Cybersecurity
Progress. Protected.

When technology enables progress, ESET® is here to protect it.

ANNUAL REPORT 2024

Deloitte Audit s.r.o.
Pribinova 34
811 09 Bratislava
Slovak Republic

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

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

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ESET, spol. s r.o.

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

To the Partners, Supervisory Board 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 2024 presented in annex 2 to the accompanying consolidated annual report of the Company, on which we issued an independent auditor's report on 7 May 2025 that forms part of annex 2 to the Company's consolidated annual report. We have also audited the consolidated financial statements of ESET, spol. s r.o. and its subsidiaries (the "Group") as at 31 December 2024 presented in annex 1 to the accompanying consolidated annual report of the Company, on which we issued an independent auditor's report on 7 May 2025 that forms part of annex 1 to 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 Presented in the Annual Report" of the independent auditor's reports specified above, in our opinion:

- Information presented in the Company's consolidated annual report prepared for 2024 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, 19 June 2025

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

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

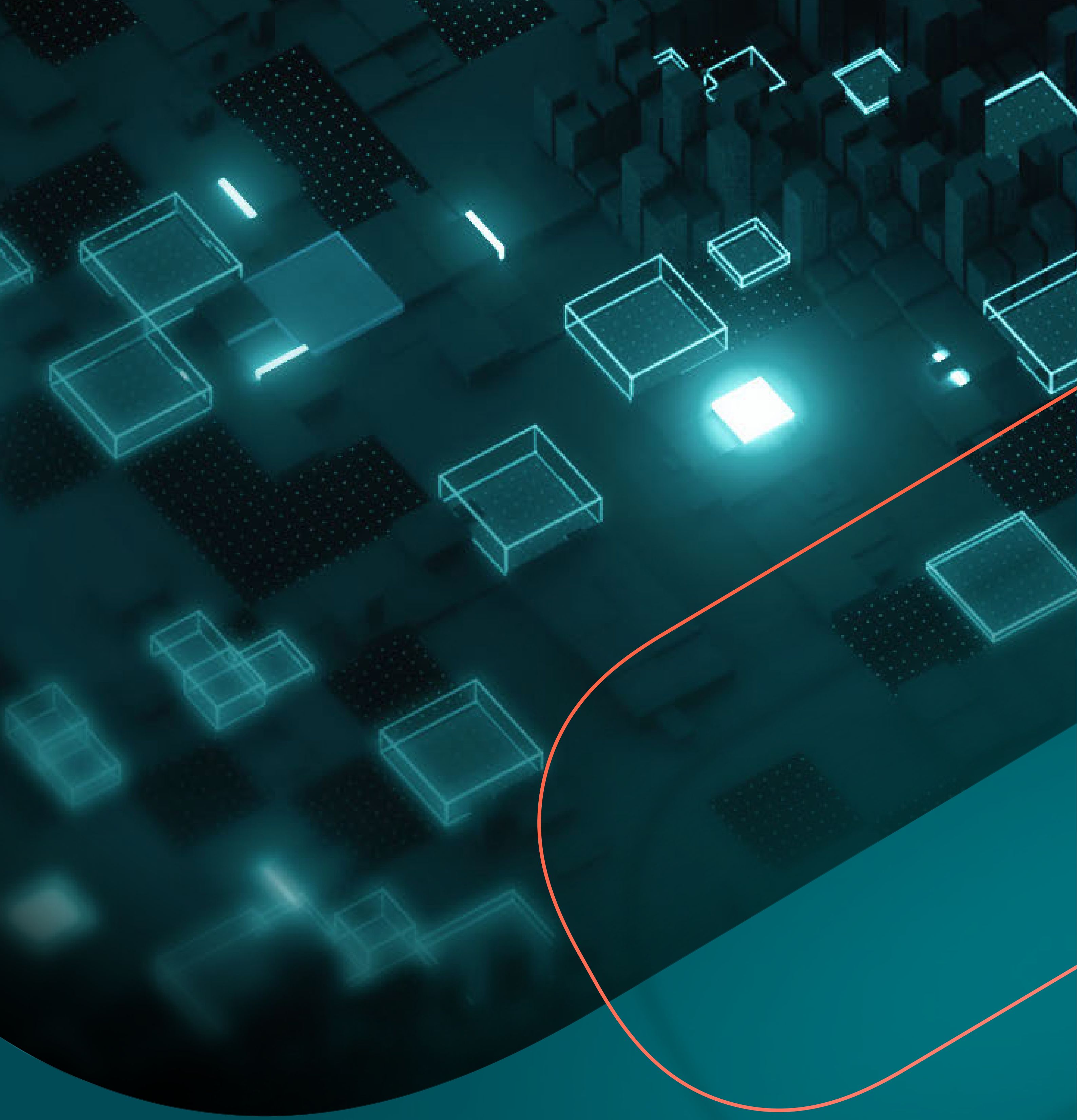
This is a translation of the original supplement to the auditor's report issued in the Slovak language to the accompanying annual report translated into the English language.

"Globally, companies seek experienced, reliable, service-oriented partners to address AI-augmented threats, increased advanced persistent threat activity, and record-breaking ransomware and supply chain attacks. Our capacity to prevent, mitigate, and remediate these threats has never been stronger, as reflected in our 2024 results and the portfolio of products, services, and corporate activities in this report."

Richard Marko — CEO

Contents

1. ESET AT A GLANCE . . . 5
2. CEO'S REVIEW OF THE YEAR . . . 9
3. KEY CORPORATE NEWS . . . 14
4. THE ESET GROUP . . . 19
4.1 The Group's Structure . . . 20
4.2 Equity Capital Structure . . . 22
4.3 Company Bodies . . . 23
4.4 Values & Global Code of Ethics and Integrity . . . 26
5. RESEARCH AND TECHNOLOGY EXPERTISE . . . 29
6. OFFERINGS . . . 39
6.1 For Business Customers . . . 40
6.2 For Home Users and Small Businesses . . . 53
6.3 Customer Care . . . 58
7. EMPOWERING OUR PEOPLE . . . 61
8. ESG STRATEGY AND SUSTAINABILITY REPORTING . . . 67
9. FINANCIAL RESULTS . . . 73
10. EU TAXONOMY . . . 78
10.1 Methodology Explanations . . . 80
10.2 Eligible Activities . . . 83
10.3 Aligned Activities . . . 83
10.4 Minimum Safeguards . . . 86
10.5 Details on the Taxonomy Performance Indicators . . . 87
11. ANNEX . . . 93
11.1 Annex 1: Consolidated Financial Statements and Independent Auditor's Report as of 31 December 2024 . . . 94
11.2 Annex 2: Separate Financial Statements and Independent Auditor's Report as of 31 December 2024 . . . 141



1

ESET AT A GLANCE

ESET AT A GLANCE

ESET is a global cybersecurity company that protects tens of millions of customers and hundreds of thousands of companies worldwide.

Vision

When technology enables progress, ESET is here to protect it.

Mission

We are ethical and passionate people dedicated to designing intelligent cybersecurity solutions that protect against present and emerging threats. Powered by our research and deep technological expertise, we empower and educate both organizations and individuals to drive progress in the digital age.

Cybersecurity by ESET

ESET provides cutting-edge cybersecurity to prevent attacks before they happen.

By combining the power of AI and human expertise, ESET stays ahead of known and emerging cyber threats, securing businesses, critical infrastructure, and individuals. Whether it’s endpoint, cloud or mobile protection, our AI-Native, cloud-first solutions and services remain highly effective and easy to use. Driven by science, ESET technology includes robust detection and response, ultra-secure encryption, and multifactor authentication.

With 24/7 real-time defense and strong local support, we keep users safe and businesses running without interruption. An ever-evolving digital landscape demands a progressive, evidence-based approach to security. ESET is committed to world-class cybersecurity research and powerful threat intelligence, backed by R&D centers across Europe and North America and a strong global partner network. The result is award-winning cybersecurity for home and business.

500,000+

BUSINESS CUSTOMERS WORLDWIDE

ESET is the #1 EU-based vendor in Endpoint Protection Platforms by global revenue, according to Gartner Market Share Report 2024.

1 billion+

PROTECTED USERS WORLDWIDE

ESET technology protects over one billion internet users through our technology stack, services, product portfolio, and partnerships.

2,400+

EMPLOYEES ACROSS THE WORLD

Including 800+ cybersecurity researchers & technology experts

178

MARKETS

Active in countries around the world

30+

YEARS IN BUSINESS

Uninterrupted growth

FINANCIAL HIGHLIGHTS

REVENUES

€691M

+9%

ADJUSTED EBITDA

ADJUSTED EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION, AND AMORTIZATION

€100M

+7%

14% margin

OPERATING RESULTS

EBIT

€88M

+3%

13% margin

NET CASH FLOWS FROM OPERATING ACTIVITIES

€124M

+17%

18% margin

Revenue drivers

+13%
B2B total revenue

+21%
Enterprise revenue

+15%
EMEA revenue

+56%
Services revenue

+9%
Digital revenue

2

CEO'S REVIEW OF THE YEAR

Cybersecurity
Progress. Protected.

