Eset Japan Inc. was increased and was owned by Eset spol. s r.o. (90.00%) and Canon IT Solutions (10.00%) as at the same date. In January 2019, Canon IT Solutions Inc. transferred its 10% share to Canon Marketing Japan Inc.

7. ACQUISITION OF A BUSINESS

The Group acquired no investments in subsidiaries in 2020 and 2019.

8. REVENUES FROM THE PROVISION OF END-USER LICENCES AND SERVICES

	2020	***2019***
Revenues from the provision of end user licenses and services	526 022	503 958
Total	**526 022**	**503 958**

In 2020, the Group continued its project of making historical data on revenues more accurate, which increased the accuracy of the recognition of global contracts with customers. The Group also identified non-material errors in the consolidated financial statements prepared as at 31 December 2019. The total impact of errors on the profit/(loss) after tax in the Group's consolidated financial statements as at 31 December 2019 would be an increase in revenues from the provision of user licences and services and an increase in costs of services provided by EUR 750 thousand.

(in thousands EUR, if not stipulated otherwise)

9. SERVICES

	2020	2019
Costs of obtaining a contract	256 037	248 335
Advertising and promotion expenses	23 785	24 664
Rent	3 709	4 016
Internet, data services, IT services	12 317	11 082
Accounting, economic, legal and audit services	6 345	6 902
Travel expenses	705	3 886
Other	4 218	5 293
Total	**307 116**	**304 178**

10. PERSONNEL EXPENSES

	2020	2019
Wages and salaries	85 609	77 845
Health and social security insurance payments	22 775	20 137
Other personnel and social expenses	3 109	4 673
Total	**111 493**	**102 655**

11. FINANCE INCOME

	2020	2019
Foreign exchange gains, net	-	1 317
Interest income	111	758
Other	37	97
Total	**148**	**2 172**

12. FINANCE COSTS

	2020	2019
Bank fees	124	123
Foreign exchange losses, net	4 566	-
Interest expense	903	565
Other	(18)	(113)
Total	**5 575**	**575**

13. INCOME TAX

13.1. Income tax recognised in the statement of comprehensive income

	2020	2019
Current income tax	(20 082)	(22 710)
Deferred income tax – (income)	3 000	4 481
Total income tax for the year	**(17 082)**	**(18 229)**

13.2. Reconciliation of the effective income tax rate recognised in the statement of comprehensive income

	2020	2019
Profit before income tax	87 299	83 276
Income tax at statutory tax rate of 21% (2019: 21%)	18 333	17 488
Tax effect of permanent differences	(2 054)	(368)
Impact of different tax rates of the subsidiaries in other jurisdictions	(560)	(123)
Effect of an unrecognised deferred tax asset	1 559	1 127
Effect of change of deferred tax rate	(25)	27
Other	(171)	78
Total income tax for the year	**17 082**	**18 229**

(in thousands EUR, if not stipulated otherwise)

14. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings, Structures – Construction Modifications	*Plant, Machinery & Equipment*	*Other Tangible Assets*	*Total*
Cost				
At 1 January 2019	20 403	25 784	19 186	65 373
Additions	772	3 031	750	4 553
Disposals	(496)	(1 205)	-	(1 701)
Transfers	10	158	(168)	-
Effects of exchange rate	186	34	1	221
At 31 December 2019	**20 875**	**27 802**	**19 769**	**68 446**
At 1 January 2020	20 875	27 802	19 769	68 446
Additions	1 577	3 121	1 010	5 708
Disposals	(262)	(1 991)	(4)	(2 257)
Transfers	64	203	(267)	-
Effects of exchange rate	(545)	(989)	(22)	(1 556)
At 31 December 2020	**21 709**	**28 146**	**20 486**	**70 341**
Accumulated Depreciation and Impairment				
At 1 January 2019	7 502	17 201	(13)	24 690
Additions	1 437	3 796	-	5 233
Disposals	(480)	(1 201)	-	(1 681)
Transfers	20	5	-	25
Effects of exchange rate	92	(9)	-	83
At 31 December 2019	**8 571**	**19 792**	**(13)**	**28 350**
At 1 January 2020	8 571	19 792	(13)	28 350
Additions	1 310	3 880	143	5 333
Disposals	(199)	(1 990)	13	(2 176)
Transfers	-	-	-	-
Effects of exchange rate	(359)	(796)	(1)	(1 156)
At 31 December 2020	**9 323**	**20 886**	**142**	**30 351**
Net Book Value				
At 31 December 2019	12 304	8 010	19 782	40 096
At 31 December 2020	**12 386**	**7 260**	**20 344**	**39 990**

The Group recognises acquisitions of property, plant and equipment placed into service in the same financial year as additions in 2020. The acquisitions of property, plant and equipment from preceding periods, which were placed into service in 2020, are classified as transfers.

In 2020, the Group performed a review of non-current assets with respect to the recoverability of amounts. No indicators of impairment were identified. Also, a review of the useful lives of depreciated assets was performed. The depreciation period has not changed compared to 2019.

The total amount of the damage liability insurance and the insurance of other risks related to property, plant and equipment and non-current intangible assets within the Group is EUR 77 886 thousand as at 31 December 2020 (2019: EUR 76 556 thousand).

Land and buildings, structures – construction modifications mainly include land and technical improvement of leased office premises. Movements in this category of assets relate to construction modifications of leased office premises.

Machinery, equipment and other items mainly include IT equipment, such as disk arrays, servers and other IT equipment and office equipment. The Group is continually replacing and expanding its technical and office equipment to ensure the continuity of its business activities.

Other tangible assets mainly include real estate for the planned project of the new headquarters and campus of the Group.

The Group has no assets under lien. The Group has no assets with restricted handling.

(in thousands EUR, if not stipulated otherwise)

15. INTANGIBLE ASSETS

	Software	*Valuable Rights*	*Goodwill*	*Other*	*Non-Current Intangible Assets in Acquisition*	*Total*
Cost						
At 1 January 2019	6 586	789	1 769	12 651	615	22 410
Additions	122	-	-	894	292	1 308
Disposals	(2)	-	-	(262)	-	(264)
Transfers	(77)	-	-	487	(410)	-
Exchange differences	26	2	-	401	(37)	392
At 31 December 2019	**6 655**	**791**	**1 769**	**14 171**	**460**	**23 846**
At 1 January 2020	6 655	791	1 769	14 171	460	23 846
Additions	109	-	-	1 289	251	1 649
Disposals	(340)	-	-	(3 628)	(181)	(4 149)
Transfers	-	-	-	96	(96)	-
Exchange differences	(252)	(6)	(181)	(382)	(22)	(843)
At 31 December 2020	**6 172**	**785**	**1 588**	**11 546**	**412**	**20 503**
Accumulated Depreciation and Impairment						
At 1 January 2019	6 092	756	-	8 983	-	15 831
Depreciation charge	428	6	-	2 718	150	3 302
Disposals	(22)	-	-	(262)	-	(284)
Transfers	3	-	-	-	-	3
Exchange differences	23	2	-	357	-	382
At 31 December 2019	**6 524**	**764**	**-**	**11 796**	**150**	**19 234**
At 1 January 2020	6 524	764	-	11 796	150	19 234
Depreciation charge	154	6	-	1 147	9	1 316
Disposals	(340)	-	-	(3 628)	(156)	(4 124)
Transfers	-	-	-	-	-	-
Exchange differences	(230)	(5)	-	(375)	(3)	(613)
At 31 December 2020	**6 108**	**765**	**-**	**8 940**	**-**	**15 813**
Net Book Value						
At 31 December 2019	131	27	1 769	2 375	310	4 612
At 31 December 2020	**64**	**20**	**1 588**	**2 606**	**412**	**4 690**

The Group recognises acquisitions of non-current intangible assets placed into service in the same financial year as additions in 2020. The acquisitions of non-current intangible assets from preceding periods, which were placed into service in 2020, are classified as transfers.

Software mainly includes items acquired by the acquisition of subsidiaries, and purchased software. Valuable rights mainly include a list of customers acquired by the acquisition of subsidiaries. Other items of intangible assets include customised application solutions and licences acquired externally. Additions represent investments in global software solutions.

The Group acquired goodwill that is annually subject to impairment testing under IAS 36 by the acquisition of Datsec in Germany and PGNB Limited and ESET SOFTWARE UK (formerly QNH Limited Group) in the UK.

When assessing the impairment of goodwill, the Group analyses the following indicators:

- Negative development in the industry;
- Decrease in the market value; and
- Growth of sales slower than estimated.

Based on the above criteria, the Group concluded that goodwill was not impaired as at 31 December 2020.

(in thousands EUR, if not stipulated otherwise)

16. CAPITALISED COSTS OF OBTAINING A CONTRACT

	2020	*2019 Restated*
Balance as at 1 Jan	217 075	208 122
The adjustments were made in 2019	-	(4 789)
Capitalised costs of obtaining a contract	149 326	153 159
Amortised in expenses of the current year	(144 483)	(141 085)
Effect of FX differences	(5 088)	1 668
Balance as at 31 Dec	**216 830**	**217 075**
Of which:		
Current capitalised costs of obtaining a contract	149 049	148 128
Non-current capitalised costs of obtaining a contract	67 781	68 946

The costs of obtaining a contract are related to the commissions paid to distributors and resellers for the acquisition of licence agreements with end customers and are amortised in expenses over the licence term in proportion to the amount of recognised licencing revenues.

There was no impairment loss in connection with the capitalised costs of obtaining a contract.

In 2019 and 2020, the Group continued to increase the accuracy of historical data on revenues, which increased the accuracy of the recognition of global contracts with customers. See Note 4 for additional information and the impact of the reviewed accounting policies.

The line "Adjustments made in 2019" of the above table shows the effect of corrected errors in capitalised costs of obtaining a contract as at 31 December 2018 in connection with distributor relationships in Australia.

17. TRADE AND OTHER RECEIVABLES

	2020	*2019 Restated*
Trade receivables	8 988	7 280
Other receivables and other assets	6 854	7 269
Less: provision for doubtful receivables	(2 644)	(2 594)
Trade and other receivables, net	**13 198**	**11 955**

In 2019 and 2020, the Group continued to increase the accuracy of historical data on revenues, which increased the accuracy of the recognition of global contracts with customers. See Note 4 for additional information and the impact of the reviewed accounting policies.

A summary of the ageing structure of the Group's trade receivables:

	2020	*2019*
Overdue receivables	**8 891**	**7 146**
of which:		
Overdue by up to 30 days	*2 621*	*1 931*
Overdue between 30 – 90 days	*1 572*	*1 366*
Overdue by more than 90 days	*4 698*	*3 849*

The average maturity period of receivables from the sale of software is 30 days. The Group recorded a provision mainly for doubtful trade receivables of its subsidiaries ESET spol. s r.o., ESET Canada Inc. and ESET ASIA PTE. LTD. in the amount of EUR 2 645 thousand (2019: EUR 2 594 thousand).

(in thousands EUR, if not stipulated otherwise)

A summary of the ageing structure of the Group's trade receivables, for which provisions were recorded:

	2020	*2019 Restated*
Receivables, for which provisions were recorded	**4 989**	**4 138**
of which:		
Due	*85*	*82*
Overdue by up to 30 days	*270*	*196*
Overdue between 30 – 90 days	*33*	*31*
Overdue by more than 90 days	*4 601*	*3 829*

	2020	*2019*
Provisions for receivables	**(2 644)**	**(2 594)**
Of which:		
Due	*(42)*	*(52)*
Overdue by up to 30 days	*(18)*	*(44)*
Overdue between 30–90 days	*(27)*	*(25)*
Overdue by more than 90 days	*(2 557)*	*(2 473)*

The Group has developed a system that is uniformly used to assess the creditworthiness of customers. When determining the recoverability of trade receivables, the Group considers their creditworthiness as at the reporting date. The creditworthiness of customers is also assessed when deciding on a new customer. The Group performs the assessment of doubtful receivables based on historical experience and on management analysis.

The Group regularly assesses credit risk associated with its customers based on their financial position. In the case of default, the customer's access to the updated software version can be in certain cases restricted or cancelled, which makes the software unusable.

A summary of the ageing structure of the Group's overdue trade receivables, for which no provisions were recorded:

	2020	*2019*
Overdue receivables, for which no provisions were recorded:	**3 987**	**3 090**
Of which:		
Overdue by up to 30 days	*2 351*	*1 736*
Overdue by between 30 and 90 days	*1 540*	*1 334*
Overdue by more than 90 days	*96*	*20*

The Group records a substantial amount of trade receivables with no or minimal credit risk. The carrying amount of receivables approximates their fair value.

18. CONTRACT ASSETS AND OFFSETTING FINANCIAL ASSETS AND LIABILITIES

When the Group satisfies its obligation of contract performance by transferring software use rights during the specified period to a customer before the maturity of the receivable, a contract claim for a consideration is recognised by the Group as a contract asset.

	2020	*2019 Restated*
Balance as at 1 Jan	9 849	9 395
Additions of contract assets	8 725	9 849
Disposals of contract assets*	9 849	9 395
Balance as at 31 Dec	**8 725**	**9 849**

** Disposals of contract assets by reclassification to receivables at the maturity date, or when payment is received.*

In 2019 and 2020, the Group continued to increase the accuracy of historical data on revenues, which increased the accuracy of the recognition of global contracts with customers. See Note 4 for additional information and the impact of the reviewed accounting policies.

In accordance with IAS 32, the Group offsets receivables and contract assets with payables to distributors and resellers. See Note 3 for additional information about the applied accounting principle.

(in thousands EUR, if not stipulated otherwise)

Offset financial assets and financial liabilities

	2020	***2019 Restated***
Contract assets	8 725	9 849
Trade receivables	1 120	894
Trade payables	9 845	10 743

As at 31 December 2020, the Group records contingent receivables amounting to EUR 49 893 thousand (31 December 2019: EUR 55 507 thousand). These receivables are not recoverable and due at the end of the reporting period, but the Group expects them to fall due on average within 30 days of the end of the reporting period. A portion of receivables from distributors and resellers will be settled on a net basis upon maturity as contractually agreed in the distribution agreements with distributors and resellers.

19. CASH AND CASH EQUIVALENTS

	2020	***2019***
Cash on hand	39	46
Bank accounts	78 736	50 434
Bank deposits and other cash equivalents	36 780	9 442
	115 555	**59 922**

The Group invests free cash in bank term deposits (overnights, money market funds). The carrying amounts of these financial assets approximate their fair value. The Group adjusted the presentation of comparable data for 2019 by reclassifying cheques in the amount of EUR 222 thousand from Cash on hand to Bank deposits and other cash equivalents, and short-term term accounts in banks in the amount of EUR 8 450 thousand from Bank accounts to Bank deposits and other cash equivalents.

20. DEFERRED TAX ASSET AND DEFERRED TAX LIABILITY

20.1. Deferred Tax Balances

	2020	***2019***
Deferred tax asset	55 246	54 026
Deferred tax liability	(29)	-
Total	**55 217**	**54 26**

Deferred Tax Assets/(Liabilities) Comprise:

	Balance at 1 Jan 2020	***Charged Through Equity***	***Charged to Profits/ Losses***	***Recognised in Other Comprehensive Income***	***Balance at 31 Dec 2020***
Deferred income	97 314	-	4 275	(2 734)	98 855
Capitalised costs of obtaining a contract	(46 592)	-	(1 524)	1 054	(47 062)
Other	3 304	-	244	(124)	3 424
Total	**54 026**	**-**	**2 995**	**(1 804)**	**55 217**

(in thousands EUR, if not stipulated otherwise)

	Balance at 1 Jan 2019 Restated	Charged Through Equity	Charged to Profits/ Losses*	Recognised in Other Comprehensive Income	Balance at 31 Dec 2019 Restated
Deferred income	91 736	-	5 965	(387)	97 314
Capitalised costs of obtaining a contract	(45 069)		(2 479)	956	(46 592)
Other	2 282	-	987	35	3 304
Total	**48 949**	**-**	**4 473**	**604**	**54 026**

** There were no adjustments to the deferred tax as at 1 January 2020 in respect of the initial application of IFRS 16. The impact of IFRS 16 is an amount of EUR 168 thousand and is recognised as revenue for the current year.*

As at 31 December 2020, the Group did not recognise a deferred tax asset in the amount of EUR 5 304 thousand (2019: EUR 4 209 thousand) relating mainly to temporary differences from the possibility of carrying forward tax paid abroad by the subsidiary, ESET LLC. The Group does not anticipate that it will be able to carry forward tax paid abroad by tax deduction.

21. TRADE AND OTHER PAYABLES

	2020	*2019 Restated*
Trade payables	26 354	30 242
Employee benefits liabilities	8 703	7 488
Social security liabilities	2 924	2 364
Other tax liabilities	3 057	2 920
Other payables	30 091	5 475
Total	**71 129**	**48 489**
Of which:		
Liabilities within maturity	*70 323*	*47 850*
Overdue liabilities	*806*	*639*

In 2019 and 2020, the Group continued to increase the accuracy of historical data on revenues, which increased the accuracy of the recognition of global contracts with customers. See Note 4 for additional information and the impact of the reviewed accounting policies.

	2020	*2019*
Overdue liabilities	**806**	**639**
Of which:		
Overdue by up to 30 days	*532*	*446*
Overdue between 30 – 90 days	*125*	*(74)*
Overdue by more than 90 days	*149*	*267*

In 2020, other liabilities include liabilities from dividends approved but unpaid at the end of the year in the amount of EUR 23 383 thousand.

The Group has rules under which liabilities must be paid by their maturity. Other payables are primarily related to accrued expenses.

22. LEASES

The Group leases various office premises and contracts are usually concluded for a definite period with the option to extend or shorten the lease term based on individually agreed contractual terms. Lease contracts are negotiated separately and comprise various contractual terms. Lease contracts do not impose an obligation to meet covenants and leased assets may not be used as collateral.

During 2020, the Group adjusted the presentation of right-of-use assets and lease liabilities. For more details see Note 4.

(in thousands EUR, if not stipulated otherwise)

Right-of-use assets in EUR '000

	2020	***2019***
At 1 January	29 691	16 472
Additions	5 088	19 105
Disposals	(18)	-
Depreciation	(6 191)	(5 801)
Exchange rate effects	(712)	(85)
At 31 December	**27 858**	**29 691**

Recognised right-of-use assets apply to the following types of assets:

	2020	***2019***
Buildings	27 808	29 691
Equipment	-	-
Motor vehicles	50	-
	27 858	**29 691**

Lease liabilities in EUR '000

	2020	***2019***
At 1 Jan 2020	32 544	41
Initial application of IFRS 16	-	19 839
Additions	4 850	18 804
Disposals	(18)	-
Accrued interest expense	902	562
Lease payments	(7 723)	(6 896)
Exchange rate effects	(688)	194
At 31 Dec 2020	**29 867**	**32 544**
Of which:		
Current lease liabilities	*6 387*	*6 623*
Non-current lease liabilities	*23 480*	*25 921*
Of which:		
Non-current lease liabilities falling due in 1-5 years	*21 489*	*19 498*
Non-current lease liabilities falling due in over 5 years	*1 991*	*6 423*

The total outflow of cash for leases is presented in a separate line in the consolidated statement of cash flows, page 8.