CEO'S REVIEW OF THE YEAR

Richard Marko — CEO

Dear friends,

As I reflect on the past year, I am filled with immense pride and gratitude for what we have accomplished together. Throughout 2024, we continued to innovate our technology and products, delivering state-of-the-art security services to our business and home customers. This dedication to science-driven innovation led to a year of remarkable achievements for ESET, marked by 9% growth in global revenue and delivering significant profit.

Recent cyber threat trends indicate that highly motivated threat actors are increasingly leveraging AI and automated tooling to enhance their attack capabilities and efficiency. As a result, businesses today face a multitude of threats, including ransomware and alert overload, along with challenges such as a shortage of cybersecurity skills. Building an in-house security team requires significant investments, which can be challenging for many organizations. To address these needs, we introduced two managed detection and response (MDR) tiers: ESET PROTECT MDR for SMBs and ESET PROTECT MDR Ultimate, specifically tailored for large companies and enterprises. Both tiers provide 24/7 managed detection and response service and enable maximum protection customized to the needs of both smaller and larger customers. Outsourcing cybersecurity to ESET experts ensures that businesses can focus on their core operations while benefiting from top-tier protection and expertise.

To further support businesses and help them fight increasingly sophisticated cybersecurity attacks, enhance their threat hunting and remediation capabilities, and block APTs and ransomware, we made ESET telemetry more accessible. By partnering with popular TIPs, SIEM platforms, and SOAR platforms and ensuring fast and easy integrations with them, we were able to reach new markets and make ESET Threat Intelligence easily accessible.

In parallel, ESET's research and development continued to innovate, creating new products and systems to protect against security threats. Our unique ESET LiveGuard, a cloud-based technology that uses advanced scanning, cutting-edge AI, and in-depth behavioral analysis to prevent targeted attacks and new or unknown threats, was further improved through AI-powered filtering, resulting in a 20% reduction in computing requirements. Additionally, we have enhanced our AI correlation engine, reducing the number of events requiring processing by over 50%. Our automated detection systems have been significantly improved, achieving better results in comparative tests. Particularly noteworthy news and improvements include enhancements to ESET Threat Intelligence and ESET Inspect, as well as the deployment of ESET AI Advisor, our innovative generative AI-based cybersecurity assistant, which facilitates interactive risk identification, analysis, and response.

I am proud to reflect on the successful launch of ESET PROTECT Hub, designed to meet our customers' needs and market demand. This proprietary subscription and user management platform serves as a central gateway to the ESET PROTECT Platform ecosystem, enabling our cloud products to be tailored precisely to the customers' requirements. This innovation is a testament to our commitment to providing seamless and efficient solutions.

In line with our dedication to supporting small businesses, we launched ESET Small Business Security, a tailored solution for the small office/home office (SOHO) segment. This offering provides comprehensive, user-friendly protection for both personal and work devices, ensuring that small businesses can thrive in an increasingly digital landscape.

Additionally, I am pleased to share that we have updated our consumer offering to better meet the demands of the cybersecurity protection market. This includes the global release of Identity Protection, which was previously launched in the US. The update features new ESET Folder Guard functionality to protect the most valuable data, enhanced phishing detection, and improved scanning performance for better security efficiency. These enhancements reflect our determination to stay ahead of emerging threats and ensure that our customers have the best protection available.

Fostering productive technical relationships and expanding cooperation with organisations such as Europol, CISA, and ENISA remained a priority. We strengthened relationships with key government customers and forged new partnerships in cyber threat intelligence.

ESET World, our annual global cybersecurity conference, was held in Bratislava, highlighting our mission of protecting progress through cybersecurity and its future role. We opened the 2024 edition with *Bridge From The Future*, an incredible open-air concert by Jean-Michel Jarre, with special guest Sir Brian May. It was an unforgettable experience for our customers, partners, employees, and over 40,000 attendees from the general public, with countless others watching on TV or online. Additionally, we partnered with Starmus Earth, a global festival of science communication, which was held in Bratislava at the same time. In addition to the 37 remarkable speakers on the ESET World stage, our partners, customers, channel partners, and employees had the opportunity to attend Starmus talks from Nobel Prize laureates, legendary astronauts, and other distinguished figures such as Tony Fadell, Jane Goodall, Chris Hadfield, and many others. ESET consistently advocates for the progress of science and its transformative impact on society, aligning with the themes presented at both ESET World and Starmus Earth.

We also celebrated the sixth anniversary of the ESET Science Award, organized by the ESET Foundation. This year's theme was *The Future of Our Planet*, and the laureates were selected by an international jury chaired by Nobel Prize laureate Emmanuelle Charpentier.

In the long term, we are committed to creating an environmentally friendly workspace where people will love to work. In line with this vision, we continued our project of building a sustainable, high-tech campus in Bratislava. This initiative aims to foster innovation and support Slovakia's shift to a knowledge economy. The ESET Campus will offer flexible workspaces and a vibrant community, inspiring employees, partners, scientists, and the public.

ESET achieved a significant milestone by globally aligning ethical standards, resulting in the publication of the global Code of Ethics and Integrity. The company also advanced its commitment to sustainability, reducing its carbon footprint and publishing its second Global Carbon Footprint Report. We also launched the development of our Sustainability Report which will be published later in 2025 and will deliver comprehensive insights into the impact of ESET's actions on the environment and its workforce.

In 2024, ESET actively promoted diversity by supporting girls and women in pursuing careers in cybersecurity, while fostering a respectful and inclusive workplace. To enhance professional growth, ESET expanded its internal Development Month into a comprehensive event spanning workshops, lectures, webinars, and team-building activities, engaging nearly 2,000 participants.

At ESET, we firmly believe that our greatest asset is our people. We were thrilled to announce that Pavol Balaj, who had been serving as ESET's interim Chief Business Officer since 2023, was named ESET's new Chief Business Officer. With his extensive experience and leadership, Pavol has begun driving our business strategy, with a focus on product and service offerings, channel success, and customer excellence. He believes that with our AI-native technology, undisputed leadership in research, and passionate colleagues and partners around the world, this is an exciting time to shape ESET's business organization.

Following this, at the end of the year, we announced the appointment of Martin Talian as Chief Corporate Solutions Officer. With 18 years of leadership experience, Martin will focus on delivering value to large organizations through custom cybersecurity solutions and accelerating the growth of his division. His expertise and vision will be instrumental in guiding us through the next phase of our journey.

We continue to lead the way in cybersecurity, driven by our unwavering commitment to innovation and excellence. ESET researcher Marc-Etienne M. Léveillé won the 2024 Péter Szőr Award for his work: *Ebury is alive but unseen: 400k Linux servers compromised for cryptocurrency theft and financial gain*. This prestigious cybersecurity research award is presented annually at the VB conference. It was the third award we've received, out of only nine ever awarded. This recognition underscores our commitment to cutting-edge research and innovation, which are at the core of our mission.

We are proud of our progress and remain committed to driving innovation and excellence in cybersecurity. As we look to the future, I am confident that we will continue to push the boundaries of innovation and excellence. We have set ambitious goals for the coming year. Let us continue to dream big, work hard, and make a positive impact on the world.

Thank you for your dedication and support.

Warm regards,

Richard Marko, CEO

3 KEY CORPORATE NEWS

KEY CORPORATE NEWS

The following pages highlight the news and milestones that shaped ESET's year, offering insight into the most important events of 2024.

Jan

OFFERING

New Managed Detection and Response (MDR) Service

We launched two new MDR subscription tiers: ESET PROTECT MDR for SMBs and ESET PROTECT MDR Ultimate for enterprises. They offer businesses of all sizes the most comprehensive AI-powered threat detection and response capabilities, in combination with expert human analysis and comprehensive threat intelligence.

Jan, Mar

AWARD

IDC MarketScape: ESET recognized as a Leader

ESET was named a Leader in endpoint security for small businesses, and a Major Player for midsize businesses and for enterprises.

May

RESEARCH AND TECHNOLOGY EXPERTISE

Top positions in live-fire NATO exercise Locked Shields 2024

ESET experts participated at Locked Shields 2024, the world's largest and most complex cyber defense exercise. ESET provided security solutions and over 50 experts to various tactical teams, securing a top position for Central European participants in this annual NATO exercise.

May

BUSINESS ORGANIZATION

New local data centers in Canada and Germany

The local data centers in Canada and Germany play a crucial role in accelerating the delivery of ESET's innovative cybersecurity solutions to Canadian and German businesses and individuals.

May

EVENTS

ESET at RSA 2024

We engaged a new generation of cybersecurity buyers and reinforced our technology and thought leadership. We showcased our new ESET AI Advisor, while ESET experts highlighted our MSP Program, Managed Detection and Response (MDR) capabilities, and ESET Inspect. Over four days, we welcomed 1,000 in-person attendees.

May

EVENTS

ESET World: Global Cybersecurity Conference

An unforgettable concert and light show by Jean-Michel Jarre, featuring guest star Sir Brian May, opened the 2024 ESET global annual conference. The event connected attendees with top industry experts, analysts, and CISOs worldwide, showcasing our vision, technological advancements, and thought leadership. ESET World 2024 featured 20 presentations and had 3,332 online and 390 physical attendees.

May

EVENTS

Starmus Earth powered by ESET

ESET proudly partnered with the Starmus Festival, blending cybersecurity, science, and the arts. This global festival was held in Bratislava on May 12–17, 2024. Its theme, *The Future of Our Home Planet*, featured over 50 top experts in climate change, environmental science, AI, cybersecurity, and more. Notable guests included Jane Goodall, Kip Thorne, and Chris Hadfield.

May

OFFERING

AI-based cybersecurity assistant launched

In May, we launched ESET AI Advisor, our innovative cybersecurity assistant based on generative AI. With a user-friendly interface, it empowers security analysts of all skill levels to interactively identify, analyze, and respond to risks. This enables companies to benefit from extended detection and response (XDR) solutions with limited IT resources.

Jun, Dec

RESEARCH AND TECHNOLOGY EXPERTISE

ESET Research publishes its biannual Threat Reports

Threat Reports provide a view of the 2024 threat landscape as seen by ESET telemetry and from the perspective of ESET threat detection and research experts.

Jun

RESEARCH AND TECHNOLOGY EXPERTISE

WeLiveSecurity wins Best Corporate Blog at European Cybersecurity Blogger Awards

WeLiveSecurity, our global cybersecurity website, was honored for the collective talent and work of our security researchers and writers. The awards were presented at the Security Bloggers' Meetup during the Infosecurity Europe conference in London.

Jul

SPORTS PARTNERSHIP

Champion partnership with Borussia Dortmund

In our sixth playing season with BVB, we have confirmed our strong bond and recognition as one of their top partners. Our relationship goes beyond standard partnership—Borussia Dortmund secures its IT systems with ESET technology.

Aug

BUSINESS ORGANIZATION

Pavol Balaj becomes the new Chief Business Officer

His mandate is to shape the business organization via its product and service offering and to position them both for channel and customer success.

Sept

SPORTS PARTNERSHIP

Calgary Flames sports partnership

We marked our third year of partnership with the Flames as Canada's Alberta region continues to present interesting business opportunities for ESET North America.

Oct

ESG

ESET Science Award 2024

An international jury, led by Nobel Laureate Emmanuelle Charpentier, selected the laureates for the prestigious ESET Science Award. The awards went to AI expert Mária Bieliková, physicist František Herman, and AI specialist Igor Farkaš. Oncologist Michal Mego received the Public Choice Award.

Oct

BUSINESS ORGANIZATION

New premises for ESET North America International Center

ESET marked a significant milestone in the company's growth with the relocation of its North America International Center to a new, state-of-the-art facility in downtown San Diego. Designed to foster innovation and collaboration, the new premises will support over 200 North American local and remote employees.

Oct

RESEARCH AND TECHNOLOGY EXPERTISE

Intel partnership

In 2024, our collaboration with Intel continued, making ESET products "hybrid aware" when paired with Intel® Core™ and Intel® Core™ Ultra processors. Together, we developed new functionalities and tools to accelerate cybersecurity workloads on Intel-powered AI PCs, further establishing ESET's leadership in AI-native security for these devices.

Nov

AWARD

CRN Channel Awards: ESET named Vendor Channel Team of the Year

ESET's channel-focused team has been recognized at the annual CRN Channel Awards for going above and beyond the call of duty over the past year to ensure ESET partners are well looked after, listened to, and supported.

Dec

BUSINESS ORGANIZATION

Martin Talian appointed Chief Corporate Solutions Officer

Martin will focus on delivering value to large organizations through custom cybersecurity solutions and accelerating the growth of his division.

Dec

AWARD

ESET Home Security Essential named Product of the Year 2024 by AV-Comparatives

This recognition highlights the product's exceptional overall value in delivering reliability in malware protection, usability, and system performance. ESET Home Security Essential achieved top scores in key H2/2024 tests, including the Real-World Protection Test, Advanced Threat Protection Test, Performance Test, and False-Alarm Test.

Dec

AWARD

Canon MJ won the twelfth consecutive Nikkei Computer Customer Satisfaction Survey—with ESET PROTECT

Our Japanese partner, Canon Marketing Japan, won the top-ranking award in Nikkei Customer Satisfaction Survey's *Security Solution* category. They excelled in Overall Satisfaction, with ESET PROTECT, the core part of Canon MJ's security portfolio, scoring an impressive 75 points.

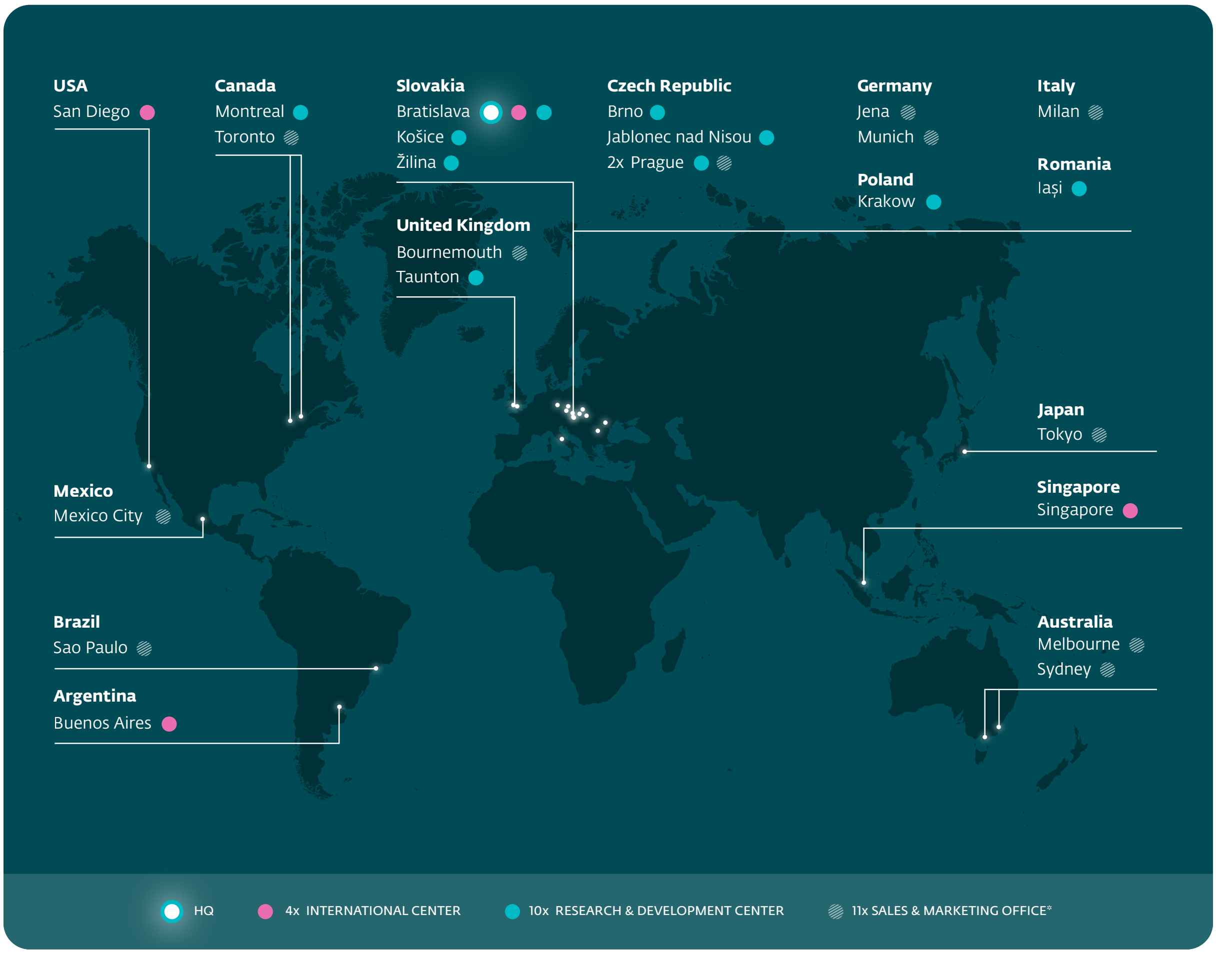
4

THE ESET GROUP

THE ESET GROUP

4.1 The Group's Structure

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



*Includes cybersecurity solutions distributors and service providers

The tables below provide basic information about the parent company and its subsidiaries.