Under IFRS 16, lease liabilities are measured at the present value of future lease payments discounted using the weighted average of the lessee's incremental borrowing rate. The weighted average interest rate used to recalculate the present value of future lease payments is as follows:

- At 1 January 2019 2.443%
- At 31 December 2019 2.510%
- At 31 December 2020 2.679%

Lease liabilities under IFRS 16 in EUR '000

	31 Dec 2020	***31 Dec 2019***
Lease liabilities net of discount	32 308	35 096
Discount	(2 441)	(2 561)
Lease liabilities after discounting	**29 867**	**32 535**
Weighted average interest rate	**2.68%**	**2.51%**

The Group leases office and operation premises under an operating lease. In several contracts, the Group has the possibility to exercise an option to extend a lease contract, an option of one-off termination of the contract by the lessee, or is entitled to terminate a lease contract for any reason or for convenience within a specified notice period. Upon termination of some contracts, the Group is also required to remove any modifications made and remedy any damage. Compensations and contractual penalties arising from such provisions of the contracts have no significant effect on the amount of the finance lease liability.

Contingent future lease liabilities from unused options stated in lease contracts, which may be exercised by the Group in the future, amount to EUR 24 929 thousand (2019: EUR 26 208 thousand) and contingent liabilities due to future variable payments related to such options amount to EUR 3 674 thousand (2019: EUR 3 225 thousand).

(in thousands EUR, if not stipulated otherwise)

Estimated future variable lease payments arising from lease contracts capitalised under IFRS 16 total EUR 6 260 thousand and have the following maturity structure:

	31 Dec 2020
Falling due in up to 1 year	1 191
Falling due in 1-5 years	3 913
Falling due in over 5 years	1 156
	6 260

Profit/(loss) as at 31 December 2020 in respect of IFRS 16 in EUR '000

	31 Dec 2020	*31 Dec 2019*
Depreciation of right-of-use assets	(6 191)	(5 801)
Of which:	-	-
Buildings	*(6 181)*	*(5 801)*
Equipment	-	-
Motor vehicles	*(10)*	-
Interest expense from lease liabilities	(902)	(563)
Expenses relating to low-value assets	(43)	(45)
Expenses relating to short-term leases	(617)	(666)
Expenses relating to other assets excluded from the scope of IFRS 16	(389)	(265)
Expenses relating to variable lease payments	(1 262)	(1 271)

The breakdown of the total amount of variable lease payments recognised in the consolidated statement of comprehensive income for the year ended 31 December 2020 is as follows:

	2020	*2019*
Rent	1 226	1 236
Internet, data services, IT services	1	-
Other operating expenses	35	35

The amount of COVID-19-related rent concessions in the form of reduced rent for which all the conditions above were met is recognised as part of variable lease payments in the amount of EUR 35 thousand.

The Group identified lease contracts to which an exemption under IFRS 16 is applied: Total future minimum lease liabilities from the lease of low-value assets as at 31 January 2020 amount to EUR 19 thousand, total lease liabilities from short-term leases amount to EUR 292 thousand. The total amount of other assets excluded from the scope of IFRS 16 due to materiality is EUR 708 thousand. Low-value assets include leases of assets with a value of up to EUR 5 thousand (printers, coffee machines, water dispenser stands). Short-term leases are leases of up to 1 year, and other assets excluded from the scope of IFRS 16 due to materiality mainly comprise leases of cars and data storage. Lease liabilities from the lease of other assets excluded from the scope of IFRS 16 due to materiality comprise future minimum lease payments to the lessor of such assets in the amount of the basic rent and the related fixed expenses. An overview of future lease payments to which IFRS 16 was not applied (leased low-value assets, short-term leases, other assets):

	31 Dec 2020
Falling due in up to 1 year	620
Falling due in 1 to 5 years	399
Falling due in over 5 years	-
	1 019

(in thousands EUR, if not stipulated otherwise)

In the current reporting period as at 31 December 2020, the Group corrected errors of previous reporting periods related to the reassessment of lease contracts when applying IFRS 16, the effect of which was assessed as immaterial on the information presented in the financial statements. As the effect of the correction is immaterial, the Group recognises this correction with an impact on the information presented in the current reporting period as at 31 December 2020. The total effect of the correction on the information presented in the consolidated financial statements as at 31 December 2020 is shown in the table below:

Consolidated Statement of Financial Position

Assets	**1 059**
Right-of-use assets	1 070
Accrued expenses (prepaid rent)	(4)
Deferred tax asset	(7)
Equity and liabilities	**1 059**
Profit/(loss) after tax	27
FX translation reserve	1
Non-current lease liabilities	1 055
Non-current provisions for liabilities	30
Current lease liabilities	(54)
Consolidated Statement of Comprehensive Income	
Rent	(48)
Depreciation	(14)
Interest	28
Deferred tax	7
Unrealised foreign exchange gains	-
Profit/(loss) after tax	**27**

23. PROVISIONS FOR LIABILITIES

	2020	***2019 Restated***
Short-term provisions for liabilities	220	153
Long-term provisions for liabilities	4 012	4 389
of which:		
Maturity up to 5 years	2 930	3 509
Maturity over 5 years	1 082	880

The provisions for liabilities include a provision for employee benefits that was created in connection with an employee loyalty benefit and the provision for restoration of leased assets to the original condition.

During 2020, the Group restated non-current liabilities and non-current provisions for liabilities. For more details, see Note 4.

Non-current provisions for liabilities mainly comprise the fund created from profit to pay bonuses to selected employees, which is regulated by the bonus scheme rules.

24. DEFERRED INCOME

	2020	***2019 Restated***
Balance as at 1 Jan	391 403	367 671
The adjustments were made in 2019	-	(2 223)
Consideration for services to be provided in the future	320 250	314 983
Released to revenues for the current year	(301 016)	(293 380)
Effect of FX differences	(13 020)	4 350
Balance as at 31 Dec	**397 617**	**391 403**
Of which:		
Current deferred income	275 361	270 010
Non-current deferred income	122 256	121 393

In 2019 and 2020, the Group continued to increase the accuracy of historical data on revenues, which increased the accuracy of the recognition of global contracts with customers. See Note 4 for additional information and the impact of the reviewed accounting policies.

"Deferred income" in the consolidated statement of financial position includes deferred income of the Group from the sale of ESET products and services, also referred to as "contract liabilities".

The line "Adjustments made in 2019" in the table above shows the impact of corrected errors on deferred income as at 31 December 2018 with respect to the relationships with distributors in Australia.

25. CONTINGENT LIABILITIES

Tax returns of the Parent Company remain open and may be subject to review over a five-year period. The fact that a certain period or tax return related to this period has been subject to review does not eliminate the possibility of this period being subject to a further review during the five-year period. Accordingly, as at 31 December 2020, the Parent Company's tax returns for 2016 to 2020 remain open and may be subject to review.

The ESET Group identified contingent future lease liabilities from unused options stated in lease contracts, which may be exercised in the future, in the total amount of EUR 24 929 thousand and contingent liabilities due to future variable payments related to such options in the amount of EUR 3 674 thousand.

26. LITIGATION

FINJAN Inc.

The Parent Company and its subsidiaries are currently a party to three legal disputes with FINJAN as at 31 December 2020.

a. In litigation in which Eset, spol. s r.o. and its subsidiary, Eset LLC, are the defendant, FINJAN Inc. took legal action against both companies due to an alleged breach of six patents registered in the US by FINJAN Inc.
b. In litigation in which Eset, spol. s r.o. and its subsidiary, Eset Deutschland GmbH, are the defendant, FINJAN Inc. took legal action against both companies due to an alleged breach of a patent registered by FINJAN Inc.
c. In litigation before a court in Munich between FINJAN Inc. as the defendant and ESET spol. s r.o. as the plaintiff regarding the invalidity of a patent for the alleged breach of which FINJAN Inc. took legal action at a court in Dusseldorf against ESET, spol. s r.o. and ESET Deutschland GmbH.

The outcome of litigations in Germany is mutually-dependent. The litigation on patent infringement is stayed as at 31 December 2020 until a ruling in the dispute concerning patent invalidity is issued. In November 2018, the first-instance court decided that the patent of FINJAN Inc. is invalid; FINJAN Inc. subsequently appealed. On 13 April 2021, Bundesgerichthof (the German Supreme Court) revoked the first-instance court decision on the invalidity of the patent and ruled that the patent remains unchanged. The Group will pay costs of proceedings to FINJAN Inc. The litigation on patent invalidity was completed as at the date of publication of the financial statements.

The hearing was held in the USA case in March 2020, but it was terminated early due to the coronavirus. Given the unsuccessful termination of the proceedings concerning the '305 patent invalidation, the court ruled that any continuation of judicial proceedings related to this patent should include all six patents at the same time in the event of another hearing. In February 2021, there was a discovery stage, the fact-related part of which was completed.

In March 2021, based on an earlier petition of the Group, the court ruled on the invalidity of five of the six patents in these proceedings. At the end of March, the court permitted FINJAN Inc. to file a motion for reconsideration, via which FINJAN Inc. seeks a change of the court's ruling. In April 2021, FINJAN Inc. filed a motion for reconsideration against a court ruling on the invalidity of the five patents. In May 2021, the motion for reconsideration was dismissed by the court. FINJAN filed an appeal with the Federal Court of Appeals in June 2021. In addition, the court ruled on the repeated separation of proceedings on the '305 patent from other patents. The proceeding on the '305 patent was adjourned until a ruling on other patents is issued, including potential appellate proceedings.

(in thousands EUR, if not stipulated otherwise)

As none of these litigations meets the conditions for the creation of a provision, the Group did not record a provision for potential losses as at 31 December 2020.

Future Time S.r.l.

In January 2021, the former Italian distributor, Future Time S.r.l., exercised monetary claims by a letter due to the termination of a distribution contract. The Group created a provision for an overdue receivable from the debtor, Future Time S.r.l., in the amount of a receivable recorded as at 31 December 2020. In accordance with IFRS, the Group did not recognise contingent receivables from Future Time S.r.l. for generated licence keys. Future Time S.r.l. exercised its claims at the Court of Arbitration of the Slovak Chamber of Commerce and Industry.

In May 2021, the Group filed a petition with the Court of Arbitration of the Slovak Chamber of Commerce and Industry, dismissing the claims of Future Time S.r.l. with an extensive justification and exercised its own claims. Currently, negotiations are ongoing with Future Time S.r.l.

As the provisioning conditions have not been met, the Group did not recognise a provision for potential losses as at 31 December 2020.

27. COMMITMENTS

As at 31 December 2020, the Group had concluded no significant contracts for the purchase of non-current tangible and intangible assets.

28. COSTS OF AUDIT SERVICES

	2020	***2019***
Costs of auditing financial statements	304	312
Other assurance audit services	-	2
Tax advisory	117	159

29. RELATED PARTIES

29.1. Trading transactions

The Group is owned and controlled by individuals (refer to Note 1.1.). There were no transactions between the Group and related parties except for the transactions below:

	2020	***2019***
Transactions with related parties through personal connection	-	-
Borrowing from a minority owner	54	56

The Group's management considers related party transactions to be performed on an arm's length basis.

Balances and transactions between the Parent Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

29.2. Compensation of key management personnel

	2020	***2019***
Short-term benefits	7 546	6 812

(in thousands EUR, if not stipulated otherwise)

30. FINANCIAL RISK MANAGEMENT

A summary of categories of financial instruments – balances as at 31 December:

	Carrying Amount		*Fair Value*	
	2020	***2019 Restated***	***2020***	***2019 Restated***
Assets per the statement of financial position				
Other non-current assets	2 440	2 314	2 440	2 314
Trade and other receivables	8 660	5 637	8 660	5 637
Cash and cash equivalents	115 555	59 922	115 555	59 922
Total	**126 655**	**67 873**	**126 655**	**67 873**
Liabilities per the statement of financial position				
Other non-current liabilities	178	122	178	122
Non-current lease liabilities	23 481	25 921	23 481	25 921
Long-term provisions for liabilities	4 012	4 389	4 012	4 389
Trade and other payables	68 074	45 577	68 074	45 577
Current lease liabilities	6 387	6 615	6 387	6 615
Short-term provisions for liabilities	219	153	219	153
Total	**102 351**	**82 777**	**102 351**	**82 777**

Cash and cash equivalents, trade receivables and trade payables and other current receivables and payables are recognised at carrying amounts that approximate their fair values as they have short-term maturities.

30.1. Risk Management

The Group is exposed to various financial risks such as market risk (mainly, foreign exchange risk) and liquidity risk. As the Group did not draw any loans, it is not exposed to interest rate risk or credit risk. The Group recognises lease liabilities under IFRS 16, which are discounted using the weighted average incremental borrowing rate of the lessee, which is in essence a fixed rate. A potential change to this rate upon the modification of a lease contract will not affect the agreed future cash flows, but rather will impact the measurement of the lease liabilities in the consolidated statement of financial position. The Group has set rules to manage these exposures; risk management is performed by the Parent Company's finance department and the subsidiaries' finance departments.

30.2. Foreign Exchange Risk

The Group operates on international markets and is exposed to foreign exchange risk inherent in foreign currency transactions when translating them into the functional currency. The risks arise from future transactions, recognised assets and liabilities. The euro is the functional currency of the Parent Company. The Parent Company has subsidiaries, which report in twelve different currencies (Czech koruna, British pound, Polish zloty, Romanian leu, US dollar, Canadian dollar, Singapore dollar, Brazilian real, Argentine peso, Australian dollar, Mexican peso and Japanese yen). The Group does not use any special financial instruments to hedge against foreign exchange risk. The Group relies on natural hedging through adjusting purchases and sales. The exposures are further mitigated through the use of short-term placements in banks.

The following items of assets and liabilities are denominated in a currency other than the functional currency that is material to the Group:

Cash: USD, CZK, PLN, CAD, GBP, JPY
Receivables: USD, JPY
Payables: USD, CZK, PLN, CAD, GBP, SGD, JPY, ARS

The Group also has assets and liabilities denominated in the Brazilian real, Canadian dollar, Romanian leu, Mexican peso, Australian dollar and Swiss franc. The Parent Company has assets and liabilities denominated primarily in the functional currency – euro, and also in USD, UK pound, Canadian dollar, Japanese yen, CZK, Polish zloty and Brazilian real.

The sensitivity analysis is based on the same assumptions as used internally by the management for financial risk management planning and strategy. This is based on past movements, and on knowledge of and experience in financial markets. These are the movements that are considered to be reasonably possible in the next twelve months:

(in thousands EUR, if not stipulated otherwise)

Movements in EUR/foreign currency exchange rates by 10% would represent the following amounts:

	Exchange Rate at 31 Dec 2020	***Exchange Rate Appreciation by 10%***	***Exchange Rate Depreciation by 10%***
EUR / USD	1.2271	1.3498	1.1044
EUR / CZK	26.2420	28.8662	23.6178
EUR / JPY	126.4900	139.1390	113.8410
EUR / GBP	0.8990	0.9889	0.8091
EUR / PLN	4.5597	5.0157	4.1037
EUR / AUD	1.5896	1.7486	1.4306
EUR / BRL	6.3735	7.0109	5.7362
EUR / SGD	1.6218	1.7840	1.4596
EUR / CAD	1.5633	1.7196	1.4070
EUR / ARS*	103.4330	113.7763	93.0897
EUR / RON	4.8683	5.3551	4.3815
EUR / MXN	24.4160	26.8576	21.9744
EUR / CHF	1.0802	1.1882	0.9722

**As regards the foreign subsidiary in Argentina, whose functional currency is hyperinflationary, all items (assets, liabilities, equity, revenues and expenses) were translated using the ECB's exchange rate valid as at the reporting date. Comparable items presented as data of the previous period were translated into a non-hyperinflationary currency and thus were not adjusted for subsequent changes in price, or subsequent movements in exchange rates.*

Based on the sensitivity analysis, if the EUR exchange rate increased/decreased by 10% against these foreign currencies and other variables remained unchanged, the impact on the profit/loss from the translation would be as follows:

	Depreciation of the Exchange Rate by 10%	***Appreciation of the Exchange Rate by 10%***
EUR / USD	(2 352)	2 875
EUR / CZK	(542)	663
EUR / JPY	(774)	946
EUR / GBP	(1 069)	1 306
EUR / PLN	(102)	124
EUR / AUD	(36)	45
EUR / BRL	7	(8)
EUR / SGD	11	(14)
EUR / CAD	(481)	588
EUR / ARS*	15	(19)
EUR / RON	(8)	10
EUR / MXN	-	-
EUR / CHF	1	(1)

**As regards the foreign subsidiary in Argentina, whose functional currency is hyperinflationary, all items (assets, liabilities, equity, revenues and expenses) were translated using the ECB's exchange rate valid as at the reporting date. Comparable items presented as data of the previous period were translated into a non-hyperinflationary currency and thus were not adjusted for subsequent changes in price, or subsequent movements in exchange rates.*

A 10% movement in the exchange rate was used in the analysis since at this level the management is informed about the currency risk and makes decisions.

30.3. Exchange Rates

Currency	***Average Exchange Rate for 2020***	***Exchange Rate as at 31 Dec 2020***	***Average Exchange Rate for 2019***	***Exchange Rate as at 31 Dec 2019***
EUR / USD	1.1420	1.2271	1.1190	1.1234
EUR / CZK	26.4550	26.2420	25.6700	25.4080
EUR / JPY	121.8460	126.4900	122.0060	121.9400
EUR / GBP	0.8900	0.89903	0.8780	0.8508
EUR / PLN	4.4430	4.5597	4.2980	4.2568
EUR / AUD	1.6550	1.5896	1.6110	1.5995
EUR / BRL	5.8940	6.3735	4.4130	4.5157
EUR / SGD	1.5740	1.6218	1.5270e	1.5111
EUR / CAD	1.5300	1.5633	1.4850	1.4598
EUR / ARS*	82.1920	103.4330	52.8980	67.0900
EUR / RON	4.8380	4.8683	4.7450	4.7830
EUR / MXN	24.5190	24.4160	21.5570	21.2202
EUR / CHF	1.0710	1.0802	1.1120	1.0854

**As regards the foreign subsidiary in Argentina, whose functional currency is hyperinflationary, all items (assets, liabilities, equity, revenues and expenses) were translated using the ECB's exchange rate valid as at the reporting date. Comparable items presented as data of the previous period were translated into a non-hyperinflationary currency and thus were not adjusted for subsequent changes in price, or subsequent movements in exchange rates.*

30.4. Liquidity Risk

The Group keeps a sufficient volume of cash primarily from its own resources. At the Group level, the management monitors the sufficiency of liquid reserves based on the forecasted cash flows.

The COVID-19 pandemic had no significant financial impact on the Group and does not represent an increased liquidity risk.

The bulk of trade receivables within the Group arise from sales to customers outside of Slovakia. The Group performs a continuous assessment of the customers' creditworthiness and financial standing while no guarantees are required in general. The Group delivers its products in a manner that enables it to limit upgrades of versions and these become less usable.

The Group's deposits that are not covered by any special insurance. In the USA, the insurance is provided by US Federal Deposit Insurance Corporation (FDIC). The management believes that the non-insured portion is placed in financial institutions where no concern regarding their insolvency exists at present.

31. CAPITAL MANAGEMENT

The Group manages capital to ensure that it is able to continue as a going concern. To achieve this, the Company uses its equity. The amount of the Company's own funds is optimised in relation to the distribution thereof.

32. COVID-19 IMPACT ON THE GROUP

By end of 2019 we were receiving first information regarding COVID-19 infection in China. In first months of 2020 the virus has been spread all around the world including all negative impacts.