HQ: PARENT COMPANY

Name	Core business	Established
ESET, spol. s r.o. (SK)	International center (IC) and research & development center (R&D)	1992

SUBSIDIARIES

Name	Core business	Established	Equity participation (%)	
			2024	2023
ESET, LLC (1)	Cybersecurity solutions distributor	1999	100%	100%
ESET Canada Recherche Inc.	Research and development	2011	100%	100%
ESET Canada Inc.	Cybersecurity solutions distributor	2015	100%	100%
ESET Deutschland GmbH	Cybersecurity solutions distributor	2012	100%	100%
ESET software spol. s r.o.	Cybersecurity solutions distributor	2001	100%	100%
ESET Research Czech Republic s.r.o.	Research and development	2012	100%	100%
ESET Polska Sp. z o.o.	Research and development	2012	100%	100%
ESET SOFTWARE UK Limited	Cybersecurity solutions distributor	2016	100%	100%
ESET RESEARCH UK Limited	Research and development	2011	100%	100%
ESET Romania S.R.L. (2)	Research and development	2016	100%	100%
ESET ITALIA S.R.L.	Cybersecurity solutions distributor	2019	100%	100%
The ESET Foundation	Foundation	2011	100%	100%
ESET ASIA PTE. LTD.	Service provider + cybersecurity solutions distributor	2010	100%	100%
ESET Software Australia, PTY, LTD.	Cybersecurity solutions distributor	2013	100%	100%
ESET Japan Inc. (3)	Service provider	2017	90%	90%
ESET LATINOAMERICA S.R.L. (4)	Service provider	2009	100%	100%
ESET DO BRASIL MARKETING LTDA(5)	Service provider	2011	100%	100%
ESET MÉXICO S. de R.L. de C.V. (6)	Service provider	2017	100%	100%

(1) ESET, LLC changed its registered office in October 2024. Its original registered office was 610 West Ash Street, Suite 1700, San Diego, CA 92101, USA. Its new registered office is 655 West Broadway, STE 700, San Diego, CA 92101, USA.
(2) ESET, spol. s r.o., owns 99.9963% of the shares, and ESET Research Czech Republic s.r.o. owns the remaining 0.0037%.
(3) The parent company owns 90% of the shares and Canon Marketing Japan Inc. owns the remaining 10%.
(4) ESET, LLC owns 90% of the shares and the parent company owns the remaining 10%.
(5) The parent company owns 90% of the shares and ESET, LLC owns the remaining 10%.
(6) The parent company owns 90% of the shares and ESET, LLC owns the remaining 10%.

4.2 Equity Capital Structure

Registered equity capital structure by partners in the reporting parent company

Partners		Share in registered capital	Share in voting rights
	EUR	%	%
Miroslav Trnka (statutory representative)	31,850	22.750	22.750
Ján Hrubý and Elena Hrubá*	30,800	22.000	22.000
Peter Paško (statutory representative)	30,800	22.000	22.000
Maroš Grund (supervisory board member)	16,975	12.125	12.125
Richard Marko (statutory representative)	16,975	12.125	12.125
Anton Zajac (supervisory board member)	12,600	9.000	9.000

Equity capital registered in the Commercial Register:	€140,000
Equity capital not registered in the Commercial Register:	€0

** The common representative of the co-owned business share is Mr. Ján Hrubý.*

Please note that Mr. Ján Hrubý is the sole owner of the business share as of February 11, 2025.

This information is also disclosed in the notes to the financial statements for the financial year 2024 (both consolidated and separate), which refer to a different date — February 15, 2025 — representing the date on which the change of ownership was officially published in the Commercial Register of the Slovak Republic.

4.3 Company Bodies

The Leadership Team

Richard Marko

ESET co-owner and Chief Executive Officer

Richard is the global CEO of ESET and one of its owners. As a member of both the ESET Board of Shareholders and the ESET Foundation, he has shaped the company's vision and led ESET to grow into a leading global cybersecurity company headquartered in the European Union. Since joining ESET in the early 1990s, Richard has held several pivotal roles, including Chief Software Architect and Chief Technology Officer. He is a co-author of the ESET cybersecurity system, he pioneered the development of Advanced Heuristics methods and later ESET's malware DNA detection technology. His leadership has earned him multiple accolades, including being named the most respected CEO in Slovakia three times by PwC and being recognized by CRN as one of the top 25 ideological leaders in IT. A strong advocate for education and community engagement, Richard helped establish the ESET Foundation, which supports science, technology, and innovation initiatives—most notably the ESET Science Award.

Juraj Malcho

Chief Technology Officer

Juraj has served as ESET's Chief Technology Officer since 2017, leading the company's technological innovation and strategic research direction. He joined ESET in 2004 as a malware researcher while still a university student. Over the years, he played a key role in building the company's malware research laboratory, eventually becoming Chief Research Officer in 2011. Juraj is also an active speaker at international cybersecurity conferences, including Virus Bulletin, AVAR, ISOI, and NATO events.

Pavol Balaj

Chief Business Officer

Pavol led ESET's acquisition and integration of authentication and encryption technologies in advance of GDPR and the strategy development for the ESET Managed Services offering, including the design and creation of the Global Services Delivery Organization. He is currently responsible for creating and implementing business strategies and plans for strengthening ESET's leading position in Europe, growing market share in strategic regions, and leading sales and customer care worldwide. Pavol originally joined ESET in 2014 as the company's SMB Business Development Lead, before becoming the Head of Business Development in 2016 and the Vice President of the Enterprise Segment in 2019. He was appointed interim Chief Business Officer in 2023 and assumed the position permanently in 2024.

Mária Trnková

Chief Marketing Officer

Mária was appointed head of the newly established Marketing, Communications, and Digital Business Division in 2023, tasked with enhancing the company's marketing support across all segments to bolster the brand's global market position. Mária, a graduate of the University of Economics in Bratislava, originally joined ESET in 2016 as the EMEA Channel Marketing Manager. Over the next seven years, she advanced through various roles within the company's Marketing Division, including Vice President for the Consumer and IoT Segment.

Palo Luka

Chief Operating Officer

Palo has been the company's Chief Operating Officer since January 2017. In addition to management, he also focuses on strategic investments. He originally started working at ESET while studying software engineering at the Faculty of Electrical Engineering and Information Technology at the Slovak University of Technology. During this time, he worked as a developer of the second-generation 16-bit NOD antivirus system for MS-DOS, sold under the name NOD iCE. In 2008, Palo joined the company's top management as its Chief Information Officer. In this position, he managed the development of infrastructure and internal systems. From 2011, he was ESET's Chief Technology Officer, responsible for development and research, as well as product and service quality.

Martin Balušík

Chief Financial Officer

In addition to supervising the financial condition of the company, Martin also participates in strategic planning and the evaluation of investments across the ESET Group. He is a graduate of accounting and auditing from the Faculty of Economic Informatics at the University of Economics in Bratislava. His career at ESET started in early 2019, when he joined the company as its Deputy CFO, going on to become the company's Chief Financial Officer a year later.

Vladimír Paulen

Chief Information Officer

Vladimír is tasked with supervising the company's IT infrastructure globally. He graduated from Clemson University in South Carolina and joined ESET North America in 2004 as Tech Support and IT Manager. He spent seven years in ESET's North American branch, where he also held the positions of Operations Manager and Vice President of Operations. In 2011, he moved to the company's headquarters in Bratislava to work as ESET's Chief Information Officer, a position he still holds today.

Martin Talian

Chief Corporate Solutions Officer

Throughout his career, Martin has led the delivery of complex innovative solutions in various industries, often with large-scale deployments at the national or global level. Martin leads the Corporate Solutions Division that focuses on the delivery of complex cybersecurity solutions to large enterprises, combining ESET's proven technologies with the latest innovations generated by our research. A graduate of Business Management at the University of Economics in Bratislava, he joined ESET in 2023 as the Vice President for Solution Delivery and became the Chief Corporate Solutions Officer in December 2024.

Statutory Body

Miroslav Trnka

Miroslav Trnka, as one of ESET's owners and founders, has played a crucial role in the company's development. In 1987, he and Peter Paško discovered one of the first computer viruses, which would later become known under the name *Vienna* . Together, they programmed the NOD antivirus software to tackle this virus and others like it. In 1992, Miroslav Trnka, Peter Paško, and Rudolf Hrubý co-founded ESET, and Miroslav served as the company's CEO until 2011. He is an alumnus of the Slovak Technical University and a recipient of numerous awards and accolades, such as Ernst & Young's Entrepreneur of the Year 2006, CRN's 25 Most Innovative Executives Of 2010, and the Order of Ľudovít Štúr—the third highest state decoration in Slovakia. After leaving the daily management of ESET, he focused on real estate development, producing buildings such as Binarium in Bratislava and Nádvorie in Trnava, and he co-founded the Stop Corruption Foundation. He also plays music in a band called Lost Clusters.

Peter Paško

Peter Paško is an entrepreneur and philanthropist, and one of the owners and founders of ESET. An alumnus of the Slovak Technical University, he has been involved with the company since its early days. In 1987, together with Miroslav Trnka, he developed the NOD antivirus program, which later became the foundation for ESET's growth in the cybersecurity industry. Over the years, Peter has contributed to the company in various roles, including leading the company's sales and marketing. Outside of the tech world, he also founded the Nedbalka Gallery in central Bratislava. The gallery is known for its collection of Slovak modern art and its distinctive circular architecture.