ESET, spol. s r.o. and its subsidiaries promptly took preventive measures to continue providing customer services fully working, ensuring the safety and health of our employees and customers. In March 2020 ESET immediately stopped all international business travels, implemented preventive hygienic measures in office environment. Employees were encouraged to working remote from their homes but turned to mandatory mode for almost all employees in all ESET entities. All workforce that doesn't require physical presence at office was transferred to home office environment.

The year 2020 was a challenging one for the Group, not only as regards support for science and research, but also as regards setting various measures in working and private life. As a result, the Group's ESET Foundation established the Fund for the Support of Effective Diagnosis and Prevention of COVID-19, to which it contributed EUR 300 000. The Group supported the development of the first Slovak PCR test. In the first phase, it funded the first 100,000 PCR tests, which the Group and the involved companies and scientists donated to the Slovak Republic.

The Group has implemented Pandemic flu business continuity plan that is updated on regular basis. According to the plan, the company is able to deliver customer services also during long-term crisis situation. However this is depending on future decisions and restrictions of government agencies.

33. POST-BALANCE SHEET EVENTS

At the time of the publication of these financial statements, Group management did not register a significant decline in sales, reduced ability of distributors to pay receivables, or an impact on the Group's ability to pay its liabilities in connection with the COVID-19 pandemic. Given the emergence and spread of new COVID-19 virus mutations, the pandemic situation is continuously changing, and it is therefore not possible to predict future impacts. However, the Group does not expect a decrease in the value of its assets or significant losses.

ESET management is monitoring the situation and is ready to take all possible steps to mitigate any negative impact on ESET company and employees.

On 16 December 2020, the Management Board decided on the payment of dividends to the shareholders totalling EUR 23 385 thousand. As at 31 December 2020, they are included in Trade payables and other payables of the consolidated statement of financial position. Dividends were paid on 18 January 2021.

From 31 December 2020 up to the preparation date of the corrected financial statements, there were no other events that would have a significant impact on the Group's assets and liabilities.

(in thousands EUR, if not stipulated otherwise)

34. OTHER SUPPLEMENTARY INFORMATION REQUIRED PURSUANT TO SLOVAK LEGISLATION

These disclosures are required by the Slovak legislation beyond the scope of IFRS disclosures – consolidated financial statements. Other required disclosures are included in the previous notes.

Reporting Entity

ESET, spol. s r. o. prepared these consolidated financial statements in line with IFRS, as adopted in the EU, as annual consolidated financial statements pursuant to the Slovak Act on Accounting.

Business name of the consolidating entity:	ESET, spol. s r.o.
Registered seat:	Einsteinova 24, 851 01 Bratislava
Date of establishment:	26 June 1992
Date of incorporation:	17 September 1992
Company ID (IČO):	31 333 532
Tax ID (DIČO):	2020317068
Number of employees in the consolidation group:	1 588

Consolidated entities

Business name:	ESET, spol. s r.o.
Registered seat:	Slovak Republic
	Parent company
Business name:	ESET software spol. s r.o.
Registered seat:	Czech Republic
	Subsidiary
Business name:	ESET, LLC,
Registered seat:	California, USA
	Subsidiary
Business name:	ESET LATINOAMERICA, SRL
Registered seat:	Argentina
	Subsidiary
Business name:	ESET ASIA PTE. LTD.
Registered seat:	Singapore
	Subsidiary
Business name:	ESET DO BRASIL MARKETING LTDA
Registered seat:	Brazil
	Subsidiary
Business name:	ESET POLSKA SPÓŁKA Z OGRANICZONA ODPOWIEDZIALNÓSCIA
Registered seat:	Poland
	Subsidiary
Business name:	ESET CANADA Recherche Inc.
Registered seat:	Canada
	Subsidiary
Business name:	ESET Canada Inc.
Registered seat:	Canada
	Subsidiary
Business name:	ESET Research Czech Republic s.r.o.
Registered seat:	Czech Republic
	Subsidiary
Business name:	ESET DEUTSCHLAND GmbH
Registered seat:	Germany
	Subsidiary
Business name:	ESET SOFTWARE AUSTRALIA PTY, LTD.
Registered seat:	Australia
	Subsidiary

Business name:	ESET RESEARCH UK Limited
Registered seat:	UK
	Subsidiary

Business name:	PGNB LIMITED
Registered seat:	UK
	Subsidiary

Business name:	ESET SOFTWARE UK Limited
Registered seat:	UK
	Subsidiary

Business name:	ESET Romania S.R.L.
Registered seat:	Romania
	Subsidiary

Business name:	Nadácia ESET
Registered seat:	Slovak Republic
	Subsidiary

Business name:	ESET Japan Inc.
Registered seat:	Japan
	Subsidiary

Business name:	ESET MÉXICO S. de R.L. de C.V.
Registered seat:	Mexico
	Subsidiary

Business name:	ESET ITALIA S.r.l.
Registered seat:	Italy
	Subsidiary

Ultimate consolidating company

Business name:	ESET, spol. s r.o.
Registered seat:	Bratislava, Slovak Republic

Consolidating companies where the consolidated financial statements are kept

Business name:	ESET, spol. s r.o.
Registered seat:	Bratislava, Slovak Republic
Address of the Court of Record:	Commercial Register of the District Court Bratislava I., section: Sro, file No.: 3586/B

The reporting entity is not an unlimited liability partner in any company.

Executives of the consolidating company as at 31 December 2020:

Rudolf Hrubý;
Peter Paško; and
Miroslav Trnka.

There was no change up to the preparation date of these consolidated financial statements.

(in thousands EUR, if not stipulated otherwise)

Other data for the Group:

- The Parent Company and subsidiaries have their tangible assets covered by insurance;
- Non-current immovable assets that are not registered in the land register as at the date of authorisation of the financial statements for issue (and is used) – none;
- Assets acquired in privatisation with the specification of their cost – none; and
- Social fund payables, opening balance, creation, drawing, balance at the end of the reporting period for the Company:

	2020	*2019*
Balance at 1 January 2020	122	84
+ Creation debited to expenses	344	289
+ Transfer from other funds	-	-
- Drawing	288	251
- Transfer to funds from profit	-	-
Balance at 31 December 2020	**178**	**122**

Prepared on:	**Signature of a Member of the Statutory Body of the Reporting Entity or a Natural Person Acting as a Reporting Entity:**	**Signature of the Person Responsible for the Preparation of the Consolidated Financial Statements:**	**Signature of the Person Responsible for Bookkeeping:**
18 June 2021			
Approved on:			

SEPARATE FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT AS OF 31 DECEMBER 2020

ESET, spol. s r.o.

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2020

AND

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

This is a translation of the original auditor's report issued in the Slovak language to the accompanying financial statements translated into the English language.

Deloitte.

Deloitte Audit s.r.o.
Digital Park II, Einsteinova 23
851 01 Bratislava
Slovak Republic

Tel: +421 2 582 49 111
deloitteSK@deloitteCE.com
www.deloitte.sk

Registered in the Business
Register of the District Court Bratislava I
Section Sro, File 4444/B
Company ID: 31 343 414
VAT ID: SK2020325516

ESET, spol. s r.o.

INDEPENDENT AUDITOR'S REPORT

To the Partners and Executives of ESET, spol. s r.o.:

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of ESET, spol. s r.o. (the "Company"), which comprise the balance sheet as at 31 December 2020, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance for the year then ended in accordance with the Act on Accounting No. 431/2002 Coll. as amended (the "Act on Accounting").

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

This is a translation of the original auditor's report issued in the Slovak language to the accompanying financial statements translated into the English language.

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

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

We communicate with those charged with governance about, inter alia, the planned scope and time schedule of the audit and significant audit findings, including all material deficiencies of internal control identified during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on Information Disclosed in the Annual Report

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

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

As at the issuance date of the auditor's report on the audit of financial statements, the annual report was not available to us.

When we obtain the annual report, we will assess whether the Company's annual report includes information whose disclosure is required under the Act on Accounting, and based on procedures performed during the audit of the financial statements, we will express an opinion on whether:

- Information disclosed in the annual report prepared for 2020 is consistent with the financial statements for the relevant year; and
- The annual report includes information pursuant to the Act on Accounting.

Furthermore, we will disclose whether material misstatements were identified in the annual report based on our understanding of the Company and its position, obtained in the audit of the financial statements.

Bratislava, 9 April 2021

Ing. Peter Longauer, FCCA
Responsible Auditor
Licence UDVA No. 1136

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

UZPODv14_1

Úč POD

FINANCIAL STATEMENTS

of Enterprises in the Double-Entry Bookkeeping System)

Prepared as at 31 . 12 . 2020

Figures are rounded on the right, other data are written from the left. Unfilled lines remain blank.
Data are filled in using block letters (as shown below) by a typewriter or a printer machine in black or dark blue.

Á Ä B Č D É F G H Í J K L M N O P Q R Š T Ú V X Ý Ž 0 1 2 3 4 5 6 7 8 9

Tax Registration Number	Financial Statements	Reporting Entity		Month	Year
2020317068	[X] Ordinary	[ ] Small	For the Period	From 01	2020
Identificatio 31333532	[ ] Extraordinary	[X] Large		To 12	2020
SK NACE 62.09.0	[ ] Interim	*(vyznačí sa x)*	*Immediately-Preceding Period*	From 01	2019
				To 12	2019

Accompanying Parts of Finacial Statements

x Balance Sheet (Úč POD 1-01) *(in whole Euros)*
x Income Statement (Úč POD 2-01) *(in whole Euros)*
x Notes (Úč POD 3-01) *(in whole Euros)*

Business Name (Name) of the Reporting Entity

ESET, spol. s r.o.

Seat of the Reporting Entity

Street: Einsteinova

Number: 24

Postal Code: 85101

Municipality: Bratislava

Commercial Register and Number of Entry of the Company

Okresný súd Bratislava I, oddiel: Sro, vložka číslo 3586/B

Phone Number: 02/32244100

Fax Number: 02/32244109

E-mail Address: martin.balusik@eset.com

Prepared on:	Approved on:	Signature of a Member of the Statutory Body of the Reporting Entity or a Natural Person Acting as a Reporting Entity:
31.03.2021	. .	

Records of the Tax Authority

Place for Registration Number

Presentation Stamp of the Tax Authority

Balance Sheet
Úč POD 1 - 01

DIČ 2020317068 IČO 31333532

Description	ASSETS	Line	Current Reporting Period 1: Gross - Part 1 / Correction - Part 2	Current Reporting Period: Net 2	Immediately-Preceding Reporting Period: Net 3
a	b	c			
	Total assets (l. 02 + l. 33 + l. 74)	01	23807391	21232059	
			25750332		136956535
A.	Non-current assets (l. 03 + l. 11 + l. 21)	02	93810948	70552422	
			23258526		57705358
A.I.	Total non-current intangible assets (l. 04 to l. 10)	03	11825501	4490704	
			7334797		4704389
A.I.1.	Capitalised development costs (012) - /072, 091A/	04			
2.	Software (013) - /073, 091A/	05	4020655	1509000	
			2511655		2263500
3.	Valuable rights (014) - /074, 091A/	06	63428	20305	
			43123		26648
4.	Goodwill (015) - /075, 091A/	07	337884		
			337884		
5.	Other non-current intangible assets (019, 01X) - /079, 07X, 091A/	08	7044455	2602320	
			4442135		2170515
6.	Non-current intangible assets in acquisition (041) - 093	09	359079	359079	
					243726
7.	Advance payments for non-current intangible assets (051) - /095A/	10			
A.II.	Total non-current tangible assets (l. 012 tol. 020)	11	48996237	33072508	
			15923729		32391419
A.II.1.	Land (031) - 092A	12	7102729	7102729	
					7102729
2.	Structures (021) - /081, 092A/	13	5787461	1353594	
			4433867		996234
3.	Separate movable assets and sets of movables (022) - /082, 092A/	14	16010696	4520834	
			11489862		4599897

Balance Sheet
Úč POD 1 - 01

DIČ 2020317068 IČO 31333532

Description a	ASSETS b	Line c	Current Reporting Period: Gross - Part 1 (1)	Current Reporting Period: Correction - Part 2 (1)	Current Reporting Period: Net 2	Immediately-Preceding Reporting Period: Net 3
4.	Perennial crops (025) - /085, 092A/	15				
5.	Livestock and draught animals (026) - /086, 092A/	16				
6.	Other non-current tangible assets (029, 02X, 032) - /089, 08X, 092A/	17				
7.	Non-current tangible assets in acquisition (042) - 094	18	20095351		20095351	19692559
8.	Advance payments for non-current tangible assets (052) - /095A/	19				
9.	Correction item to acquired assets (+/- 097) +/- 098	20				
A.III.	**Total non-current financial assets (l. 22 to l. 32)**	**21**	32989210		32989210	20609550
A.III.1.	Shares and ownership interests in group companies (061A, 062A, 063A) - /096A/	22	32989210		32989210	20589522
2.	Shares and ownership interests with a participating interest except for group companies (062A) - /096A/	23				
3.	Other held-for-sale securities and ownership interests (063A) - /096A/	24				
4.	Loans to group companies (066A) - /096A/	25				
5.	Loans within a participating interest except to group companies (066A) - /096A/	26				
6.	Other loans (067A) - /096A/	27				
7.	Debt securities and other non-current financial assets (065A, 069A, 06XA) - /096A/	28				

Balance Sheet
Úč POD 1 - 01

DIČ 2020317068

IČO 31333532

Description	ASSETS	Index	Current Reporting Period: Gross - Part 1 / Correction - Part 2	Current Reporting Period: Net 2	Immediately-Preceding Reporting Period: Net 3
a	b	c	1	2	3
8.	Loans and other non-current financial assets with remaining maturity of up to one year (066A, 067A, 069A, 06XA) - /096A/	29			
9.	Bank accounts bound for period exceeding one year (22XA)	30			
10.	Non-current financial assets in acquisition (043) - /096A/	31			
					20028
11.	Advance payments for non-current financial assets (053) - /095A/	32			
B.	Current assets (l. 34 + l. 41 + l. 53 + l. 66 + l. 71)	33	141638344	139146538	
			2491806		75655984
B.I.	Total inventory (l. 35 to l. 40)	34	227034	227034	
					187362
B.I.1.	Raw materials (112, 119, 11X) - /191, 19X/	35	227034	227034	
					187362
2.	Work-in-progress and semi-finished goods (121, 122, 12X) - /192, 193, 19X/	36			
3.	Finished goods (123) - 194	37			
4.	Livestock (124) - 195	38			
5.	Merchandise (132, 133, 13X, 139) - /196, 19X/	39			
6.	Advance payments for inventory (314A) - /391A/	40			
B.II.	Total non-current receivables (l. 42 + l. 46 to l. 52)	41	3394189	3394189	
					3263020
B.II.1	Total trade receivables (l. 43 to l. 45)	42	1185037	1185037	
					1184086

Balance Sheet
Úč POD 1 - 01

DIČ 2020317068 IČO 31333532

Ozna-čenie	ASSETS	Line	Current Reporting Period 1: Gross - Part 1 / Correction - Part 2	Net 2	Immediately-Preceding Reporting Period: Net 3
a	b	c			
1.a.	Trade receivables from group companies (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	43			
1.b.	Trade receivables within a participating interest except for receivables from group companies (311A,312A,313A, 314A, 315A, 31XA) - /391A/	44			
1.c.	Other trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	45	1185037	1185037	
					1184086
2.	Net contract value (316A)	46			
3.	Other receivables from group companies (351A) - /391A/	47	746583	746583	
					947269
4.	Other receivables within a participating interest except for receivables from group companies (351A) - /391A/	48			
5.	Receivables from partners, members and participants in an association (354A, 355A, 358A, 35XA) -	49			
6.	Receivables from derivative transactions (373A, 376A)	50			
7.	Other receivables (335A, 336A, 33XA, 371A, 374A, 375A, 378A) - /391A/	51	9599	9599	
					86266
8.	Deferred tax asset (481A)	52	1452970	1452970	
					1045399
B.III.	**Total current receivables (l. 54 + l. 58 to l. 65)**	53	45743025	43251219	
			2491806		40169551
B.III.1.	**Total trade receivables (l. 55 to l. 57)**	54	42690839	40199033	
			2491806		40063204
1.a.	Trade receivables from group companies (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	55	23927663	23927663	
					22473703
1.b.	Trade receivables within a participating interest except for receivables from group companies (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	56			

Balance Sheet
Úč POD 1 - 01

DIČ 2020317068

IČO 31333532

Description a	ASSETS b	Line c	Current Reporting Period 1: Gross - Part 1 / Correction - Part 2	Current Reporting Period: Net 2	Immediately-Preceding Reporting Period: Net 3
1.c.	Other trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	57	18763176	16271370	
			2491806		17589501
2.	Net contract value (316A)	58			
3.	Other receivables from group companies (351A) - /391A/	59			
4.	Other receivables within a participating interest except for receivables from group companies (351A) - /391A/	60			
5.	Receivables from partners, members and participants in an association (354A, 355A, 358A, 35XA,	61			
6.	Social security insurance (336A) - /391A/	62			
7.	Tax assets and subsidies (341, 342, 343, 345, 346, 347) - /391A/	63	2887562	2887562	
					28172
8.	Receivables from derivative transactions (373A, 376A)	64			
9.	Other receivables (335A, 33XA, 371A, 374A, 375A, 378A) - /391A/	65	164624	164624	
					78175
B.IV.	**Total current financial assets (l. 67 to l. 70)**	66			
B.IV.1.	Current financial assets in group companies (251A, 253A, 256A, 257A, 25XA) - /291A, 29XA/	67			
2.	Current financial assets excluding current financial assets in group companies (251A, 253A, 256A, 257A, 25XA) - /291A, 29XA/	68			
3.	Treasury stock and treasury shares (252)	69			
4.	Current financial assets in acquisition (259, 314A) - /291A/	70			

UZPODv14_7

Balance Sheet
Úč POD 1 - 01

DIČ 2020317068

IČO 31333532

Description a	ASSETS b	Line c	Current Reporting Period 1: Gross - Part 1 / Correction - Part 2	Current Reporting Period: Net 3	Immediately-Preceding Reporting Period: Net 3
B.V.	Financial accounts l. 72 + l. 73	71	92274096	92274096	
					32036051
B.V.1.	Cash on hand (211, 213, 21X)	72	26586	26586	
					26333
2.	Bank accounts (221A, 22X, +/- 261)	73	92247510	92247510	
					32009718
C.	Total accruals and deferrals (l. 75 to l. 78)	74	2621099	2621099	
					3595193
C.1.	Non-current deferred expenses (381A, 382A)	75	262554	262554	
					367570
2.	Current deferred expenses (381A, 382A)	76	2132587	2132587	
					3227623
3.	Non-current accrued income (385A)	77			
4.	Current accrued income (385A)	78	225958	225958	

Description a	EQUITY AND LIABILITIES b	Line c	Current Reporting Period 4	Immediately-Preceding Reporting Period 5
	TOTAL EQUITY AND LIABILITIES l. 80 + l. 101 + l. 141	79	212320059	136956535
A.	Equity l. 80 + l. 85 + l. 86 + l. 87 + l. 90 + l. 93 + l. 97 + l. 100	80	158352738	122106894
A.I.	Total registered capital (l. 82 to l. 84)	81	140000	140000
A.I.1.	Registered capital (411 or +/- 491)	82	140000	140000
2.	Changes in the registered capital +/- 419	83		
3.	Receivables for subscribed capital (/-/353)	84		
A.II.	Share premium (412)	85		
A.III.	Other capital funds (413)	86		
A.IV.	Legal reserve funds l. 88 + l. 89	87	14000	14000
A.IV.1.	Legal reserve fund and non-distributable fund (417A, 418, 421A, 422)	88	14000	14000
2.	Reserve fund for treasury stock and treasury shares (417A, 421A)	89		

Balance Sheet
Úč POD 1 - 01

DIČ 2020317068 IČO 31333532

Description a	EQUITY AND LIABILITIES b	Line c	Current Reporting Period 4	Immediately-Preceding Reporting Period 5
A.V.	**Other funds from profit l. 91 + l. 92**	90	2331887	4095419
A.V.1.	Statutory funds (427, 42X)	91		
2.	Other funds (427, 42X)	92	2331887	4095419
A.VI.	**Total revaluation reserves (l. 94 to l. 96)**	93		
A.VI.1	Asset and liability revaluation reserve (+/- 414)	94		
2.	Financial investments revaluation reserve (+/- 415)	95		
3.	Revaluation reserve from fusions, mergers and separations (+/- 416)	96		
A.VII.	**Profit/loss from previous years l. 98 + l. 99**	97	7770398	4015077
A.VII.1.	Retained earnings from previous years (428)	98	7770398	4015077
2.	Accumulated losses from previous years (/-/429)	99		
A.VIII.	**Profit/loss for the current reporting period after taxation /+-/ l. 01 - (l. 81 + l. 85 + l. 86 + l. 87 + l. 90 + l. 93 + l. 97 + l. 101 + l. 141)**	100	7816453	7770398
B.	**Liabilities l. 102 + l. 118 + l. 121 + l. 122 + l. 136 + l. 139 + l. 140**	101	5314529	1448518
B.I.	**Total non-current liabilities (l. 103 + l. 107 to l. 117)**	102	17619	12079
B.I.1.	**Total long-term trade payables (l. 104 to l. 106)**	103		
1.a.	Trade payables to group companies (321A, 475A, 476A)	104		
1.b.	Trade payables within a participating interest except for payables to group companies (321A, 475A, 476A)	105		
1.c.	Other trade payables (321A, 475A, 476A)	106		
2.	Net contract value (316A)	107		
3.	Other payables to group companies (471A, 47XA)	108		
4.	Other payables within a participating interest except for payables to group companies (471A, 47XA)	109		
5.	Other long-term payables (479A, 47XA)	110		
6.	Long-term advance payments received (475A)	111		
7.	Long-term bills of exchange to be paid (478A)	112		
8.	Bonds issued (473A/-/255A)	113		
9.	Social fund payables (472)	114	17619	12079
10.	Other non-current payables (336A, 372A, 474A, 47XA)	115		
11.	Long-term payables from derivative transactions (373A, 377A)	116		
12.	Deferred tax liability (481A)	117		

Balance Sheet (Úč POD 1-01) DIČ 2020317068 IČO 31333532

Description a	EQUITY AND LIABILITIES b	Line c	Current Reporting Period 4	Immediately-Preceding Reporting Period 5
B.II.	**Long-term provisions for liabilities l. 119 + l. 120**	118	115814	92395
B.II.1.	Legal provisions for liabilities (451A)	119		
2.	Other provisions for liabilities (459A, 45XA)	120	115814	92395
B.III.	**Long-term bank loans (461A, 46XA)**	121		
B.IV.	**Total current liabilities (l. 123 + l. 127 to l. 135)**	122	4926917 2	1122294 3
B.IV.1	**Total trade payables (l. 124 to l. 126)**	123	707908	647474 4
1.a.	Trade payables to group companies (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	124	322509 2	344312 9
1.b.	Trade payables within a participating interest except for payables to group companies (321A, 322A, 324A, 325A, 32XA, 475A, 476A, 478A, 47XA)	125		
1.c.	Other trade payables (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	126	385481 6	303134 5
2.	Net contract value (316A)	127		
3.	Other payables to group companies (361A, 36XA, 471A, 47XA)	128		
4.	Other payables within a participating interest except for payables to group companies (361A, 36XA, 471A, 47XA)	129	1329200 0	63
5.	Payables to partners and participants in an association (364, 365, 366, 367, 368, 398A, 478A, 479A)	130	2338453 4	1709
6.	Payables to employees (331, 333, 33X, 479A)	131	279102 5	214442 8
7.	Social security insurance payables (336A)	132	198919 3	153156 4
8.	Tax liabilities and subsidies (341, 342, 343, 345, 346, 347, 34X)	133	67886 7	97062 3
9.	Payables from derivative transactions (373A, 377A)	134		
10.	Other payables (372A, 379A, 474A, 475A, 479A, 47XA)	135	5364 5	10008 2
B.V.	**Short-term provisions for liabilities l. 137 + l. 138**	136	253207 8	221248 7
B.V.1.	Legal provisions for liabilities (323A, 451A)	137	189911 2	121671 4
2.	Other provisions for liabilities (323A, 32X, 459A, 45XA)	138	63296 6	99577 3
B.VI.	**Current bank loans (221A, 231, 232, 23X, 461A, 46XA)**	139	984 6	421 4
B.VII.	**Short-term financial assistance (241, 249, 24X, 473A, /-/255A)**	140		
C.	**Total accruals and deferrals (l. 142 to l. 146)**	141	82279 2	36452 3
C.1.	Non-current accrued expenses (383A)	142		
2.	Current accrued expenses (383A)	143	5430 1	22163 8
3.	Non-current deferred income (384A)	144	25892 0	313 7
4.	Current deferred income (384A)	145	50957 1	13974 8

Income Statement
Úč POD 2 - 01

DIČ 2020317068

IČO 31333532

Description a	Item b	Line c	Actual: Current Reporting Period 1	Actual: Immediately-Preceding Reporting Period 2
*	**Net turnover (a portion of Accounting Class 6 under the Act)**	01	534052287	526626269
**	**Total operating revenues (l. 03 to l. 09)**	02	537826200	530364364
I.	Revenues from the sale of merchandise (604, 607)	03	137483	1263
II.	Revenues from the sale of own products (601)	04		
III.	Revenues from the sale of services (602, 606)	05	533914804	526625006
IV.	Changes in inventories (+/- Accounting Group 61)	06		
V.	Own work capitalised (Accounting Group 62)	07		
VI.	Revenues from the sale of non-current intangible assets, non-current tangible assets and raw materials (641, 642)	08	164290	55560
VII.	Other operating revenues (644, 645, 646, 648, 655, 657)	09	3609623	3682535
**	**Total operating expenses (l. 11 + l. 12 + l. 13 + l. 14 + l. 15 + l. 20 + l. 21 + l. 24 + l. 25 + l. 26)**	10	446567470	438345236
A.	Costs of the acquisition of merchandise sold (504, 507)	11	136870	1267
B.	Consumed raw materials, energy and other non-inventory supplies (501, 502, 503)	12	1867768	1603729
C.	Provisions for inventories (+/-) (505)	13		
D.	Services (Accounting Group 51)	14	379513580	382092972
E.	Total personnel expenses (l. 16 to l. 19)	15	54047020	46696023
E.1.	Wages and salaries (521, 522)	16	38619240	32908776
2.	Remuneration of members of company bodies and co-operative (523)	17		
3.	Social insurance expenses (524, 525, 526)	18	13717055	11729528
4.	Social expenses (527, 528)	19	1710725	2057719
F.	Taxes and fees (Accounting Group 53)	20	137215	94088
G.	Amortisation and depreciation, and provisions for non-current intangible and non-current tangible assets (l. 22 + l. 23)	21	4300265	4049045
G.1.	Amortisation and depreciation of non-current intangible and non-current tangible assets (551)	22	4300265	4049045
2.	Provisions for non-current intangible and non-current tangible assets (+/-) (553)	23		
H.	Net book value of non-current assets and raw materials sold (541, 542)	24	143047	
I.	Provisions for receivables (+/-) (547)	25	2446525	10337
J.	Other operating expenses (543, 544, 545, 546, 548, 549, 555, 557)	26	3975180	3797775
***	**Operating profit or loss (+/-) (l. 02 - l. 10)**	27	91258730	92019128

UZPODv14_11

Income Statement
Úč POD 2 - 01

DIČ 2020317068

IČO 31333532

Description	Item	Line	Actual – Current Reporting Period	Actual – Immediately-Preceding Reporting Period
a	b	c	1	2
*	**Added value (l. 03 + l. 04 + l. 05 + l. 06 + l. 07) - (l. 11 + l. 12 + l. 13 + l. 14)**	28	152534069	142928301
**	**Total revenues from financing activities (l. 30 + l. 31 + l. 35 + l. 39 + l. 42 + l. 43 + l. 44)**	29	10831737	6642015
VIII.	Revenues from the sale of securities and ownership interests (661)	30		
IX.	Total revenues from non-current financial assets (l. 32 to l. 34)	31	8892804	1771503
IX.1.	Revenues from securities and ownership interests from group companies (665A)	32	8892804	1771503
2.	Revenues from securities and ownership interests within a participating interest except for revenues from group companies (665A)	33		
3.	Other revenues from securities and ownership interests (665A)	34		
X.	Total revenues from current financial assets (l. 36 to l. 38)	35		
X.1.	Revenues from current financial assets from group companies (666A)	36		
2.	Revenues from current financial assets within a participating interest except for revenues from group companies (666A)	37		
3.	Other revenues from current financial assets (666A)	38		
XI.	Interest income (l. 40 + l. 41)	39	134097	748518
XI.1.	Interest income from group companies (662A)	40	33722	18075
2.	Other interest income (662A)	41	100375	730443
XII.	Foreign exchange gains (663)	42	1804836	4121994
XIII.	Gains on revaluation of securities and revenues from derivative transactions (664, 667)	43		
XIV.	Other revenues from financing activities (668)	44		
**	**Total costs of financing activities (l. 46 + l. 47 + l. 48 + l. 49 + l. 52 + l. 52 + l. 53 + l. 54)**	45	7438878	1720852
K.	Securities and ownership interests sold (561)	46		
L.	Expenses related to current financial assets (566)	47		
M.	Provisions for financial assets (+/-) (565)	48		
N.	Interest expense (l. 50 + l. 51)	49	27	36
N.1.	Interest expense for group companies (562A)	50		
2.	Other interest expense (562A)	51	27	36
O.	Foreign exchange losses (563)	52	7404381	1684200
P.	Expenses for revaluation of securities and expenses related to derivative transactions (564, 567)	53		
Q.	Other costs of financing activities (568, 569)	54	34470	36616

UZPODv14_12

Income Statement
Úč POD 2 - 01

DIČ 2020317068

IČO 31333532

Description a	Item b	Line c	Actual: Current Reporting Period 1	Actual: Immediately-Preceding Reporting Period 2
***	**Profit/loss from financing activities (+/-) (l. 29 - l. 45)**	55	339859	492163
****	**Profit/loss for the reporting period before taxation (+/-) (l. 27 + l. 55)**	56	94651589	96940291
R.	Income tax (l. 58 + l. 59)	57	16487136	19237893
R.1.	Current income tax (591, 595)	58	16894707	19147747
2.	Deferred income tax (+/-) (592)	59	-407571	90146
S.	Profit/loss of partnership transferred to partners (+/- 596)	60		
***	**Profit/loss for the reporting period after taxation (+/-) (l. 56 - l. 57 - l. 60)**	61	78164453	77702398

NOTES

To the Separate Financial Statements Prepared as at 31 December 2020

in euro

For the Period from	January 2020	to December 2020
For the Immediately-preceding Period from	January 2019	to December 2019

Date of the Company's Incorporation	**Financial Statements**	**Financial Statements**
17 September 1992	x – Ordinary	x – Prepared
	– Extraordinary	– Approved
	– Interim	

Company ID No.	**Tax Registration No.**	**SK NACE Code**
31333532	2020317068	62.09.0

Business Name (Name) of the Company

ESET, spol. s r.o.

Seat of the Company

Einsteinova 24
851 01 Bratislava
Phone Number: 02/32244111

A. GENERAL INFORMATION

1. Business Name and Registered Seat of the Company

ESET, spol. s r.o.
Einsteinova 24
851 01 Bratislava

ESET, spol. s r.o. (the "Company") was established on 26 June 1992 and registered in the Business Register on 17 September 1992 (Business Register of the District Court Bratislava I, Section: Sro, File No.: 3586/B). Company ID No. (IČO): 31333532.

2. Principal Activities of the Company

The Company performs the following activities:
- Purchase and sale of computing equipment, electronics, office equipment and office supplies;
- Provision of software (sale of off-the-shelf software under a contract with the authors or the development of customised software);
- Advisory on computing equipment and automated management systems;
- Purchase of sundry goods for resale and sale under a general trade licence;
- Advertising and promotional activities;
- Graphic text design using computing equipment;
- Performance of extra-curricular educational activities;
- Lease of real estate associated with the provision of other-than-basic lease-related services;
- Lease of movable assets; and
- Mediation activities in trade, services and production.

Unlimited Guarantee

ESET, s.r.o. (hereinafter the "Company") is not an unlimited liability partner.

3. Full-time Equivalent

Item	2020	2019
Full-time equivalent	982	898
Number of employees as at the reporting date	1 004	890
Of which: managers	36	34

4. Legal Reason for the Preparation of the Financial Statements

The financial statements of the Company as at 31 December 2020 have been prepared as ordinary financial statements in accordance with Article 17 (6) of Act No. 431/2002 Coll. on Accounting as amended for the reporting period from 1 January 2020 to 31 December 2020.

The financial statements have been prepared for general use and information. Information disclosed therein cannot be used for the purposes of any specific users, or for the assessment of individual transactions. Accordingly, users of the financial statements should not rely exclusively on these financial statements when making decisions.

5. Approval Date of the Financial Statements for the Preceding Reporting Period

The financial statements prepared as at 31 December 2019 were approved by the Board of Directors on 21 May 2020.

B. INFORMATION ABOUT THE CONSOLIDATION GROUP

The Company is a parent company and is a consolidation group of the following companies:

Name Subsidiaries	*Seat*	*Ownership Interest % 2020*	*2019*	*Core Business Activity*
ESET, LLC	**610 West Ash Street, Suite 1700, San Diego, CA 92101, USA**	**100%**	**100%**	**Antivirus software distributor**
ESET software spol. s r.o.	**Prague 7 - Classic 7 Business Park, Jankovcova 1037/49, 170 00 Prague 7, Czech Republic**	**100%**	**100%**	**Antivirus software distributor**
ESET LATINOAMERICA S.R.L. (1)	**1270 Juan Diaz de Solis, 2nd Floor, Vicente Lopez, Buenos Aires CP:B1638BHF, Argentina**	**100%**	**100%**	**Service provider**
ESET ASIA PTE. LTD.	**3 Anson Road, Springleaf Tower, #12-01/02 Singapore 079909, Singapore**	**100%**	**100%**	**Service provider, antivirus software distributor**
ESET Canada Recherche Inc.	**473, Rue Sainte-Catherine Quest, Bureau 300, Montreal QC H3B 1B1, Canada**	**100%**	**100%**	**R&D**
ESET DO BRASIL MARKETING LTDA (2)	**Rua Verbo Divino, 2.001 Cjts 1407/1410, Chácara Santo Antônio, São Paulo/SP – Brazil, Zip 04.719-002**	**100%**	**100%**	**Service provider**
ESET Polska Sp. z o.o.	**Jasnogórska 9, 31 – 358 Kraków, Poland**	**100%**	**100%**	**R&D**
ESET Deutschland GmbH	**Spitzweidenweg 32, 07743 Jena, Germany**	**100%**	**100%**	**Distributor of antivirus software**
ESET Research Czech Republic s.r.o. (3)	**U Přehrady 3204/61, Mšeno nad Nisou, 466 02 Jablonec nad Nisou Czech Republic**	**100%**	**100%**	**R&D**
ESET Software Australia, PTY, LTD.	**Level 3, 50 Yeo Street, Neutral Bay NSW 2089, Sydney, Australia**	**100%**	**100%**	**Distributor of antivirus software**
ESET RESEARCH UK Limited (4) (5)	**3 Heron Gate Office Park, Hankridge Way, Taunton, Somerset TA1 2LR, Great Britain**	**100%**	**100%**	**R&D**
ESET Canada Inc.	**44 Chipman Hill Suite 1000, Saint John NB, E2L 2A9, Canada**	**100%**	**100%**	**Distributor of antivirus software**
Nadácia ESET	**Einsteinova 24, 851 01 Bratislava Slovak Republic**	**100%**	**100%**	**Foundation**

PGNB Limited	**5th Floor, Holland House, 20 Oxford Road, Bournemouth, Dorset, BH8 8EZ, UK**	**100%**	**100%**	**(6)**
ESET SOFTWARE UK Limited (7) (8)	**5th Floor, Holland House, 20 Oxford Road, Bournemouth, Dorset, BH8 8EZ, UK**	**100%**	**100%**	**Distributor of antivirus software**
ESET Romania S.R.L. (9)	**Strada Palas, Nr. 7D-7E Cladirea United Business Center 3, (Corp C2), Etaj 2, Spatiul C2S9, Municipiul Iasi, Judet Iasi, Romania**	**100%**	**100%**	**R&D**
ESET MÉXICO S. de R.L. de C.V. (10)	**Av. Paseo de la Reforma 250 – Office 981 A-B-C-D-,Colonia Juárez, Delegación Cuauhtémoc, Ciudad de México, México**	**100%**	**100%**	**Service provider**
ESET Japan Inc. (11)	**2-16-4 Konan, Minato-ku, Tokyo 108-0075, Japan**	**90%**	**90%**	**Service provider**
ESET ITALIA S.r.l. (12) (13)	**Via Campo Lodigiano 3, 20122 Milan, Italy**	**100%**	**100%**	**Distributor of antivirus software**

(1) *ESET, LLC owns 90% of the shares and the parent company owns the remaining 10% of the shares.*
(2) *The parent company owns 90% of the shares and ESET, LLC owns the remaining 10% of the shares.*
(3) *ESET Research Czech Republic s.r.o. changed its registered office in January 2021. The new registered office is Palachovo náměstí 799/5, Starý Lískovec, 625 00 Brno, Czech Republic.*
(4) *In January 2019, ESET RESEARCH UK Limited changed its core business activity from a DESLock software distributor to R&D.*
(5) *ESET RESEARCH UK Limited changed its business name in April 2019. The company's original name was DESLock Limited.*
(6) *PGNB Limited carried out no business activities in 2020, except for the sale of its 100% share in the subsidiary SOFTWARE UK Limited to the parent company.*
(7) *ESET SOFTWARE UK Limited has been a 100% subsidiary of the parent company since 30 December 2020.*
(8) *ESET SOFTWARE UK Limited changed its business name in April 2019. The company's original name was QNH Limited.*
(9) *ESET, spol. s r.o. owns 99.9963% and ESET Research Czech Republic s.r.o. owns 0.0037%.*
(10) *The parent company owns 90% and ESET, LLC owns the remaining 10%.*
(11) *The parent company owns 90% of the shares and Canon Marketing Japan Inc owns the remaining 10% of the shares. Canon IT Solutions Inc transferred its 10% share in Eset Japan Inc. to Canon Marketing Japan Inc.*
(12) *ESET ITALIA S.r.l. was established in February 2019 and a 100% share is held by the parent company. Its distribution activities started in September 2019.*
(13) *ESET ITALIA S.r.l. changed its registered office in March 2020. Its original registered office was at Francesco Richini 6 CAP, 20 122 Milan, Italy.*

The Company's voting rights in the above entities is equal to the ownership shares. The Company is not consolidated in the consolidated financial statements of any other company.