Richard Marko

Richard Marko is the global CEO of ESET and one of its owners. As a member of both the ESET Board of Shareholders and the ESET Foundation, he has shaped the company's vision and led ESET to grow into a leading global cybersecurity company. Since joining ESET in the early 1990s, Richard has held several pivotal roles, including Chief Software Architect and Chief Technology Officer. He is a co-author of the ESET cybersecurity system, he pioneered the development of Advanced Heuristics methods and later ESET's malware DNA detection technology. His leadership has earned him multiple accolades, including being named the most respected CEO in Slovakia three times by PwC and being recognized by CRN as one of the top 25 ideological leaders in IT. Richard also helped establish the ESET Foundation, which supports science, technology, and innovation initiatives—most notably the ESET Science Award.

The Supervisory Board

(effective since January 1, 2022)

Matej Bošňák, Chair

Matej Bošňák is the chairman of the ESET Supervisory Board, a member of the ČSOB Supervisory Board, and from September 2022 to January 2024 he was also a member of the I.D.C. Holding Supervisory Board. After graduating with a degree in technical cybernetics from the University of Žilina in 1993, Matej started his career in IT. In 1994, he joined the consulting firm Coopers & Lybrand (later PwC) as a junior consultant in the Audit Department. In 2004, he moved to Ernst & Young (EY) as a senior manager, and in 2006 he became a partner in the company's Audit Department. During a two-year sabbatical between 2011 and 2013, he worked as a lecturer in accounting, auditing, and controlling for the Slovak branch of the British educational institution BPP. Upon returning to EY in 2014, he became the company's Country Managing Partner for Slovakia and worked in transaction advisory until June 2020, when he ultimately left the consulting company. From January 2021 to August 2024, he served as the CFO of the Slovak National Theater.

Anton Zajac

Anton Zajac is a theoretical physicist, entrepreneur, and co-owner of ESET. Born in Czechoslovakia, he left the country to pursue an academic career, working in Mexico and later in the United States at the University of San Diego and Palomar College. He is also a co-founder of Klein Vision, the company behind AirCar—a certified flying car that transforms from road vehicle to aircraft. Anton has made several successful angel investments, including in Slido, SurgLogs, and Finstat. He is the recipient of awards such as the Werner von Siemens Science Achievement Award (2001) and the Most Admired CEO award by the San Diego Business Journal. A passionate aviator and spearfisherman, Anton brings energy, vision, and precision to every endeavor.

Maroš Grund

Maroš Grund is an entrepreneur, philanthropist, and one of the owners of ESET. As one of the key figures behind ESET's growth and development into a leading cybersecurity company, Maroš has played a significant role in steering the company's strategic direction and expanding its global footprint. He originally joined the company as a university student back in 1995. Later, he led the Research department. He also worked on the development of the legendary ESET NOD32 antivirus system, while also being heavily involved in malware detection and analysis. In 2005, he became a company co-owner, a position he has held ever since.

4.4 Values & Global Code of Ethics and Integrity

At ESET, our values of integrity, courage, reliability, and passion guide our daily actions and decision-making across the organization. These principles are deeply embedded in our culture and shape how we interact with one another, conduct business, and engage with the world around us.

Integrity

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

Courage

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

Reliability

People need to know 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.

Ethical excellence

In 2024, we took a significant step in reinforcing our dedication to ethical excellence by establishing a unified framework through publishing the global **Code of Ethics and Integrity**.

We held in-depth discussions and practical workshops with the board of directors and management, ensuring the code's principles are embedded across all branches of the ESET Group.

Zero tolerance for corruption and harassment

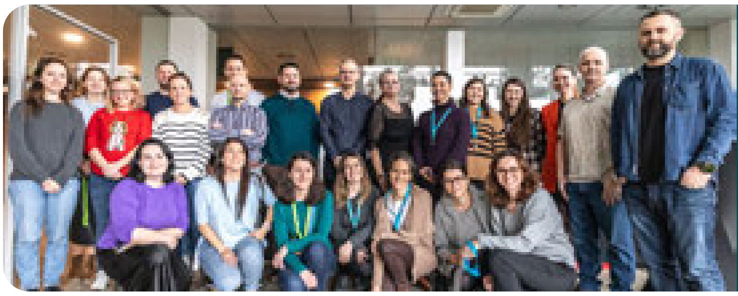
Our managers lead by example in fostering a culture of integrity and maintaining a zero-tolerance approach to corruption, harassment, or unethical behavior, ensuring a safe, inclusive, and respectful workplace for all.

Core principles and global alignment

Our operations and relationships are guided by key principles, including:

- Integrity and accountability for mistakes
- Respect for human dignity
- Fostering innovation and creativity
- Fairness
- Diversity and inclusion
- Legality and compliance
- Lifelong learning
- Freedom and democracy
- Protection of the environment

The Code of Ethics and Integrity applies across all areas of work, **fostering alignment on ethical practices worldwide and addressing:**



People

We create a safe and inclusive workplace built on mutual respect

Company

We protect assets, resources and information

External Relations

We promote honesty and avoid conflicts of interest

Society

We encourage social responsibility and engagement

Planet

We enhance resource efficiency and environmental protection

Looking ahead

The publication of the global Code of Ethics and Integrity, along with workshops and training initiatives planned for 2025, highlights ESET's commitment to transparency, accountability, and ethical leadership.

5

RESEARCH AND TECHNOLOGY EXPERTISE

RESEARCH AND TECHNOLOGY EXPERTISE

Hundreds of cybersecurity experts across a network of R&D centers

Research, innovation, and expertise are at the heart of the development of technologies and products that ESET brings to its customers. In our 10 research and development centers, hundreds of cybersecurity experts work to protect more than one billion users worldwide. In 2024, 847 technology experts were part of ESET's Technology Division. Additionally, 250 of these employees work within ESET Research, focusing on Core Research and Threat Detection, as well as Core Technology Development. Every single day, ESET technology processes 2.5 billion URLs and 60 million metadata records, and receives 750,000 suspicious samples.

These R&D centers are located across Europe in the United Kingdom, Poland, Slovakia, Czechia, and Romania, as well as in Canada.

10
RESEARCH AND DEVELOPMENT CENTERS

847
TECHNOLOGY EXPERTS

750,000
SUSPICIOUS SAMPLES DAILY

2.5 billion
URLS DAILY

60 million
METADATA RECORDS DAILY

Cutting-edge and deep-dive original research

ESET Research discovered **Operation Texonto**, where a Russian-aligned threat actor spread war-related disinformation and PSYOPs to Ukrainian readers via spam emails. The spear phishing campaign targeted a Ukrainian defense company and an EU agency.

Later in the year, ESET researchers discovered a zero-day exploit targeting the Telegram app for Android that appeared for sale for an unspecified price in an underground forum post from June 2024. Attackers used the exploit to abuse a vulnerability that ESET named **EvilVideo**.

Additionally, we uncovered a crimeware campaign that targeted clients of three Czech banks. The malware used, which we have named **NGate**, has the unique ability to relay data from the victims' payment cards via a malicious app installed on their Android devices to the attacker's rooted Android phone.

ESET also examined the operations of **Gamaredon**, a Russia-aligned APT group that has been active since at least 2013 and is currently the most engaged APT group in Ukraine.

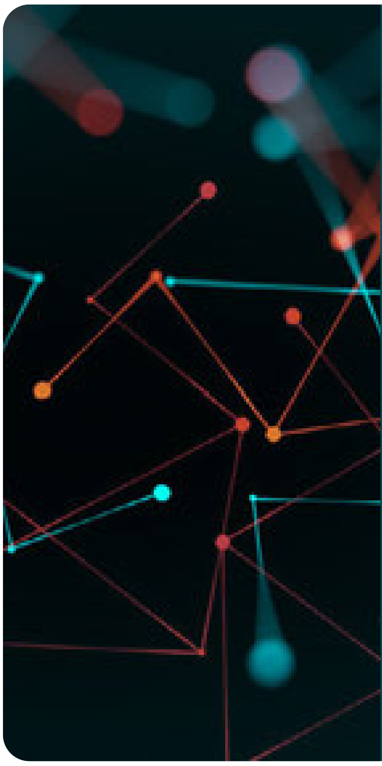
Moreover, our researchers discovered a series of attacks taking place in Europe over a two-year period, where the attackers used a toolset capable of targeting air-gapped systems in a government organization of an EU country. ESET attributes the campaign to **GoldenJackal**, a cyber espionage APT group that targets governmental and diplomatic entities.

Co-operation with international law-enforcement

ESET works closely with law enforcement agencies at both local and international levels, including high-tech crime units and Europol's Cyber Crime Center (EC3). As a member of the Europol EC3 Advisory Group for Internet Security, ESET has also provided training in Android Analysis. Additionally, at the last two cybercrime conferences hosted by Europol EC3, ESET actively contributed by presenting research and participating in panel discussions. In December 2024, a delegation from EC3 visited ESET's headquarters in Bratislava to gain deeper insight into ESET's research processes, the types of threat intelligence encountered, and the ways in which intelligence is shared—all aimed at strengthening collaboration.