Pursuant to Act No. 431/2002 Coll. on Accounting, as amended, the Company is obliged to prepare consolidated financial statements, as it meets the criteria of Article 22 of the Act on Accounting.

The Company prepared the consolidated financial statements as at 31 December 2019 and is also required to prepare consolidated financial statements for the reporting period from 1 January 2020 to 31 December 2020.

The consolidated financial statements are available at the parent company's seat – ESET, spol. s r.o., Einsteinova 24, 851 01 Bratislava, Slovak Republic.

C. INFORMATION ON THE ACCOUNTING PRINCIPLES AND METHODS APPLIED

a) Basis for Preparing Financial Statements

The financial statements were prepared based on the going-concern assumption.

The financial statements, comprising the balance sheet, income statement and notes to the financial statements prepared as at 31 December 2020, were prepared in accordance with the accounting regulations effective in the Slovak Republic and the data disclosed in the financial statements give a true and fair view of the matters subject to the bookkeeping and of the financial position of the Company.

The currency used in the financial statements is the euro ("EUR") and all balances are presented in whole euro, unless specified otherwise.

All comparatives for the previous reporting period, i.e. as at 31 December 2019, are presented in the financial statements prepared as at 31 December 2020, so that they are comparable with the 2019 disclosures.

Revenues and costs are recognised as earned or incurred under the accrual basis of accounting. All revenues and costs related to the reporting period are used as a basis regardless of their settlement date.

When measuring assets and liabilities, the prudence principle is followed, i.e. all risks, losses, and impairments related to assets and liabilities and known as at the reporting date are used as a basis.

Non-current and current receivables, payables, loans, and interest-bearing borrowings – receivables and payables are disclosed on the balance sheet as either non-current or current following their residual maturities as at the reporting date. Portions of non-current receivables and portions of non-current payables due within one year from the reporting date are disclosed on the balance sheet as current receivables and current payables as appropriate.

Estimates made – when preparing the financial statements, the Company's management is required to prepare estimates and assumptions that influence the recognised amounts of assets and liabilities, and the disclosure of contingent assets and liabilities as at the reporting date, and the disclosed amounts of revenues and expenses during the year. The actual results may differ from these estimates.

Reported tax – Slovak tax legislation is relatively new, lacks precedents, and is subject to continuous amendments. Since various interpretations of the tax laws and regulations, and the application thereof to various transaction types exist, the amounts disclosed in the financial statements may later change based on the ultimate opinion of the tax authorities.

b) Non-current Intangible and Non-current Tangible Assets

Purchased non-current assets are measured at cost. The cost includes the acquisition price and the related incidental costs (customs duties, transportation costs, assembly, insurance premium, etc).

The Company has prepared a depreciation plan as an underlying document to enumerate depreciation charges and the accumulated depreciation of depreciated assets during their use. Accounting depreciation is calculated based on the cost at which the assets are carried in the accounting books, and is capped at the amount of the cost. Tax depreciation is enumerated in line with the applicable provisions of the Income Tax Act. Non-current tangible assets are depreciated based on the wear and tear of assets, which corresponds to standard conditions for their use.

The Company records assets generated internally. These assets include a video created by the Company's employees, which was measured at own costs.

Accounting and tax depreciation rates for **non-current intangible assets** are equal.
Non-current intangible assets with a cost of EUR 2 400 or less are fully expensed when placed into service as a debit to Account 518. Underlying analytical records are maintained with respect to these assets.

The amortisation period, amortisation method and amortisation rate are presented in the table below:

	Estimated Useful Life	Amortisation Method	Annual Amortisation Rate
Software, videos	2 / 3	Straight-line	50% / 33.33%
MONO-TH-2009-03	5	Straight-line	20%
Valuable rights in the CR	7	Straight-line	14.3%
Trademarks	10	Straight-line	10%

The accounting depreciation plan for **non-current tangible assets** is determined by an internal regulation. Assets are depreciated starting in the month in which they are placed into service. The Company applies the straight-line depreciation method in its calculations and reflects the estimated useful life of the assets, the intensity of their use and their anticipated wear and tear in the Company's environment when the assets are categorised into depreciation groups and when the depreciation plan is created.

An exception to the depreciation plan is the refurbishment of new office and operation premises in the Aupark Tower at Einsteinova 24, Bratislava, in Digital Park II and III at Einsteinova 25, Bratislava, in the Košice branch located in Aupark, Protifašistických bojovníkov 11, 040 01 Košice, in the Žilina branch located at Námestie Andreja Hlinku 1, Žilina, and fixtures and fittings in the Bratislava premises. The Company prepared a depreciation plan for a period equal to the lease term, ie from 1 May 2008 to 30 June 2027 for the Aupark Tower premises, from 1 August 2017 to 30 June 2027 for the Digital Park II and III premises, from 28 March 2013 to 30 June 2023 for the Aupark Košice premises, and from 1 February 2017 to 10 May 2021 for the Žilina branch premises.

Non-current tangible assets with a cost of EUR 1 700 or less are fully expensed when placed into service as a debit in full to consumed raw materials, Account 501.

The depreciation period, depreciation method and depreciation rate are presented in the table below:

Accounting Depreciation	Estimated Useful Life	Depreciation Method
Structures and technical improvements	Up to the termination of a lease contract	Straight-line
Fixtures and fittings	Up to the termination of a lease contract	Straight-line
Machinery and equipment	4 years	Straight-line
Transportation means	4 years	Straight-line

c) Securities and ownership interests
Securities and ownership interests are measured at cost including the related incidental costs.

d) Inventories
Inventories are measured at cost. The cost includes the acquisition price of inventory and the related incidental costs (customs duty, transport, insurance premium, etc.). The disposal of the same type of inventory is measured on an individual basis (at an individual price).

Provisions for inventories are recorded if it is reasonable to assume that future economic benefits from inventories are lower than the carrying amount, i.e. in the amount of the difference between the carrying amount and the net realisable value.

The creation of provisions for inventories is credited to the relevant account of the accounting group 19 – Provisions for inventories with the counter-entry debited to Account 505 – Additions to and reversals of provisions for inventories. The reversal of a provision due to the derecognition of inventories from accounting books is debited to the relevant provision account disclosed on the balance sheet with a counter-entry credited to the relevant inventory account. In the event of the full or partial cessation of the reasonable assumption of the impairment of inventories, the reversal of a provision is debited to the relevant provision account disclosed on the balance sheet with the counter-entry credited to Account 505.

The Company does not record inventories generated internally.

e) Receivables

When originated, receivables are measured at their face value. Assigned receivables and receivables acquired through a contribution to the registered capital are measured at a cost, including incidental costs. This measurement is net of provisions for doubtful receivables and bad debts. The Company does not acquire receivables through assignments, or otherwise.

The Company records provisions for receivables where it is reasonable to assume that the debtor will fail to repay them partly or in full, and for doubtful receivables from debtors involved in a dispute concerning their acknowledgment. The Company determines the provisions on an individual basis in the amount that is expected to be recovered in the future. Provisions for receivables are debited to Account 547 – Additions to and reversals of provisions for receivables with a counter-entry credited to Account 391 – Provision for receivables. The provision for receivables upon their derecognition from the accounting books (as a result of recovery, sale or write-off) is reversed with a counter-entry to the relevant receivable account disclosed on the balance sheet. In the event of the cessation of the reasonable assumption of the impairment of receivables, the reversal of the provision is credited to Account 547 with a counter-entry debited to Account 391.

f) Cash, stamps and vouchers

Cash, stamps and vouchers are measured at their face value.

g) Deferred expenses and accrued income

Deferred expenses and accrued income are presented in the amount necessary to comply with the accrual principle of accounting, i.e. at the anticipated face value.

h) Provisions for liabilities

The Company records provisions for liabilities following the prudence principle. Provisions are liabilities of uncertain timing or amount. The Company creates provisions mainly for unused vacation days and the related social security and health insurance payments, audit, unbilled supplies and other known risks and losses related to the Company's business activities. Provisions for liabilities are measured at the expected amount payable.

The provision for liabilities is debited to the relevant expense account to which the liability is related. The use of the provision is credited to the relevant liability account. The cancelation of an unnecessary provision is recorded with an accounting entry opposite to that of the creation of the provision.

i) Payables

When incurred, payables are measured at their face value. When assumed, payables are measured at cost. If it is determined during reconciliation procedures that the actual amount of the payables is lower than the carrying amount, payables are stated at such a newly-identified measurement in the accounting books and financial statements.

j) Current income tax

Pursuant to the Slovak Income Tax Act, current income taxes are determined based on the accounting profits at the rate of 21% after adjustments for certain items for tax purposes.

k) Deferred income tax

Deferred income tax (deferred tax asset and deferred tax liability) is recognised for:

- Temporary differences between the carrying amount of assets and liabilities as disclosed on the balance sheet and their tax base;
- The possibility of carrying forward tax losses to future periods, which is the possibility of deducting the tax losses from the tax base in the future;
- The possibility of transferring unclaimed tax loss deductions and other tax claims to future periods.

The amount of deferred income tax is determined by applying the tax rate applicable in the subsequent reporting period, i.e. 21%.

l) Accrued expenses and deferred income

Accrued expenses and deferred income are presented in the amount necessary to comply with the accrual principle of accounting, i.e. at the anticipated face value.

m) Leases

The Company has no assets acquired under a finance lease.

n) Foreign Currency

Assets and liabilities denominated in a foreign currency are translated to euro using the exchange rate determined in the ECB foreign exchange list announced on the date preceding the transaction date, and when preparing the financial statements using the exchange rate applicable on the reporting date. Exchange rate differences are recognised through profit/(loss).

In the accounts of receivables and payables, non-current financial assets and current financial assets. Exchange rate differences are recorded as at the transaction date upon the collection of receivables and the payment of payables with a counter-entry debited to Account 563 – Foreign exchange losses or credited to Account 663 – Foreign exchange gains. Advance payments received and made in a foreign currency are not translated as at the reporting date.

o) Revenues

Revenues from the sale of own outputs and merchandise do not include VAT. They are also decreased by discounts and deductions (rebates, bonuses, discounts, credit notes, etc.), regardless of whether the customer was entitled to the discount in advance, or whether the discount was granted subsequently.

Since its establishment, ESET has developed software solutions providing immediate and comprehensive protection against constantly-evolving computer security threats by using innovative security solutions which proactively detect malware and protect against computer crime.

Sales are made directly or indirectly. The direct method is mainly by internet sales via the ESET website to end users. Indirect sales are made via independent distributors and sellers that contribute to the total sales in the greatest extent.

For the purposes of these financial statements, the term “antivirus software” means software to provide digital security, i.e. traditional antivirus software to secure end users, software to secure computer networks, etc.. The Company provides end users and partners in Slovakia and partners in the EMEA region, APAC region, Brazil, Russia and South Africa with the right to use the antivirus software. A subsidiary, ***ESET Software spol. s r.o.***, has an agreement with the Company on the distribution of products in the Czech Republic. A subsidiary, ***ESET, LLC***, distributes ESET products mainly in the United States of America and the LATAM region (except Brazil). A subsidiary, ***ESET Deutschland GmbH***, distributes products in german speaking countries (Germany, Austria, Switzerland) and on Croatian market. The subsidiary, ***ESET Software Australia, PTY, LTD.***, carries out distribution activities in Australia and ***ESET ASIA PTE. LTD.*** primarily in the APAC region. The subsidiary, ***ESET SOFTWARE UK Limited***, distributes products in the United Kingdom and Malta. The subsidiary, ***ESET Canada Inc.*** carries out distribution activities on the Canadian market. One of our newest branches is ***ESET ITALIA S.r.l.***, which operates on the Italian market.

Agreements between the Company and distributors operating under the commission structure require that distributors perform a range of activities in addition to distribution, i.e. actively searching for customers, promoting the distributed software, providing hotline services for end users, etc.. The distributor's remuneration for these activities is calculated from its sales turnover and distributors do not invoice the Company for these activities. The remuneration is specified in the customer invoice as a reduction of the invoiced gross amount. The distributor only pays the Company the resulting amount calculated as the difference between the payment for the granting of the right to use the software and the distributor's remuneration.

Based on a detailed analysis of mutual rights and obligations, the Company started to report revenues, except for revenues from Slovak distributors and resellers, on a gross basis as of 1 January 2012. The Company recognises 100% of revenues generated by the Company's distributors in revenues. The Company recognises a fee for activities performed by distributors in expenses.

The Company recognises revenues from the provision of licences for the use of the antivirus software as follows:

Each end user pays an up-front fee for the right to use the software during a specified period. At the moment of sale to end users or business partners (distributors, resellers), revenue is recognised on a one-off basis once the software is delivered, regardless of whether or not the end user installed the software. No portion of the amount is accrued during the period of the software use.

End users may return ESET products, subject to various limitations, via distributors and resellers, or may request ESET directly for a refund within a reasonable short period from the date of purchase. Due to immateriality, ESET currently does not record any provision for such returns based on its historical experience of very low returns by end users.

The Company recognises revenues from the provision of other support services in the period in which they were provided.

D. CHANGES IN ACCOUNTING PRINCIPLES AND ACCOUNTING METHODS

There were no changes in accounting principles or accounting methods in the reporting period.

E. DATA DISCLOSED ON THE ASSETS SIDE OF THE BALANCE SHEET

1. Non-current Intangible and Non-current Tangible Assets

A summary of the movements in non-current intangible and non-current tangible assets for the current reporting period is presented in the tables below:

Non-current Intangible Assets	**Current Reporting Period**							
	Capitalised Development Cost	**Software**	**Valuable Rights**	**Goodwill**	**Other Non-current Intangible Assets**	**Non-current Intangible Assets in Acquisition**	**Advance Payments Made for Non-current Intangible Assets**	**Total**
a	b	c	d	e	f	g	h	i
Initial Measurement								
Opening Balance	**-**	**4 020 655**	**63 428**	**337 884**	**5 722 329**	**243 726**	**-**	**10 388 022**
Additions		-	-	-	1 288 959	236 625	-	**1 525 584**
Disposals		-	-	-	-62 785	-25 320	-	**-88 105**
Transfers		-	-	-	95 952	-95 952	-	-
Closing Balance	**-**	**4 020 655**	**63 428**	**337 884**	**7 044 455**	**359 080**	**-**	**11 825 502**
Accumulated Depreciation								
Opening Balance	**-**	**1 757 155**	**36 780**	**337 884**	**3 551 814**	**-**	**-**	**5 683 633**
Additions		754 500	6 343	-	953 107	-	-	**1 713 950**
Disposals		-	-	-	-62 785	-	-	**-62 785**
Closing Balance	**-**	**2 511 655**	**43 122**	**337 884**	**4 442 136**	**-**	**-**	**7 334 797**
Provisions								
Opening Balance	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-	-	-
Net Book Value								
Opening Balance	**-**	**2 263 500**	**26 648**	**-**	**2 170 515**	**243 726**	**-**	**4 704 389**
Closing Balance	**-**	**1 509 000**	**20 306**	**-**	**2 602 319**	**359 080**	**-**	**4 490 705**

Non-current Tangible Assets	Current Reporting Period								
	Land	**Structures**	**Separate Movable Assets and Sets of Movables**	**Perennial Crops**	**Livestock and Draught Animals**	**Other Non-current Tangible Assets**	**Non-current Tangible Assets in Acquisition**	**Advance Payments Made for Non-current Tangible Assets**	**Total**
a	b	c	d	e	f	g	h	i	j
Initial Measurement									
Opening Balance	**7 102 729**	**5 078 400**	**15 486 494**	-	-	-	**19 692 559**	-	**47 360 181**
Additions	-	706 784	2 061 501	-	-	-	659 863	-	3 428 148
Disposals	-	-	-1 631 763	-	-	-	-160 328	-	-1 792 091
Transfers	-	2 277	94 465	-	-	-	-96 742	-	-
Closing Balance	**7 102 729**	**5 787 461**	**16 010 696**	-	-	-	**20 095 352**	-	**48 996 238**
Accumulated Depreciation									
Opening Balance	-	**4 082 166**	**10 886 597**	-	-	-	-	-	**14 968 763**
Additions	-	351 701	2 235 028	-	-	-	-	-	2 586 729
Disposals	-	-	-1 631 763	-	-	-	-	-	-1 631 763
Closing Balance	-	**4 433 867**	**11 489 862**	-	-	-	-	-	**15 923 729**
Provisions									
Opening Balance	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-	-	-	-
Net Book Value									
Opening Balance	**7 102 729**	**996 234**	**4 599 897**	-	-	-	**19 692 559**	-	**32 391 419**
Closing Balance	**7 102 729**	**1 353 594**	**4 520 834**	-	-	-	**20 095 352**	-	**33 072 509**

Additions to intangible assets mainly comprise the development of the Salesforce project in the amount of EUR 375 989 and the Global eStore project in the amount of EUR 417 790, the purchase of new licences at a total cost of EUR 49 364, rights to use videos and photographs in the amount of EUR 84 380, the launch of a new attendance system in the amount of EUR 7 200, the Business Planning 2021 software in the amount of EUR 62 319, and the Global Performance Tool in the amount of EUR 374 019. The amount of additions to intangible assets was also impacted by technical improvements to other non-current assets in the amount of EUR 13 850.

In 2020, disposals of intangible assets comprised the disposal of licences totalling EUR 31 475, disposal of the Microsite webpage in the amount of EUR 13 424, disposal of unused Android renders in the amount of EUR 5 460, and other disposed assets in the amount of EUR 12 426.

Additions to structures mainly comprise construction modifications at Bratislava branch premises – the Aupark Tower, and improvements to premises at Digital Park in the amount of EUR 698 522 and EUR 10 539, respectively.

In 2020, as regards additions to separate movable assets and sets of movables, the Company made technical improvements to six disk arrays totalling EUR 161 384, a presentation stand in the amount of EUR 25 614, and a server in the amount of EUR 3 236. The major portion in the purchase of new equipment comprises the purchase of new servers, disk arrays, video conference equipment, racks, and other IT equipment at a total cost of EUR 1 680 253. The Company also purchased new fixtures and fittings at a total cost of EUR 153 006 and one passenger vehicle in the amount of EUR 74 420.

Disposals of separate movable assets and sets of movables primarily comprise the disposal of IT assets (switches, disk arrays, old video conference equipment, etc.) in the amount of EUR 1 321 819, disposal of two passenger vehicles in the amount of EUR 68 696, a presentation stand in the amount of EUR 100 798, and fixtures and fittings totalling EUR 1 526.