ESET works closely with law enforcement agencies at both local and international levels, including high-tech crime units and Europol's Cyber Crime Center (EC3).

ESET takes part in various programs dedicated to **sharing research and threat intelligence**, reinforcing its commitment to cybersecurity. By actively engaging in these initiatives, ESET continues to advance its mission: to protect both progress and customers by making the digital world a safer place.



Following the takedown of **RedLine Stealer** by international authorities, ESET researchers publicly released their research into this infostealer's undocumented backend modules, which assisted law enforcement in the takedown effort. The in-depth technical analysis provides a greater understanding of the inner workings of this malware-as-a-service (MaaS) empire. ESET researchers, in collaboration with law enforcement, collected multiple modules used to run the infrastructure behind RedLine Stealer. The Dutch National police, alongside the **FBI, Eurojust**, and several other law enforcement organizations, performed a takedown of the infamous RedLine Stealer operation and its clone called META Stealer on October 24, 2024.

ESET Threat Intelligence and Threat Reports

ESET's Threat Intelligence services offer comprehensive global insights (gathered by ESET's team of threat intelligence analysts and experts) on targeted attacks, advanced persistent threats (APTs), zero-day vulnerabilities, and botnet activities. These cyber threat intelligence services enable incident response teams to understand and swiftly address data breaches.

Four times a year, ESET Research publishes its **half-year reports**: two ESET Threat Reports and two ESET APT Activity Reports. The biannual ESET Threat Report **summarizes threat landscape trends** seen in ESET telemetry and comes from the perspective of both ESET threat detection and research experts, while the ESET APT Activity Report highlights activities of select advanced persistent threat groups that were documented by ESET researchers.

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Additionally, **ESET Threat Intelligence** clients were provided with 84 original ESET APT Reports PREMIUM: 36 technical analyses, 24 activity summaries, 12 monthly overviews, and 12 monthly digests. We expect that as the cyber threat landscape continues to evolve, the volume of released APT reports will also rise.

Recognition and awards

ESET proved yet again to be the leading voice in cybersecurity. The 2024 **Péter Szőr Award** for the best technical security research went to ESET researcher Marc-Etienne M. Léveillé, who received it for his work: ***Ebury is alive but unseen: 400k Linux servers compromised for cryptocurrency theft and financial gain.***

ESET proved yet again to be the leading voice in cybersecurity. The 2024 Péter Szőr Award for the best technical security research went to ESET researcher Marc-Etienne M. Léveillé.

This award, widely recognized as the most prestigious in cybersecurity research, is presented annually at the VB conference and was the third we have received to date, out of a total of just nine ever awarded. This deep-dive investigation into one of the most advanced server-side malware campaigns, which is still growing, examines the Ebury group, its malware, and its botnet. Over the years, Ebury has been deployed as a backdoor to compromise almost 400,000 Linux, FreeBSD, and OpenBSD servers.

WeLiveSecurity was named the Best Cybersecurity Vendor Blog at the 2024 edition of the European Cybersecurity Blogger Awards.

WeLiveSecurity was named the Best Cybersecurity Vendor Blog at the 2024 edition of the European Cybersecurity Blogger Awards. The award recognizes the collective talent and work of ESET's security researchers and writers. The awards were presented during the Security Bloggers' Meetup, an event held alongside the Infosecurity Europe conference in London.

According to internal data analysis, throughout 2024, ESET Research was a leading voice in cybersecurity research worldwide with **thousands of news mentions**. ESET's expertise was featured in dozens of prominent publications, including BBC, CNN, WIRED, the Associated Press, Forbes, Politico, the German newspapers Frankfurter Allgemeine and Süddeutsche Zeitung, and German TV, with expert appearances in leading UK media outlets, international TV stations, and trade publications such as TechRadar, Ars Technica, and TechCrunch.

Sharing expertise with the community

MITRE ATT&CK is a globally accessible knowledge base of adversary tactics and techniques based on real-world observations. ESET is one of the vendors directly involved in the refinement and population of the MITRE ATT&CK knowledge base. **ATT&CK® Evaluations Enterprise 2024 highlights ESET's AI-native approach** to detection and response. ESET Incident Creator uses an AI-based engine to correlate detections into a single incident, streamlining interactive threat identification, analysis, and response. It translates complex threat intelligence into actionable insights, making it accessible even to less experienced IT and security professionals. In the 2024 Enterprise edition of the ATT&CK® Evaluations, MITRE set up three attack scenarios, and ESET Inspect demonstrated good visibility in each scenario, detecting every step while keeping the total number of detections (or volume) low. ESET has participated in the **MITRE ATT&CK Evaluations** every year, showcasing our commitment to continuous improvement and excellence in cybersecurity.

We consider research knowledge to be an important value that drives every society forward. As an authority in the field of cybersecurity, we feel obliged to educate our customers and the public about online threats. ESET presented its research at more than a dozen cybersecurity research conferences, including **VB Conference, EUCOM, CYBERWARCON, LABSCon, CERT EU, and JSAC**. ESET researcher Martin Smolár presented his research *UEFI Boot kits and where UEFI security fails* at the prestigious RSA Conference in San Francisco. The BlackLotus UEFI bootkit was able to bypass UEFI Secure Boot on fully updated Windows systems by exploiting an old vulnerability for which a patch had been available for over a year.

ESET Research continued to share its findings at company-organized conferences such as ETeC, ESET Security Days, and ESET World. ESET experts made 30 presentations to school parties which visited the company HQ, reaching about 2,000 students from across Slovakia. They also conducted around 36 cybersecurity training sessions for hundreds of teachers, NGO members, and social responsibility projects, including initiatives for girls in IT.

Driving Cybersecurity Forward: Applied AI Innovation at ESET

In 2024, ESET continued to redefine what is possible in cybersecurity through cutting-edge research and development. At the heart of this innovation is our **deep commitment to AI and machine learning**—powering smarter, faster, and more adaptive threat detection systems.

Our proprietary technologies, including the advanced **ESET AI engine (dubbed Augur), combine deep neural networks, transformer-based models, and curated algorithms to accurately classify threats in real time**—whether clean, potentially unwanted, or malicious. This hybrid AI approach ensures high precision with minimal false positives. Experience gained through this AI development also powers **ESET LiveGuard, our AI-driven cloud sandbox**. LiveGuard performs a four-stage file analysis using machine learning, proprietary detection engines, and deep behavioral inspection—delivering comprehensive verdicts within minutes or even seconds. AI is also integrated into our XDR-enabling platform, assisting defenders by correlating indicators from vast endpoint data, triaging events, and automatically grouping related detections into clear, visual incident summaries. By reducing response time and alert fatigue, it helps even lean security teams stay ahead of threats.

Building on this foundation, we introduced **ESET AI Advisor, our flagship AI innovation of 2024**, at RSA Conference. By leveraging multi-agentic AI, ESET AI Advisor enhances incident response and risk analysis, empowering organizations to fully capitalize on extended detection and response (XDR), regardless of their IT team size. Its intuitive interface translates complex threat intelligence into actionable insights, making it accessible to analysts at every skill level.

Meanwhile, our robust cloud-based reputation systems—grounded in software engineering, statistical modeling, and large-scale machine learning—continue to accelerate threat detection and response. This infrastructure delivers real-time protection that dynamically adapts to the ever-changing threat landscape.

Through continuous collaboration with academia and relentless in-house innovation, ESET ensures our AI-powered solutions not only meet today's cybersecurity demands—but anticipate tomorrow's.

Enhancing cyber resilience via public-private sector engagements

In 2024, ESET deepened relationships with several significant government customers and added new partnerships, particularly in the field of cyber threat intelligence. In Europe, we've expanded cooperation with key organizations including the **European Union Agency for Cybersecurity** (ENISA), which plays a vital role in safeguarding critical infrastructure across the continent. Additionally, as previously mentioned, our collaboration with **Europol** continues to be a cornerstone of our efforts.

We continued tracking (and, when necessary, also engaging with) **regulatory developments**, particularly in Europe as one of the global leaders in cyber-related regulation. This includes the AI Act, the NIS2 Directive, the Cyber Resilience Act (CRA), and the Cyber Solidarity Act (CySol).

Given the extensive regulatory activity in Europe and the beginning of the European Commission's new cycle, we organized our yearly ESET European Cybersecurity Day (EECD) in Brussels. The event brought together expert speakers from the public and private sectors, including CERT-Ukraine, CERT-EU, CERT-Moldova, ASML, DIGITALEUROPE, and an audience of industry professionals and policymakers. We had a visible presence at several key forums related to cyber policy, reflecting our position as a global cybersecurity leader. These engagements are pivotal in fostering collaboration to **protect critical infrastructure from cyber threats**.

We're delighted to have been invited to actively participate in the EU/UK Public-Private Sector Cyber Dialogue. Additionally, ESET's Andy Garth was elected to the board of the **European Cyber Security Organisation** (ECSO), further supporting the development of a vibrant cybersecurity ecosystem across Europe.

Our commitment to supporting Ukraine continued through direct assistance and participation in broader EU initiatives.

ESET also joined the **Pall Mall Process**, contributing to efforts to prevent the proliferation of advanced cyber-intrusion tools and providing support to both victims and those at risk.

ESET was pleased to join the Secure by Design initiative introduced by **US CISA**.

6 OFFERINGS

OFFERINGS

6.1 For Business Customers

ESET B2B offering: subscription to cyber resilience

Cybersecurity shouldn't be a burden—it should be a seamless foundation for one's business. With ESET's cybersecurity-as-a-service, our customers gain a subscription to peace of mind, knowing their defenses are in expert hands. We take the complexity out of security, proactively protecting their business around the clock so that they can focus on what truly matters. Effortless, intelligent, and built for everyone's unique needs. We stay vigilant 24/7, so our customers can stay worry-free.

ESET's core B2B offering is built on three fundamental principles that drive our commitment to delivering exceptional value to our customers.

First, we emphasize growing value by focusing on gradually **reducing the attack surface**. This approach ensures enhanced protection against threats of all kinds, ranging from basic risks to the most sophisticated cyberattacks. Our solutions combine AI-driven automated prevention with proactive threat hunting, providing a comprehensive defense strategy.

At the same time, we prioritize simplicity by adopting a **subscription-based model** that reduces the need for multiple solutions. This streamlined approach offers a clear structure with tangible added value, making it easier for businesses to manage their cybersecurity needs efficiently.

Finally, our dedication to **sustainability** ensures that, even as we expand our portfolio with new features, solutions, and services, the long-term vision and foundational stability of ESET's offerings remain steadfast. By staying true to this vision, we provide businesses with reliable, forward-thinking cybersecurity solutions designed to meet evolving challenges without compromising consistency.

Through these principles, ESET continues to deliver innovative and sustainable solutions that are off the shelf yet tailored to the varying needs of modern businesses of different sizes and cybersecurity maturity, **from small businesses to international corporations and critical infrastructures**. As of the end of 2024, ESET was safeguarding over 500 thousand businesses around the globe.

At ESET, our commitment lies in continuously adapting to market demands and enhancing our proactive defense solutions to complement our existing portfolio. The 2024 additions to our standard ESET B2B Offering are documented on the following pages.

Security as a service

Navigating the ever-evolving cybersecurity landscape is challenging, as complex tasks require sophisticated solutions. These solutions demand highly skilled employees, posing a significant issue for businesses. In response, cybersecurity vendors have adopted two major approaches to address this challenge: outsourcing cybersecurity to industry experts through managed detection and response (MDR) services and leveraging automation with machine learning and **AI-driven technologies**.

At the start of 2024, we prioritized delivering security as a service and released a new managed detection and response service to tackle the increasingly complex cybersecurity challenges faced by small and medium-sized businesses (SMBs). **ESET MDR** is an innovative cloud-only solution addressing a major pain point of SMBs: the shortage and skill gaps of in-house cybersecurity staff, which the SMBs try to solve by looking for an affordable option to outsource the management of complex cybersecurity solutions.

Later in 2024, we launched two managed detection and response (MDR) subscription tiers: **ESET PROTECT MDR** and **ESET PROTECT MDR Ultimate**. These tiers provide the most comprehensive AI-powered threat detection and response capabilities, alongside expert human analysis and comprehensive threat intelligence.

Designed to meet the specific needs of SMBs, ESET PROTECT MDR offers a comprehensive cybersecurity package that ensures compliance with cyber insurance and regulations with 24/7/365 superior protection for endpoints, email, and cloud applications, multifactor authentication, vulnerability detection and patching, and managed threat monitoring, threat hunting, and an impressive detection and response time of 20-minutes on average.

For enterprises, ESET PROTECT MDR Ultimate offers continuous proactive protection and enhanced visibility, with customized threat hunting and remote digital forensic incident response assistance, supporting overstretched security operations center (SOC) teams with 24/7 access to world-class threat hunters and expert consultations for incident management and containment.

AI-based security assistant

Unveiled at the RSA Conference and Expo in San Francisco in May 2024, **ESET AI Advisor** is ESET's groundbreaking cybersecurity assistant built on the latest advancements in agentic AI.

Leveraging multi-agentic AI, ESET AI Advisor enhances incident response and risk analysis, enabling organizations to fully benefit from extended detection and response (XDR) solutions, regardless of limited IT resources.

With an intuitive, user-friendly interface, ESET AI Advisor empowers security analysts of all experience levels, streamlining interactive threat identification, analysis, and response. It translates complex threat intelligence into actionable insights, making it accessible even to less experienced IT and security professionals.

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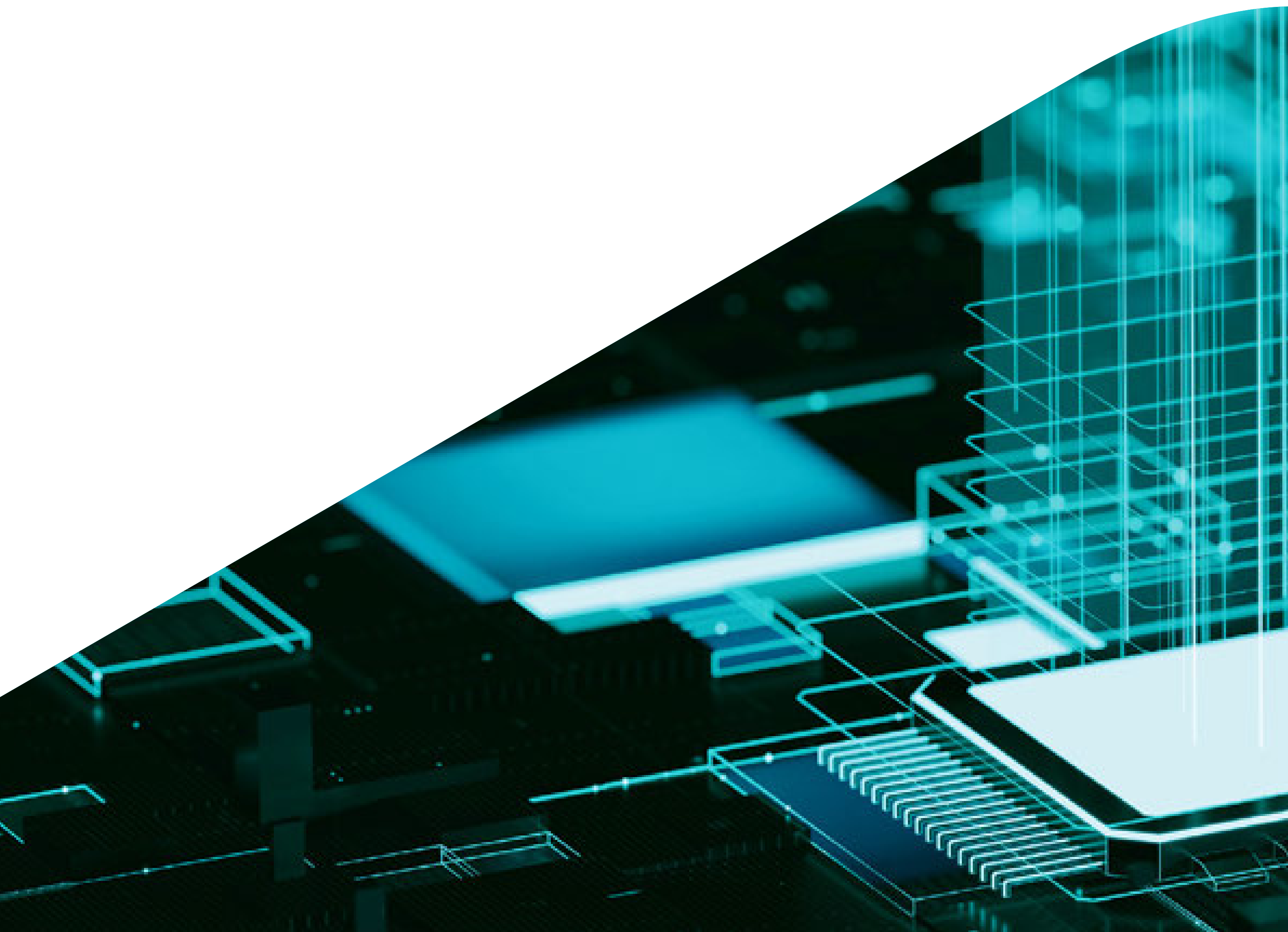
ESET PROTECT Hub

Another critical milestone for ESET was the release of **ESET PROTECT Hub**. ESET has always been a channel-focused cybersecurity company, and we see how channel partners seek reliable vendors who not only provide them top-notch security but also help them with doing business, whether it is subscription management, marketing, or both. ESET PROTECT Hub, ESET's proprietary **subscription and user management platform**, is a central gateway to the ESET PROTECT Platform ecosystem and the enabler of our cloud products, tailored exactly to the channels' needs. This management platform provides business-driven flexibility and an easy-to-use environment.