A summary of the movements in non-current intangible and non-current tangible assets for the immediately-preceding reporting period is presented in the tables below:

Non-current Intangible Assets	**Immediately-preceding Reporting Period**							
	Capitalised Development Cost	**Software**	**Valuable Rights**	**Goodwill**	**Other Non-current Intangible Assets**	**Non-current Intangible Assets in Acquisition**	**Advance Payments Made for Non-current Intangible Assets**	**Total**
a	b	c	d	e	f	g	h	i
Initial Measurement								
Opening Balance	**-**	**1 002 655**	**63 428**	**337 884**	**4 608 587**	**502 661**	-	**6 515 215**
Additions		3 018 000	-	-	889 101	227 976	-	**4 135 077**
Disposals		-	-	-	-262 269	--	-	**-262 269**
Transfers		-	-	-	486 910	-486 910	-	-
Closing Balance	**-**	**4 020 655**	**63 428**	**337 884**	**5 722 329**	**243 727**	**-**	**10 388 023**
Accumulated Depreciation								
Opening Balance	-	**1 002 655**	**30 436**	**337 884**	**3 006 340**	-	-	**4 377 315**
Additions		754 500	6 343	-	807 743	-	-	**1 568 586**
Disposals		-	-	-	-262 269	-	-	**-262 269**
Closing Balance	-	**1 757 155**	**36 779**	**337 884**	**3 551 814**	-	-	**5 683 632**
Provisions								
Opening Balance	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-	-	-
Net Book Value								
Opening Balance	-	-	**32 992**	-	**1 602 247**	**502 661**	-	**2 137 900**
Closing Balance	-	**2 263 500**	**26 649**	-	**2 170 515**	**243 727**	-	**4 704 391**

Non-current Tangible Assets	Immediately-preceding Reporting Period								
	Land	Structures	Separate Movable Assets and Sets of Movables	Perennial Crops	Livestock and Draught Animals	Other Non-current Tangible Assets	Non-current Tangible Assets in Acquisition	Advance Payments Made for Non-current Tangible Assets	Total
a	b	c	d	e	f	g	h	i	j
Initial Measurement									
Opening Balance	**7 102 729**	**4 956 538**	**14 152 481**	-	-	-	**19 151 438**		**45 363 186**
Additions	-	121 862	1 711 571	-	-	-	583 486	-	2 415 919
Disposals	-	-	- 410 309	-	-	-	-9 615	-	-419 924
Transfers	-	-	32 750	-	-	-	-32 750	-	-
Closing Balance	**7 102 729**	**5 078 400**	**15 486 494**	-	-	-	**19 692 559**	-	**47 360 182**
Accumulated Depreciation									
Opening Balance	-	**3 599 803**	**9 298 094**	-	-	-	-	-	**12 897 897**
Additions		482 363	1 998 812	-	-	-	-	-	2 481 175
Disposals		-	-410 309	-	-	-	-	-	-410 309
Closing Balance		**4 082 166**	**10 886 597**	-	-	-	-	-	**14 968 763**
Provisions									
Opening Balance	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-	-	-	-
Net Book Value									
Opening Balance	**7 102 729**	**1 356 735**	**4 854 387**	-	-	-	**19 151 438**	-	**32 465 289**
Closing Balance	**7 102 729**	**996 234**	**4 599 897**	-	-	-	**19 692 559**	-	**32 391 419**

The Company does not record any non-current intangible or non-current tangible assets under lien or with restricted handling on the part of the Company.

Non-current tangible assets are insured against theft and natural hazards. In 2020, the Company had the following concluded assets insurance contracts:

Insurance Company	Insurance Period	Type of Insurance Coverage	Annual Insurance Premium	Insured Amount of Assets
Generali Slovensko poisťovňa, a.s.	1.1.2011 – ongoing	Motor hull insurance of car fleet	33 532	1 208 050
Generali Slovensko poisťovňa, a.s.	2013 – ongoing	MTPL insurance of vehicle fleet	5 501	
Generali Slovensko poisťovňa, a.s.	1.1.2020 – 31.12.2020	Travel insurance	4 224	200 000
Allianz - Slovenská poisťovňa, a.s.	1.1.2020 – 31.12.2020	Building insurance against all risks - CAR	1 865	2 330 000
Allianz - Slovenská poisťovňa, a.s.	1.1.2020 – 31.12.2020	Damage liability insurance	10 900	5 000 000
Allianz - Slovenská poisťovňa, a.s.	1.1.2020 – 31.12.2020	Insurance of assets of legal entities and sole proprietors	5 256	up to 11 408 301
Colonnade Insurance S.A.	2.1.2017 - 3.1.2022	GAP insurance of vehicles	700	100 000
Marsh Europe	1.1.2020 – 31.12.2020	Personal insurance of statutory representatives	24 176	10 000 000
Marsh Europe	1.1.2020 – 25.2.2020	Event Insurance	402	2 300 000
TOTAL			**86 556**	

*The amount represents an insured amount, not the amount of insured assets.

2. Research and Development Activities

In 2020, the Company recognised costs of research and development and applied tax relief pursuant to the provisions of the Income Tax Act. Information on the amount of costs to which the relief was applied is presented in the table below:

Item	Current Reporting Period
Research and development costs	6 452 067

3. Non-current Financial Assets

A summary of movements on non-current financial assets accounts for the current reporting period is presented in the table below:

Non-current Financial Assets	Current Reporting Period							
	Shares & Ownership Interests in Subsidiaries	Shares & Ownership Interests in Associates	Other Non-current Securities & Ownership Interests	Other Non-current Financial Assets	Loans with Maturity of Up To One Year	Non-current Financial Assets in Acquisition	Advance Payments for Non-current Financial Assets	Total
a	b	c	d	e	f	g	h	i
Initial Measurement								
Opening Balance	**20 589 522**	-	-	-	-	**20 028**	-	**20 609 550**
Additions	-	-	-	-	-	13 292 000	-	13 292 000
Disposals	-912 340	-	-	-	-	-	-	-912 340
Transfers	13 312 028	-	-	-	-	-13 312 028	-	-
Closing Balance	**32 989 210**	-	-	-	-	-	-	**32 989 210**
Accumulated Depreciation								
Opening Balance	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-	-	-
Provisions								
Opening Balance	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-	-	-
Carrying Amount								
Opening Balance	**20 589 522**	-	-	-	-	**20 028**	-	**20 609 550**
Closing Balance	**32 989 210**	-	-	-	-	-	-	**32 989 210**

Disposals of non-current financial assets mainly comprise foreign exchange differences due to the revaluation of assets as at 31 December 2020. Additions to non-current financial assets comprise an acquired share in ESET SOFTWARE UK Limited (a subsidiary) in the amount of EUR 13 292 000 by the acquisition of a 100% share from the former owner PGNB (a subsidiary), with its registered office at 5th Floor, Holland House, 20 Oxford Road, Bournemouth, Dorset, United Kingdom. The transaction was approved by a decision of shareholders on 19 November 2020. On 30 December 2020, the ownership title was recorded in the Companies House of the United Kingdom.

A summary of movements in non-current financial assets for the immediately-preceding reporting period is presented in the table below:

Non-current Financial Assets	Immediately-preceding Reporting Period							
	Shares & Ownership Interests in Subsidiaries	Shares & Ownership Interests in Associates	Other Non-current Securities & Ownership Interests	Other Non-current Financial Assets	Loans with Maturity of Up To One Year	Non-current Financial Assets in Acquisition	Advance Payments for Non-current Financial Assets	Total
a	b	c	d	e	f	g	h	i
Initial Measurement								
Opening Balance	**19 768 852**	-	-	-	-	-	-	**19 768 852**
Additions	820 672	-	-	-	-	20 028	-	840 700
Disposals	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Closing Balance	**20 589 522**	-	-	-	-	**20 028**	-	**20 609 550**
Accumulated Depreciation								
Opening Balance	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-	-	-
Provisions								
Opening Balance	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-	-	-
Carrying Amount								
Opening Balance	**19 768 852**	-	-	-	-	-	-	**19 768 852**
Closing Balance	**20 589 522**	-	-	-	-	**20 028**	-	**20 609 550**

Information on the structure of non-current financial assets:

Business Name and Seat of the Entity where the Company has Placed Non-current Financial Assets	Current Reporting Period							
	Share in Registered Capital in %	Share in Voting Rights in %	Foreign Currency	Value of Equity in a Foreign Currency	Value of Equity in EUR**	Profit/(Loss) of the Entity where the Company has Placed Non-current Financial Assets in EUR**	Carrying Amount of Non-current FA in EUR	Amount of a Borrowing Provided in EUR
a	b	c	d	e	f	g	h	j
Subsidiaries								
ESET software spol. s r.o.	100	100	CZK	10 560 292	402 419	368 926	7 621	
ESET, LLC	100	100	USD	3 872 612	3 155 906	49 430	26 512	
ESET ASIA PTE. LTD.	100	100	USD	3 205 801	2 612 502	214 265	75 723	
ESET Canada Recherche Inc.	100	100	CAD	825 471	528 031	53 826	383 803	
ESET POLSKA Sp.z o.o.	100	100	PLN	9 041 516	1 982 919	507 994	1 487 927	
ESET DO BRASIL MARKETING LTDA	90	90	BRL	404 826	63 517	43 487	2 471	
ESET LATINOAMERICA, S.R.L.	10	10	ARS	54 990 180	531 650	114 702	21	
ESET Research Czech republic s.r.o.	100	100	CZK	69 796 736	2 659 734	726 159	1 299 787	
Nadácia ESET	100	100	EUR	48 181	48 181	-83 763	6 638	
ESET Deutschland GmbH	100	100	EUR	2 434 896	2 434 896	545 153	1 950 265	
ESET Software Australia, PTY, LTD.	100	100	AUD	107 803	67 818	65 077	755	
ESET Canada Inc.	100	100	CAD	581 529	371 988	182 402	63 967	
ESET RESEARCH UK Limited (DESlock)	100	100	GBP	1 046 890	1 164 466	373 253	1 347 957	
ESET SOFTWARE UK Limited (PGNB)	100	100	GBP	11 959 853	13 303 063	13 424 696	13 292 000	
ESET SOFTWARE UK Limited (QNH)	100	100	GBP	1 746 833	1 943 020	375 806	12 545 405	
ESET Romania S.R.L.	100	100	RON	832 424	170 989	59 900	59 728	
ESET Japan Inc.	90	90	JPY	73 514 889	581 191	135 472	320 183	497 904
ESET MÉXICO S. de R.L. de C.V.	100	100	MXN	1 773 373	72 632	52 676	18 447	198 945
ESET ITALIA S.r.l.	100	100	EUR	279 739	279 739	174 007	100 000	-
Total Non-current Financial Assets	**x**	**x**	**x**	**x**	**32 374 662**	**x**	**32 989 210**	**696 849**

*Profit/loss of ESET LLC is stated before income tax.
**Use of the ECB exchange rate applicable as at 31 December 2020 for the translation of equity and profit/loss into EUR

The Company does not record any non-current financial assets under lien or with restricted handling by the Company.

4. Inventories

As at 31 December 2020, the Company recorded the following inventories:

	Current Reporting Period			Immediately-preceding Reporting Period		
Inventories in EUR	Raw Materials	Merchandise	Total	Raw Materials	Merchandise	Total
Slovak Republic	227 034	-	227 034	187 362	-	187 362
Total	**227 034**	-	**227 034**	**187 362**	-	**187 362**

Purchased promotional items, and materials for commercial packages are recorded as inventories in stock. The Company created no provisions for inventories during the reporting period.
The Company records no inventories under lien or with restricted handling by the Company.

5. Receivables

Information on the ageing structure of receivables as at 31 December 2020:

Item	**Within Maturity**	**Overdue**	**Total Receivables**
a	b	c	d
Non-current Receivables			
Trade receivables from group companies	-	-	-
Trade receivables within a participating interest except for receivables from group companies	-	-	-
Other trade receivables	1 185 037	-	1 185 037
Other receivables from group companies	746 583		746 583
Receivables from partners, members and participants in an association	-	-	-
Other receivables	9 599	-	9 599
Total Non-current Receivables	**1 941 219**	-	**1 941 219**
Current Receivables			
Trade receivables from group companies	20 493 428	3 434 235	23 927 663
Trade receivables within a participating interest except for receivables from group companies	-	-	-
Other trade receivables	15 140 792	3 622 384	18 763 176
Other receivables from group companies	-	-	-
Receivables from partners, members and participants in an association	-	-	-
Social insurance	-	-	-
Tax assets and subsidies	2 887 562	-	2 887 562
Receivables from derivative transactions	-	-	-
Other receivables	164 624	-	164 624
Total Current Receivables	**38 686 406**	**7 056 619**	**45 743 025**

The Company records advance payments made in a total amount of EUR 1 185 037 related to the lease of office premises and parking spaces as non-current receivables. These advance payments are made to the lessors as a deposit which totals several times the monthly rent. Unless the Company violates the contractual terms and conditions, the deposits will be used for the settlement of the last monthly rents when the lease terminates.

The Company also categorised borrowings provided to employees based on their residual maturity. In accordance with the contractual terms and conditions, the Company recognised borrowings with maturities exceeding 1 year in the total amount of EUR 9 599 as non-current receivables. The remaining portion of borrowings to employees represents current receivables based on their residual maturity.

The Company records other receivables from subsidiaries totalling EUR 746 583 as at 31 December 2020.

The Company records trade receivables from group companies in the amount of EUR 23 927 663.

Information on the ageing structure of receivables as at 31 December 2019:

Item	**Within Maturity**	**Overdue**	**Total Receivables**
a	b	c	d
Non-current Receivables			
Trade receivables from group companies	-	-	-
Trade receivables within a participating interest except for receivables from group companies	-	-	-
Other trade receivables	1 184 086	-	1 184 086
Other receivables from group companies	947 269	-	947 269
Receivables from partners, members and participants in an association	-	-	-
Other receivables	86 266	-	86 266
Total Non-current Receivables	**2 217 621**	-	**2 217 621**
Current Receivables			
Trade receivables from group companies	14 596 124	7 877 579	22 473 703
Trade receivables within a participating interest except for receivables from group companies	-	-	-
Other trade receivables	17 136 875	1 232 960	18 369 835
Other receivables from group companies	-	-	-
Receivables from partners, members and participants in an association	-	-	-
Social insurance	-	-	-
Tax assets and subsidies	28 172	-	28 172
Receivables from derivative transactions	-	-	-
Other receivables	78 175	-	78 175
Total Current Receivables	**31 839 346**	**9 110 539**	**40 949 885**

Information on the development of provisions for receivables:

Receivables	**Opening Balance**	**Creation**	**Reversal Owing to the Cessation of Justifiability**	**Reversal Owing to the Derecognition of Assets**	**Closing Balance**
a	b	c	d	e	f
Trade receivables	780 334	2 443 965	485	732 008	2 491 806
Receivables from subsidiaries and the parent company	-	-	-	-	-
Other intercompany receivables	-	-	-	-	-
Receivables from partners, members and participants in an association	-	-	-	-	-
Other receivables	-	-	-	-	-
Total Receivables	**780 334**	**2 443 965**	**485**	**732 008**	**2 491 806**

In 2020, the Company created provisions for receivables for which it identified a risk of default. This primarily applies to receivables from Future Time S.r.l., Sakri IT Solutions Pvt Ltd India and Initec Latvia OU, and receivables from other customers. Provisions for other receivables were created according to the rules stipulated by the Income Tax Act.

The Company wrote off for tax purposes and cancelled the remaining portion of a provision for receivables from Districomp Distribuidora de Informatica S/A, other customers and APL Software Limited in the amount of EUR 8 522, EUR 672, and EUR 722 814, respectively.

The Company reversed a provision for receivable from other customers totalling EUR 485 due to its payment.

The Company also analysed overdue receivables. The Company did not create any provisions for receivables paid after the reporting date. The Company did not create provisions for receivables from ESET Group companies.

The Company has no receivables secured by a lien or other form of security, nor does it have any receivables under lien or receivables with restricted handing on the part of the Company.

6. Deferred Tax Asset

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

Item	Current Reporting Period	Immediately-preceding Reporting Period
Temporary differences between the carrying amount of assets and the tax base:	**6 918 905**	**4 978 089**
Tax-deductible	6 918 905	4 978 089
Taxable	0	0
Temporary differences between the carrying amount of liabilities and the tax base:	**0**	**0**
Tax-deductible	0	0
Taxable	0	0
Possibility of carrying forward the tax loss	**0**	**0**
Possibility of transferring unclaimed tax deductions		
Income tax rate (in %)	**21**	**21**
Deferred tax asset	**1 452 970**	**1 045 399**
Claimed tax asset:	**-407 571**	**0**
Recognised as a decrease in costs	-407 571	0
Recognised in equity	0	0
Deferred tax liability	0	0
Change in the deferred tax liability:	**0**	**0**
Recognised as an expense	0	90 146
Recognised in equity	0	0

7. Current Financial Assets

Information on current financial assets:

Item	Current Reporting Period	Immediately-preceding Reporting Period
Cash on hand, stamps and vouchers	26 586	26 333
Bank accounts – current	80 747 510	32 009 718
Bank accounts – term deposits	11 500 000	-
Cash in transit	-	-
Total	**92 274 096**	**32 036 051**

The Company may freely dispose of the funds in its bank accounts.

The Company does not own non-current financial assets in the form of equity or debt securities or in another form. The Company has no non-current financial assets under lien or with restricted handling on the part the Company. The current financial assets are valued at their face value. The Company created no provisions for current financial assets.

8. Deferred Expenses and Accrued Income

Information on significant items of deferred expenses and accrued income:

Item	**Current Reporting Period**	**Immediately-preceding Reporting Period**
Non-current deferred expenses, of which:	**262 554**	**367 570**
IT support	195 436	272 128
Warranty service	-	996
Certification expenses	905	-
Licences	58 965	91 349
Domains	100	195
Services	7 148	2 903
Current deferred expenses, of which:	**2 132 587**	**3 227 623**
Licences	706 878	1 607 808
Rent	59 993	44 252
IT support	532 272	693 475
Services	238 093	404 963
Membership fees	19 923	21 137
Certification expenses	2 805	719
Insurance	30 287	23 910
Warranty service	-	1 604
Conference fees	485 423	187 734
Air tickets	332	40 737
Domains	1 877	1 845
Other	54 704	199 441
Non-current accrued income, of which:	**0**	**0**
Current accrued income, of which:	**225 958**	**0**
Other	225 958	0

F. DATA DISCLOSED ON THE LIABILITIES SIDE OF THE BALANCE SHEET

1. Equity

Information on the distribution of the accounting profit for the 2019 calendar year:

Item	**Immediately-preceding Reporting Period**
Accounting Profit	**77 702 398**
Distribution of Accounting Profit	**Current Reporting Period**
Allotment to the legal reserve fund	-
Allotment to statutory and other funds	-
Allotment to the social fund	-
Allotment to increase the registered capital	-
Settlement of a loss from previous years	-
Transfer to retained earnings from previous years	77 702 398
Distribution of share in profit to partners	-
Other	-
TOTAL	**77 702 398**

2. Proposal for Distribution of Accounting Profit or Settlement of Loss for 2020

Profit after taxation for the reporting period ended 31 December 2020 was EUR 78 164 453. A proposal to distribute the profit to the shareholders based on their shares will be submitted to the Company's Board of Directors and General Meeting for approval.

3. Provisions for Liabilities

Information on the structure of provisions for liabilities as at 31 December 2020:

Item	Current Reporting Period				
	Opening Balance	Creation	Use	Cancellation	Closing Balance
a	b	c	d	e	f
Long-term Provisions for Liabilities	**923 395**	**1 155 814**	**923 395**	**-**	**1 155 814**
Short-term Provisions for Liabilities, of which:	**2 212 487**	**2 532 078**	**2 212 487**	**-**	**2 532 078**
Provision for unused vacation days	899 936	1 400 919	899 936	-	**1 400 919**
Provision for social security insurance related to unused vacation days	316 778	493 123	316 778	-	**493 123**
Provision for loyalty	93 069	127 804	93 069	-	**127 804**
Provision for audit	113 820	99 740	113 820	-	**99 740**
Provision for withholding tax	225 535	124 626	225 535	-	**124 626**
Provision for bonuses	345 622	5 070	345 622	-	**5 070**
Provision for other services	217 727	280 796	217 727	-	**280 796**

In 2020, the Company created a long-term provision for employee loyalty bonuses in the amount of EUR 1 155 814.

In 2020, the Company created a provision for unused vacation days and related insurance payments and contributions paid by the employer for its employees in the Slovak Republic in the amount of EUR 1 894 042 (2019: EUR 1 216 714). The increase in provisions was due to an increased number of employees (2020: 1 004; 2019: 890), and the situation caused by the pandemic.

The Company also created a short-term provision for an employee loyalty bonus in the amount of EUR 127 804. In 2020, the Company created a provision for withholding tax of EUR 124 626.

In addition to a provision for other services in the amount of EUR 280 796, as at 31 December 2020, the Company also created a provision for bonuses and related insurance payments and contributions paid by the employer in the amount of EUR 5 070.

Information on the structure of provisions for liabilities as at 31 December 2019:

Item	Immediately-preceding Reporting Period				
	Opening Balance	Creation	Use	Cancellation	Closing Balance
a	b	c	d	e	f
Long-term Provisions for Liabilities	**761 632**	**923 395**	**761 632**	**-**	**923 395**
Short-term Provisions for Liabilities, of which:	**7 341 740**	**2 212 487**	**7 341 740**	**-**	**2 212 487**
Provision for unused vacation days	893 348	899 936	893 348	-	**899 936**
Provision for social security insurance related to unused vacation days	314 459	316 778	314 459	-	**316 778**
Provision for earn-out of an investment in UK	4 844 883	-	4 844 883	-	**-**
Provision for loyalty	68 652	93 069	68 652	-	**93 069**
Provision for audit	120 700	113 820	120 700	-	**113 820**
Provision for withholding tax	178 261	225 535	178 261	-	**225 535**
Provision for a fine for not employing disabled persons	20 250	345 622	20 250	-	**345 622**
Provision for other services	901 187	217 727	901 187		**217 727**

4. Liabilities

Information on liabilities as at 31 December 2020:

The Company does not record any payables secured by a lien or other form of security.

Item	Liabilities with Residual Maturity of Over 5 Years	Liabilities with Residual Maturity of Between 1 and 5 Years	Total Liabilities
a	b	c	d
Non-current Liabilities			
Trade payables to group companies	-	-	-
Trade payables within a participating interest except for payables from group companies	-	-	-
Other trade payables	-	-	-
Other payables to group companies			
Payables to partners, members and participants in an association	-	-	-
Other liabilities	-	177 619	177 619
Total Non-current Liabilities	**-**	**177 619**	**177 619**
Item	**Liabilities with Residual Maturity of Up to 1 Year Inclusive**	**Overdue Liabilities**	**Total Liabilities**
Current Liabilities			
Trade payables to group companies	2 965 092	260 000	3 225 092
Trade payables within a participating interest except for payables from group companies	-	-	-
Other trade payables	3 743 825	110 991	3 854 816
Other payables within a participating interest	13 292 000		13 929 000
Payables to partners, members and participants in an association	23 384 534	-	23 384 534
Social security insurance and employees	4 780 218	-	4 780 218
Tax liabilities and subsidies	678 867	-	678 867
Payables from derivative transactions	-	-	-
Other liabilities	53 645	-	53 645
Total Current Liabilities	**48 898 181**	**370 991**	**49 269 172**

Other payables within a participating interest comprise a payable from the outstanding acquired share in ESET SOFTWARE UK Limited (a subsidiary) in the amount of EUR 13 292 000, which arose upon the acquisition of a 100% share from the former owner PGNB (a subsidiary), with its registered office at 5th Floor, Holland House, 20 Oxford Road, Bournemouth, Dorset, United Kingdom. The transaction was approved by a decision of shareholders on 19 November 2020. On 30 December 2020, the ownership title was recorded in the Companies House of the United Kingdom. This payable will be settled in 2021.

Payables to shareholders in the amount of EUR 23 384 534 comprise approved but outstanding shares in profit of shareholders under the Memorandum of Association, which were paid on 18 January 2021.

Information on liabilities as at 31 December 2019:

Item	Liabilities with Residual Maturity of Over 5 Years	Liabilities with Residual Maturity of Between 1 and 5 Years	Total Liabilities
a	b	c	d
Non-current Liabilities			
Trade payables to group companies	-	-	-
Trade payables within a participating interest except for receivables from group companies	-	-	-
Other trade payables	-	-	-
Other payables to group companies	-	-	-
Payables to partners, members and participants in an association	-	-	-
Other liabilities	-	122 079	122 079
Total Non-current Liabilities	-	**122 079**	**122 079**
Item	**Liabilities with Residual Maturity of Up to 1 Year Inclusive**	**Overdue Liabilities**	**Total Liabilities**
Current Liabilities			
Trade payables to group companies	3 443 129	-	3 443 129
Trade payables within a participating interest except for receivables from group companies	-	-	-
Other trade payables	2 961 934	69 411	3 031 345
Other payables to group companies			-
Payables to partners, members and participants in an association	1 772	-	1 772
Social security insurance and employees	3 675 992	-	3 675 992
Tax liabilities and subsidies	970 623	-	970 623
Payables from derivative transactions	-	-	-
Other liabilities	100 082	-	100 082
Total Current Liabilities	**11 153 532**	**69 411**	**11 222 943**

5. Social Fund

Information on social fund payables:

Item	Current Reporting Period	Immediately-preceding Period
Initial balance of the social fund	**122 079**	**84 324**
Creation of the social fund debited to costs	344 418	289 146
Creation of the social fund from profit	-	-
Other creations in the social fund	-	-
Total creation of the social fund	**344 418**	**289 146**
Drawing from the social fund	**288 877**	**251 391**
Closing Balance	**177 620**	**122 079**

In 2020, the Company created the social fund using the following resources:
- A monthly allotment in the amount of 1% of gross wages and salaries recognised for payment to employees for a calendar year; and

Drawing of the social fund in 2020:
- Contribution for employees' meals.

6. Bank Loans

The Company does not have any bank loans.

7. Accrued Expenses and Deferred Income

Item	Current Reporting Period	Immediately-preceding Reporting Period
Non-current accrued expenses, of which:	**-**	**-**
Rent	-	-
Current accrued expenses, of which:	**54 301**	**221 638**
Sales bonuses		
Rent for Aupark Tower until 2021	54 301	221 638
Non-current deferred income, of which:	**258 920**	**3 137**
24/7 support	258 920	3 137
Revenues from the sale of services – EMEA	-	-
Current deferred income, of which:	**509 571**	**139 748**
24/7 support	-	-
Revenues from the sale of services – EMEA	509 571	139 748

G. REVENUES

1. Revenues from the Sale of Services and Merchandise

Information on the structure of revenues from the sale of services and merchandise by geographical segment:

Country	NOD32 / ESS		Consulting Services**		Sale of Merchandise		Other		Total	
	Current Reporting Period	Immediately-preceding Reporting Period	Current Reporting Period	Immediately-preceding Reporting Period	Current Reporting Period	Immediately-preceding Reporting Period	Current Reporting Period	Immediately-preceding Reporting Period	Current Reporting Period	Immediately-preceding Reporting Period
a	b	c	d	e	j	k	l	m	n	o
Slovak Republic	17 299 572	17 821 868	324 088	261 851	137 483	1 263	17 392	8 565	**17 778 535**	**18 093 547**
Czech Republic	21 357 970	23 627 630	280 030	316 826	-	-	-	2 437	**21 638 000**	**23 946 893**
USA	90 348 038	132 132 064	-	46 956	-	-	-	1 625	**90 348 038**	**132 180 645**
EMEA*	206 685 257	195 280 694	34 340	336 893	-	-	29 125	812	**206 748 722**	**195 618 399**
LATAM	34 830 250	3 420 169	-	2 071	-	-	-	-	**34 830 250**	**3 422 240**
APAC	83 172 700	80 988 852	-	-	-	-	-	177 590	**83 172 700**	**81 166 442**
DACH	42 913 257	38 898 178	-	23 677	-	-	11 250	-	**42 924 507**	**38 921 854**
Asia	32 026 025	29 291 954	-	21 546	-	-	-	9 029	**32 026 025**	**29 322 529**
Australia	4 585 510	3 953 669	-	50	-	-	-	-	**4 585 510**	**3 953 719**
Total	**533 218 578**	**525 415 078**	**638 458**	**1 009 870**	**137 483**	**1 263**	**57 767**	**200 058**	**534 052 287**	**526 626 269**

Note:
*The EMEA region includes countries in Europe and South Africa.
**Revenues from consulting services are increased by revenues from security audits.

Revenues from the sale of services mainly include revenues from the granting of the right to use the antivirus software to third and related parties.

Revenues from the sale of services by parties to which services were provided in 2020 are presented in the table below:

Item	Current Reporting Period	Immediately-preceding Reporting Period
Revenues from the sale of services to third parties	279 390 656	279 716 297
Revenues from the sale of services to related parties	254 524 148	246 908 708
Total	**533 914 804**	**526 625 005**

Revenues from the sale of services to unrelated parties comprise the sale of licences directly to end customers and the sale through a network of distributors and resellers outside the ESET Group. The sale of licences by the ESET Group's distributors and/or subsidiaries is recognised in the line "Revenues from the sale of services to related parties".

2. Changes in Inventories Developed Internally

The Company does not develop inventories internally.

3. Capitalisation of Costs

The Company did not perform any capitalisation of costs in 2020 and in previous years.

4. Other Operating Revenues, Revenues from Financing Activities and Revenues of Extraordinary Scope or Occurrence

Item	Current Reporting Period	Immediately-preceding Reporting Period
Other material items of operating revenues, of which:	**3 773 913**	**3 738 095**
Revenues from reinvoicing of expenses	3 115 762	3 299 461
Expected refund of foreign VAT	2 113	32 963
Proceeds from the sale of non-current TA and IA	164 290	55 560
Insurance benefits	20 520	17 840
Fines and penalties	298 559	-
Write-off of statute-barred liabilities	-	-
Other operating revenues	172 669	332 271
Revenues from financing activities, of which:	**10 831 737**	**6 642 015**
Foreign exchange gains, of which:	*1 804 836*	*4 121 994*
Foreign exchange gains as at the reporting date	-	2 719 710
Other material items of revenues from financing activities, of which:	*9 026 901*	*2 520 021*
Interest on intercompany loans	33 722	18 075
Interest on bank accounts	100 375	730 443
Dividends from ESET Canada Inc.	162 348	173 298
Dividends from ESET Canada Recherche Inc.	163 068	-
Dividends from ESET, LLC	4 212 138	-
Dividends from ESET software spol. s r.o.	370 756	314 831
Dividends from ESET Research Czch Republic s.r.o.	1 087 653	559 857
Dividends from ESET Polska Sp. z o.o.	977 754	703 070
Dividends from ESET LATINOAMERICA S.R.L.	-	20 447
Dividends from ESET MÉXICO S. de R.L. de C.V.	1 195	-
Dividends from ESET DO BRASIL MARKETING LTDA	21 621	-
Dividends from ESET SOFTWARE UK Limited	385 888	-
Dividends from ESET RESEARCH UK Limited	837 432	-
Dividends from ESET Romania S.R.L.	63 578	-
Dividends from ESET ITALIA S.r.l.	24 473	-
Dividends from ESET Deutschland GmbH	533 405	-
Dividends from ESET Software Australia, PTY, LTD.	51 495	-
Extraordinary revenues, of which:	-	-

5. Net Turnover

Item	Current Reporting Period	Immediately-preceding Reporting Period
Revenues from own products		
Revenues from the sale of services	533 914 804	526 625 006
Revenues from merchandise	137 483	1 263
Revenues from construction contracts	-	-
Revenues from real estate for sale	-	-
Other revenues related to ordinary activities	-	-
Total Net Turnover	**534 052 287**	**526 626 269**

The Company's net turnover in the period from 2015 to 2020 is based on an amendment to Act No. 333/2014 Coll. on Accounting, and is in line with Income Statement line 01.

H. EXPENSES

1. Costs of Services Provided and Material Items of Other Expenses

Item	Current Reporting Period	Immediately-preceding Reporting Period
Costs of services provided, of which:	**379 513 581**	**382 092 972**
Cost of the audit firm, of which:	*175 020*	*183 500*
Costs of auditing separate financial statements	61 000	49 450
Other assurance audit services	114 020	134 050
Related audit services	-	-
Tax advisory services	-	-
Other non-audit services	-	-
Other material items of costs of provided services, of which:	*379 338 561*	*381 909 472*
Costs of distributors' activities	334 327 916	333 724 743
Costs of advertising and marketing communication	7 733 526	8 697 214
Costs of rent	3 866 280	3 433 554
Costs of Internet and data services	352 893	303 497
Contractors' services	21 975 704	23 986 983
Translations of localisation texts	446 874	488 835
Entertainment expenses	166 413	889 212
Software services	3 498 120	972 054
Travel expenses	263 343	1 138 500
Purchase of low-value software, low-value non-current IA, licences, domains	2 311 697	1 835 399
Economic, legal and other advisory services	1 328 715	1 350 102
IT services	1 220 063	3 133 729
Other services	1 847 017	1 955 651
Other material items of operating expenses, of which:	**65 049 253**	**54 647 269**
Depreciation/amortisation charges for non-current TA and non-current IA	4 300 265	4 049 045
Taxes and fees	138 972	162 047
Other expenses	6 562 995	3 740 152
Total personnel expenses:	**54 047 020**	**46 696 025**
Wages and salaries	38 590 440	32 879 977
Other expenses for dependent activities	28 800	28 800
Social insurance	9 464 768	8 093 374
Health insurance	4 252 287	3 636 154
Social security	1 710 725	2 057 720
Finance costs, of which:	**7 438 878**	**1 720 852**
Foreign exchange losses, of which:	*7 404 381*	*1 684 200*
Foreign exchange losses as at the reporting date	3 069 928	1 505
Other material items of finance costs, of which:	*34 497*	*36 652*
Bank charges	34 470	36 652
Other costs	27	-
Expenses of extraordinary scope or occurrence, of which:	-	-

I. INCOME TAX

The reconciliation of accounting profit/loss and the income tax base is presented in the table below:

Item	Current Reporting Period			Immediately-preceding Reporting Period		
	Tax Base	**Tax**	**Tax in %**	**Tax Base**	**Tax**	**Tax in %**
Profit/loss prior to taxation, of which:	94 651 588	X	x	96 940 291	X	x
Theoretical tax	x	19 876 833	21	x	20 357 461	21
Tax non-deductible expenses	2 099 814	440 961	21	3 147 198	660 912	21
Revenues exempt from taxation	-8 993 180	-1 888 568	21	-2 501 947	-525 409	21
Effect of unrecognised deferred income tax	x	x	X	x	x	X
Tax loss carried forward	x	x	X	x	x	X
Change in the tax rate						
Other	-9 248 048	-1 942 090	**21**	-5 976 528	-1 255 071	**21**
Total	78 510 171	16 487 136	21	91 609 014	19 237 893	21
Current income tax	**x**	**16 894 707**	**x**	**x**	**19 147 747**	**x**
Deferred income tax	**x**	**-407 571**	**x**	**x**	**90 146**	**x**
Total Income Tax	**x**	**16 487 136**	**21**	**x**	**19 237 893**	**21**

J. OFF-BALANCE SHEET ACCOUNTS

The Company does not lease any other assets (leasing, other type of lease) to or from any entities. Until 30 June 2020, the Company leased paved areas for motor vehicle parking located at the former hospital area of Nemocnica svätého Michala, Cesta na Červený most 1, Bratislava.

K. OTHER ASSETS AND OTHER LIABILITIES

Corporate social responsibility is a priority for the Company and it considers corporate philanthropy to be a significant part of its corporate culture. In 2011, the Company established Nadácia (Foundation) to support and promote publicly-beneficial activities, primarily the development of education, science, training, physical education and sports, the development and protection of spiritual and cultural values and other activities. In 2020, Nadácia provided contributions to individuals and legal entities in an amount exceeding EUR 526 000. In 2020, the Company provided contributions to Nadácia ESET (ESET Foundation) totalling EUR 850 000.

1. Contingent Liabilities and Contingent Assets

Tax returns remain open and may be subject to review over a five-year period. The fact that a certain period or tax return related to this period has been subject to review does not eliminate the possibility of this period being subject to a further review during the five-year period. Accordingly, as at 31 December 2020, the Company's tax returns for 2016 to 2020 remain open and may be subject to review.

The Company leases office and operation premises under an operating lease. In several contracts, the Company has an option of one-off termination of the contract by the lessee, or is entitled to terminate a lease contract for any reason or for convenience within a specified notice period. Upon termination of the contracts, the Company is also required to remove any modifications made and remedy any damage. Compensations and contractual penalties arising from such provisions of the contracts have no significant effect on the financial statements.

2. Other Financial Obligations

The Company has no other financial obligations recorded in the bookkeeping that must be disclosed in the balance sheet.

3. Litigation

FINJAN Inc.

As at 31 December 2020, the Company and its subsidiaries were a party to three litigations with FINJAN, Inc.

a. In a litigation in which ESET, spol. s r.o. and its subsidiary, ESET, LLC are the defendant, FINJAN Inc. took legal action against both companies for alleged breach of six patents registered in the US by FINJAN Inc.
b. In a litigation in which ESET, spol. s r.o. and its subsidiary, ESET Deutschland GmbH, are the defendant, FINJAN Inc. took legal action against both companies due to an alleged breach of a patent registered by FINJAN Inc.
c. ESET, spol. s r.o. is involved in litigation as the plaintiff regarding patent invalidity with FINJAN Inc. as the defendant. This is a patent with regard to which FINJAN Inc. took legal action due its breach, in the litigation above.

The outcome of litigation in Germany (points b) and c)) is mutually-dependent. As at 31 December 2020, the litigation on patent infringement was stayed until a ruling in the dispute concerning patent invalidity is issued. In November 2018, the first-instance court ruled that the patent of FINJAN Inc. is invalid. FINJAN Inc. appealed and the hearing at the German Supreme Court (Bundesgerichthof) is set for 13 April 2020. It is expected that the court will issue a ruling on this date.

In litigation in the US (point a), a hearing was held in March 2020, but it was ended early due to the coronavirus. Given the unsuccessful termination of the proceedings concerning the '305 patent invalidation, the court ordered that any continuation of judicial proceedings related to this patent should deal with all six patents at the same time in the event of another hearing. In February 2021, there was a discovery stage, the factual part of which was completed.

In March 2021, based on an earlier petition of the Company, the court ruled on the invalidity of five of the six patents in these proceedings. At the end of March, the court permitted FINJAN Inc. to file a motion for reconsideration, via which this company seeks a change of the Court's ruling. If the court does not change its ruling, FINJAN Inc. will have the right to appeal to the Federal Court of Appeals. In addition, the court ruled on the separation of proceedings on the '305 patent from other patents. The proceeding on the '305 patent was adjourned until a ruling on other patents is issued, including potential appellate proceedings.

As none of these litigations meets the conditions for creation of a provision according to Article 19 of the Accounting Procedures, the Company recorded no provision for potential losses as at 31 December 2020.

Future Time S.r.l.

In January 2021, the former Italian distributor, Future Time S.r.l., exercised its monetary claims by a letter due to the termination of a distribution contract. The Company created a provision for an overdue receivable from the debtor, Future Time S.r.l., in the amount of a receivable recorded as at 31 December 2020. Future Time S.r.l. exercised its claims at the Court of Arbitration of the Slovak Chamber of Commerce and Industry.

As at the issue date of the financial statements, the Company was preparing a petition to the Court of Arbitration of the Slovak Chamber of Commerce and Industry as a response to the above claims of Future Time S.r.l. and will exercise its claims.
Currently, there are ongoing negotiations with Future Time S.r.l.
As the provisioning conditions according to Article 19 of Accounting Procedures have not been met, the Company recognised no provision for potential losses as at 31 December 2020.

L. INCOME AND BENEFITS OF THE MEMBERS OF THE STATUTORY BODIES

Type of Income, Benefit	Amount of Income, Benefits of Current Members of			Amount of Income, Benefits of Former Members of		
	b			c		
	Statutory Bodies	Supervisory Bodies	Other Bodies	Statutory Bodies	Supervisory Bodies	Other Bodies
	Part 1 – Current Reporting Period			Part 1 – Current Reporting Period		
a	Part 2 – Immediately-preceding Reporting Period			Part 2 – Immediately-preceding Reporting Period		
Monetary income	28 800	x	x	x	x	x
	28 800	x	x	x	x	x
In-kind income	3 765	x	x	x	x	x
	3 730	x	x	x	x	x
Monetary advance payments	x	x	x	x	x	x
	x	x	x	x	x	x
In-kind advance payments	x	x	x	x	x	x
	x	x	x	x	x	x
Loans provided	x	x	x	x	x	x
	x	x	x	x	x	x
Guarantees issued	x	x	x	x	x	x
	x	x	x	x	x	x
Other	x	x	x	x	x	x
	x	x	x	x	x	x

The above table in the line "Monetary income" comprises remuneration paid to the statutory representatives in relation to their office of the Company's statutory representatives during the reporting period. Non-monetary income comprises issued meal vouchers corresponding with the number of business days in the calendar year.

In 2021 and 2020, the Company's Board of Directors decided on the payment of dividends to shareholders. All the Company's statutory representatives are also shareholders. Information about paid dividends is presented in the following Note.

M. ECONOMIC RELATIONS OF THE COMPANY WITH RELATED PARTIES

The Company carried out transactions with its subsidiaries during the reporting period, which are listed in the table on the following page:

Comments:

Transaction Type Code:

1	Purchase of merchandise and services
2	Sale of merchandise
3	Provision of services
5	Purchase (distribution margin)/sale of licences
8	Borrowings
11	Dividends received

The Company performed the following transactions with its subsidiaries during the reporting period:

Subsidiary	Transaction Type Code	Transaction Value	
		Current Reporting Period	Immediately-preceding Reporting Period
a	b	c	d
ESET software spol. s r.o.	2	3 115	443
ESET software spol. s r.o.	3	325 781	342 637
ESET software spol. s r.o. - sale of licences	5	21 341 882	23 669 404
ESET software spol. s r.o. - purchase of licences	5	10 499 139	11 896 202
ESET software spol. s r.o.	11	370 756	314 831
ESET Research Czech Republic s.r.o.	1	6 604 470	5 973 961
ESET Research Czech Republic s.r.o.	2	12 909	597
ESET Research Czech Republic s.r.o.	3	34 015	50 137
ESET Research Czech Republic s.r.o.- sale of licences	5	84 927	81 979
ESET Research Czech Republic s.r.o.	11	1 087 653	559 857
ESET, LLC	1	2 574 082	4 603 300
ESET, LLC	2	715	1 069
ESET, LLC	3	116 616	260 101
ESET, LLC - sale of licences	5	112 964 673	116 875 177
ESET, LLC - purchase of licences	5	77 681 364	83 764 277
ESET, LLC	11	4 212 138	-
ESET ASIA PTE. LTD.	1	1 552 016	3 947 278
ESET ASIA PTE. LTD.	2	3 011	-
ESET ASIA PTE. LTD.	3	42 608	35 050
ESET ASIA PTE. LTD. - sale of licences	5	26 287 224	29 325 786
ESET ASIA PTE. LTD. - purchase of licences	5	18 620 925	19 419 292
ESET Canada Inc.	3	14 326	22 621
ESET Canada Inc. - sale of licences	5	12 402 067	11 622 469
ESET Canada Inc. - purchase of licences	5	7 021 186	7 187 725
ESET Canada Inc.	11	162 348	-
ESET Canada Recherche Inc.	1	1 104 987	1 129 258
ESET Canada Recherche Inc.	2	2 848	108
ESET Canada Recherche Inc.	3	9 083	8 495
ESET Canada Recherche Inc. - sale of licences	5	25 240	30 931
ESET Canada Recherche Inc.	11	163 068	-
ESET DO BRASIL MARKETING LTDA	1	953 571	1 070 785
ESET DO BRASIL MARKETING LTDA	3	107 566	-
ESET DO BRASIL MARKETING LTDA – sale of licences	5	16 608	-
ESET DO BRASIL MARKETING LTDA	11	23 716	-
ESET Polska sp. z o.o.	1	5 886 516	5 455 903
ESET Polska sp. z o.o.	2	18 711	368
ESET Polska sp. z o.o.	3	34 000	27 380
ESET Polska sp. z o.o. -sale of licences	5	123 971	114 343
ESET Polska sp. z o.o.	11	977 754	703 070
ESET Deutschland GmbH	1	-	1 000
ESET Deutschland GmbH	2	5 947	558
ESET Deutschland GmbH	3	904 877	1 390 894
ESET Deutschland GmbH - sale of licences	5	43 040 654	38 682 017
ESET Deutschland GmbH - purchase of licences	5	30 890 802	28 352 986
ESET Deutschland GmbH	11	533 406	-

ESET Software Australia Pty Ltd	1	3 575	-
ESET Software Australia Pty Ltd	3	31 177	12 057
ESET Software Australia Pty Ltd - sale of licences	5	4 619 198	3 994 943
ESET Software Australia Pty Ltd - purchase of licences	5	3 546 580	3 912 906
ESET Software Australia Pty Ltd	11	51 496	-
ESET LATINOAMERICA S.R.L.	2	401	565
ESET LATINOAMERICA S.R.L.	3	16 113	792
ESET LATINOAMERICA S.R.L.	5	47 693	32 933
ESET RESEARCH UK Limited (DESlock)	1	1 293 719	1 246 158
ESET RESEARCH UK Limited (DESlock)	2	6 387	19
ESET RESEARCH UK Limited (DESlock)	3	3 589	6 415
ESET RESEARCH UK Limited (DESlock) – sale of licences	5	25 627	22 181
ESET RESEARCH UK Limited (DESlock)	11	837 432	-
ESET Romania	1	648 861	728 705
ESET Romania	2	1 832	41
ESET Romania	3	23 253	23 082
ESET Romania	5	16 387	7 281
ESET Romania	11	63 578	-
ESET SOFTWARE UK (QNH)	2	629	-
ESET SOFTWARE UK (QNH)	3	26 700	139 298
ESET SOFTWARE UK (QNH)– sale of licences	5	21 343 155	5 488 177
ESET SOFTWARE UK (QNH)– purchase of licences	5	12 912 063	3 290 905
ESET SOFTWARE UK (QNH)	11	385 888	-
ESET Japan Inc.	1	2 458 813	2 381 538
ESET Japan Inc.	3	16 047	19 045
ESET Japan Inc..	5	18 537	4 084
ESET Japan Inc. – interest on borrowing	8	15 672	16 180
ESET Japan Inc. – borrowing provided	8	482 232	500 259
ESET ITALIA S.r.l.	1	122 368	410 423
ESET ITALIA S.r.l.	2	18 909	-
ESET ITALIA S.r.l.	3	36 659	-
ESET ITALIA S.r.l.. – sale of licences	5	12 972 088	1 107 315
ESET ITALIA S.r.l.. – purchase of licences	5	6 907 536	747 839
ESET ITALIA S.r.l.- interest on borrowing	8	1 903	256
ESET ITALIA S.r.l.– borrowing provided	8	130 000	130 000
ESET ITALIA S.r.l.	11	24 473	-
ESET MÉXICO S. de R.L. de C.V.	2	118	-
ESET MÉXICO S. de R.L. de C.V.	3	3 410	1 215
ESET MÉXICO S. de R.L. de C.V.	5	14 494	13 452
ESET MÉXICO S. de R.L. de C.V.- interest on borrowing	8	14 990	640
ESET MÉXICO S. de R.L. de C.V.- borrowing provided	8	183 381	200 282
ESET MÉXICO S. de R.L. de C.V.	11	1 195	-
Nadácia ESET (ESET Foundation)	3	20 323	20 022
Nadácia ESET (ESET Foundation) - sale of licences	5	438	-
Nadácia ESET (ESET Foundation)	donation	850 000	155 0

N. IMPACT OF THE COVID-19 PANDEMIC ON THE COMPANY

At the end of 2019, information on the coronavirus (COVID-19) in China was published for the first time. In early 2020, the virus spread globally and had a significant negative impact.

ESET, spol. s r.o. immediately took preventive measures to provide fully-fledged services while protecting the health of its employees and customers. In early March 2020, international business travel was suspended with immediate effect, preventive hygienic measures supported by online training courses were implemented and home office was activated first on a voluntary basis and later on a mandatory basis for most employees of our branches worldwide. All work activities that did not require the physical presence of employee were transferred to the home office regime.

2020 was a challenge for the Company as regards the support of science and research and the implementation of various measures in the work and private life. Therefore, the Company established a "Fund for Support of Effective Diagnostics and Prevention of COVID-19" through its ESET Foundation and contributed EUR 300 000 to this fund. The Company supported the development of the first PCR test. In the first stage, together with other participating companies and scientists, it provided funds for the first 100 000 PCR tests that were donated to the Slovak Republic.

The Company has a Pandemic Flu Business Continuity Plan in place, which is regularly updated. In line with the plan, the Company is able to continue to provide its services during a long-term crisis, while taking into consideration the decisions and regulations of the competent public authorities.

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

From 31 December 2020 up to the preparation date of the financial statements, there were no such events, other than those described below, that would have a significant impact on the Company's assets and liabilities.

Information about the Company's pending litigation is presented in Note K (3) INFORMATION ON OTHER ASSETS AND OTHER LIABILITIES.

At the end of 2020, the Company put in use an acquired share in ESET SOFTWARE UK Limited (a subsidiary) in the amount of EUR 13 292 000, which arose upon the acquisition of a 100% share from the former owner PGNB (a subsidiary), with its registered office at 5th Floor, Holland House, 20 Oxford Road, Bournemouth, Dorset, United Kingdom. The transaction was approved by a decision of shareholders on 19 November 2020: On 30 December 2020, the ownership title was recorded in the Companies House of the United Kingdom. The payable will be settled in 2021.

On 16 December 2020, the Board of Directors decided on the payment of dividends to shareholders totalling EUR 23 384 534. Dividends were paid on 18 January 2021.

At the time of the publication of these financial statements, Company management did not register a significant drop in sales, decline in distributors' ability to settle receivables, and the impact on the Company's ability to settle its payables. Due to the emergence and spread of COVID-19 virus mutations, the pandemic situation is constantly changing; as a result, it is not possible to predict future impacts. However, the Company does not expect the impairment of its assets or significant losses.

Company management will continue monitoring the potential impact and will take all possible steps to avert any negative impacts on the Company and its employees.

The Company will recognise any negative impacts and/or future foreign exchange losses in its accounting books and financial statements for 2021. Potential losses do not have an impact on the financial statements as at 31 December 2020.

P. CHANGES IN EQUITY

At a meeting held on 21 May 2020, the Board of Directors of ESET, spol. s r.o. decided on the approval of the profit/loss for the current reporting period in the amount of EUR 77 702 398. The Board of Directors decided to transfer the 2019 retained profit in the amount of EUR 77 702 398 to Retained earnings from previous years.

At a meeting held on 25 June 2020, the Board of Directors decided on the payment of shares in profit for 2018 in the amount of EUR 18 000 000 to shareholders under the Memorandum of Association by 31 July 2020.

At the Board of Director's meeting held on 16 December 2020, shareholders approved the distribution of the retained portion of the profit for 2016, 2017 and 2018 in the amount of EUR 1 365 348 EUR, EUR 5 322 802 and EUR 15 642 827 EUR, respectively. The shareholders decided to dissolve the fund from profit and to pay dividends in the amount of EUR 1 051 848. The dividends totalled EUR 23 382 826 to be paid by 31 January 2021.

Equity Item	Current Reporting Period				
	Opening Balance	**Additions**	**Disposals**	**Transfers**	**Opening Balance**
a	b	c	d	e	f
Registered capital	**140 000**	-	-	-	**140 000**
Treasury shares and treasury stock	-	-	-	-	-
Change in the registered capital	-	-	-	-	-
Amounts receivable for subscribed capital	-	-	-	-	-
Share premium	-	-	-	-	-
Other capital funds	-	-	-	-	-
Legal reserve fund (non-distributable fund) from capital contributions	-	-	-	-	-
Revaluation reserve from the revaluation of assets and liabilities	-	-	-	-	-
Revaluation reserve from capital contributions	-	-	-	-	-
Revaluation reserve from fusions, mergers and separations	-	-	-	-	-
Legal reserve fund	**14 000**	-	-	-	**14 000**
Non-distributable fund	-	-	-	-	-
Statutory funds and other funds	4 095 418		-1 763 531	-	2 331 887
Retained earnings of previous years	40 155 077	-	175 900	37 371 421	77 702 398
Accumulated loss from previous years	-	-	-	-	-
Profit/loss for the current reporting period	77 702 398	78 164 453		-77 702 398	78 164 453
Paid dividends	-	-	-40 330 977	40 330 977	-
Other equity items	-	-	-	-	-
Account 491 – Sole proprietor's equity	-	-	-	-	-
Total	**122 106 893**	**78 164 453**	**-41 918 608**	-	**158 352 738**

Changes in Equity for 2019:

Equity Item	Immediately-preceding Reporting Period				
	Opening Balance	**Additions**	**Disposals**	**Transfers**	**Opening Balance**
a	b	c	d	e	f
Registered capital	140 000	-	-	-	**140 000**
Treasury shares and treasury stock	-	-	-	-	-
Change in the registered capital	-	-	-	-	-
Amounts receivable for subscribed capital	-	-	-	-	-
Share premium	-	-	-	-	-
Other capital funds	-	-	-	-	-
Legal reserve fund (non-distributable fund) from capital contributions	-	-	-	-	-
Revaluation reserve from the revaluation of assets and liabilities	-	-	-	-	-
Revaluation reserve from capital contributions	-	-	-	-	-
Revaluation reserve from fusions, mergers and separations	-	-	-	-	-
Legal reserve fund	14 000	-	-	-	**14 000**
Non-distributable fund	-	-	-	-	-
Statutory funds and other funds	4 095 418		-	-	4 095 418
Retained earnings of previous years	67 311 271	-	-854 712	-26 301 482	40 155 077
Accumulated loss from previous years	-	-	-	-	-
Profit/loss for the current reporting period	68 137 938	77 702 398		-68 137 938	77 702 398
Paid dividends	-	-	-94 439 420	94 439 420	-
Other equity items	-	-	-	-	-
Account 491 – Sole proprietor's equity	-	-	-	-	-
Total	**139 698 627**	**77 702 398**	**-95 294 132**	-	**122 106 893**

Q. CASH FLOW STATEMENT AS AT 31 DECEMBER 2020 – CASH FLOW

The cash flow statement is included in Table 1 in the Appendix.

Cash is defined as cash on hand, equivalents of cash equivalents, cash in current bank accounts, overdraft facilities, and part of the balance of the cash-in-transit.

Cash equivalents are defined as current financial assets that are readily convertible at an amount of cash known in advance for which there is no risk of a significant change in their value in the next three months from the reporting date.

The Company used the indirect method of presenting cash flows from operations.

Table 1 - Cash Flow Statement

Item	Description	Actual amount in EUR	
		Current Reporting Period	Previous Reporting Period
	Cash flows from operating activities		
Z/S	**Profit/loss from ordinary activities before income tax (+/-)**	**94 651 588**	**96 940 291**
A.1.	**Non-cash transactions affecting profit/loss from ordinary activities before income tax (+/-)**	**(313 933)**	**(6 405 355)**
	Amortisation and depreciation of non-current intangible and tangible assets (+)	4 300 265	4 049 045
	Change in provisions for liabilities (+/-)	546 450	(4 937 379)
	Change in provisions for assets (+/-)	2 446 525	10 337
	Change in expense and revenues accruals (+/-)	1 409 082	(982 361)
	Dividends and other profit sharing charged to revenues (-)	(8 892 804)	(1 771 503)
	Interest charged to income (-)	(73 842)	(173 174)
	Foreign exchange gain/loss quantified to cash and cash equivalents as at the reporting date (-/+)	(198 297)	(1 575 078)
	Profit/loss on sales of non-current assets except for those assets considered as cash equivalents (+/-)	(21 243)	(55 560)
	Other non-cash items (+/-)	169 931	(969 682)
A.2.	**Effect of changes in working capital on profit/loss from ordinary activities**	**(1 591 427)**	**112 438**
	Change in receivables from operations (-/+)	(2 696 095)	(652 285)
	Change in payables from operations (+/-)	1 145 689	693 281
	Change in inventories (-/+)	(39 672)	71 442
	Change in current financial assets except for those included in cash and cash equivalents (-/+)	(1 349)	-
	Cash flow from operating activities, except for income and expenditures listed separately in other sections of the cash flow statement (+/-), (total Z/S+A.1.+A.2.)	**92 746 228**	**90 647 374**
	Interest received (+)	40 120	155 102
	Income tax paid (-/+)	(20 045 059)	(18 003 763)
A.	**Net cash flow from operating activities**	**72 741 289**	**72 798 713**
	Cash flow from investing activities		
	Expenditures for acquisition of non-current intangible assets (-)	(1 570 869)	(1 188 055)
	Expenditures for acquisition of non-current tangible assets (-)	(3 340 321)	(2 854 328)
	Expenditures for acquisition of long-term securities and shares in other entities except for securities considered cash equivalents and securities available for sale or trading securities (-)	912 574	(100 000)
	Income on sale of non-current intangible assets (+)	164 290	55 560
	Expenditures for non-current borrowings provided by the Company to another entity that is a member of the consolidation group (-)	-	(353 810)
	Income on repayment of non-current borrowings provided by the Company to another entity that is a member of the consolidation group (+)	200 686	-
	Interest received (+)	33 722	18 072
	Dividends and other profit sharing received (+)	8 892 804	1 771 503
B.	**Net cash flow from investing activities**	**5 292 886**	**(2 651 058)**
	Cash flows from financing activities		
C.1.	**Cash flows in equity**	**-**	**-**
C.2.	**Cash flows arising on non-current and current payables from financing activities**	**5 571**	**(6 552)**
	Income on loans (+)	5 634	-
	Repayment of loans (-)	-	(6 433)
	Repayment of borrowings (-)	(63)	(119)
	Dividends paid and other profit sharing (-)	(18 000 000)	(94 439 420)
C.	**Net cash flows from financing activities**	**(17 994 429)**	**(94 445 972)**
D.	**Net increase or net decrease in cash and cash equivalents (+/-) (aggregate A+B+C)**	**60 039 748**	**(24 298 315)**
E.	Cash and cash equivalents at the beginning of the reporting period	32 036 051	54 759 288
F.	Cash and cash equivalents at the end of the reporting period prior to reflecting foreign exchange gains/losses quantified as at the reporting date (+/-)	92 075 799	30 460 971
G.	Foreign exchange gains/losses quantified to cash and cash equivalents as at the reporting date (+/-)	198 297	1 575 076
H.	**Cash and cash equivalents at the end of the reporting period adjusted for foreign exchange gains/losses quantified as at the reporting date (+/-) (total of D + E + G)**	**92 274 096**	**32 036 049**