Global alliances, partnerships, and integrations

In 2024, ESET significantly advanced its commitment to innovation and development by expanding its integrations with leading cybersecurity partners. These developments reinforce our mission to provide customers with enhanced security, simplified operations, and greater efficiency in combating cyber threats.

A key milestone was integration with **Arctic Wolf**, strengthening threat detection and response capabilities through optimized data sharing and enhanced visibility. Similarly, the new integration with **Stellar Cyber's XDR** platformed enabled our mutual customers to leverage a truly open XDR strategy—combining ESET's highly comprehensive telemetry with Stellar Cyber's broad data correlation for deeper, more unified threat insights.

By partnering with industry leaders, we continue to empower organizations with the tools and technologies needed to combat increasingly sophisticated cyber threats, delivering versatile, scalable, and future-proof solutions.

ESET's collaboration with **IBM QRadar** and **Microsoft Sentinel** enabled enhanced business protection by providing deeper insights and improved security analytics, empowering organizations to identify and mitigate risks with greater precision.

Additionally, our partnership with **Mindflow** brought advanced automation into cybersecurity workflows, streamlining response times and reducing complexity for businesses.

Integration with **Filigran's OpenCTI** improved cybersecurity workflows by incorporating enriched threat intelligence data, while our collaboration with Elastic introduced powerful synergies with ESET PROTECT, delivering enhanced visibility and security in enterprise environments.

Further, our partnership with **SuperOps** allowed managed service providers (MSPs) to benefit from more efficient and secure operations.

Lastly, our alliance with **BlockAPT** provided businesses with a unified platform for orchestrating and managing cybersecurity measures.

We also continued our **partnership with Intel**, where our ESET PROTECT multilayered cybersecurity suite is integrated and automatically configured with Intel® Threat Detection Technology.

The year 2024 saw ESET and Intel develop new functionalities and tools to accelerate cybersecurity workloads on Intel-powered AI PCs, which take advantage of the neural processing unit in Intel® Core™ Ultra processors and expand on ESET's **leadership in AI-native security for AI PCs**. As of 2024, ESET is the only cybersecurity vendor that takes advantage of the hybrid architecture on the Intel vPro, resulting in 6-8% improvement in energy consumption by leveraging the P-cores and E-cores.

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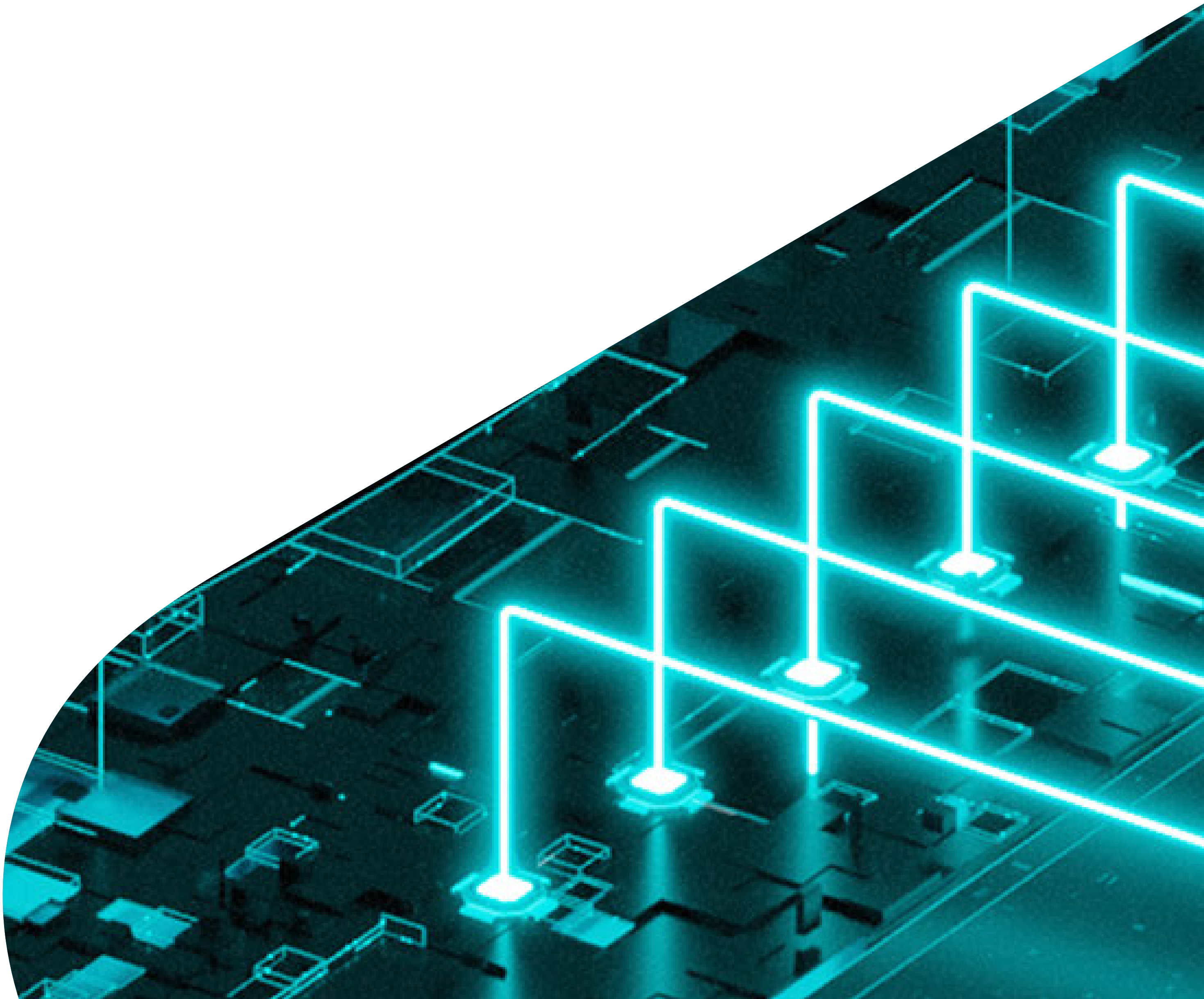

Comprehensive cross-platform protection and mobile security coverage

At ESET, we understand the challenges faced by our customers operating in diverse and complex environments. The need to protect endpoints running on multiple operating systems, from Windows to macOS, Linux, and mobile devices, has never been greater. Recognizing this, we continued to expand our offerings, delivering holistic and adaptable solutions to ensure comprehensive protection across all platforms. A key milestone was the extension of our Vulnerability & Patch Management module to cover the macOS and Linux operating systems. This enhancement provides organizations with streamlined, cross-platform capabilities to identify and remediate vulnerabilities, helping to maintain the security and stability of their IT infrastructure.

In addition, we addressed the growing threat posed by mobile attack vectors by incorporating our **ESET Mobile Threat Defense** module into all subscription tiers, starting from ESET PROTECT Advanced. With this addition, organizations can now secure their fleet of Android and iOS devices against sophisticated cyber threats on a 1:1 ratio with other endpoints with no increase in price, ensuring no device is left unprotected and unifying security management across all devices.

Bespoke cybersecurity solutions for enterprises and government organizations

In an era where digital threats are constantly evolving, the need for complex and robust cybersecurity solutions has been growing exponentially. ESET recognizes that large organizations have unique business, regulatory, and risk challenges that result in specific cybersecurity requirements. For this reason, ESET also offers tailor-made protection, extending our standard products with our experts' know-how and proprietary core technologies, complemented by our ability to design, build, deliver, and operate such solutions for our clients.

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Our global Corporate Solutions Division specializes in customized solutions across the following key areas:

Private and Air-Gapped Cybersecurity Solutions, which utilizes cutting-edge technology for autonomous operation, thus protecting critical infrastructure, as well as government, defense, and law enforcement organizations from external threats in restricted environments.

ESET Scanning Solutions and Services leverage proprietary research, telemetry, and advanced technologies to provide specialized solutions for complex and high-volume scanning and sandboxing environments, catering to technology companies, financial institutions, public institutions, e-commerce companies, global digital platform providers, mobile app developers, and web hosting providers.

B2B2X Cybersecurity Solutions, which foster partnerships with major service providers such as telcos, banks, insurance companies, and utility providers. These solutions help service providers create new revenue streams or reduce risk exposure by protecting their end customers to increase their loyalty, reduce churn, or help them comply with regulations like NIS2.

Embedded Cybersecurity Solutions integrate ESET's core technologies into third-party-controlled environments, delivering comprehensive cybersecurity capabilities for manufacturers of electronics, automotive products, medical devices, and ATMs/kiosks.

Cybersecurity Advisory Services build on ESET's proprietary research know-how and expertise to offer strategic advisory and risk assessment services, helping organizations enhance their cybersecurity maturity and resilience, as well as leverage ESET's unique threat intelligence.

Managed Cybersecurity solutions complement ESET's standard products by integrating third-party components, supporting infrastructure build-up, and providing round-the-clock detection and response services globally.

Operational Technology (OT) Cybersecurity Solutions combine ESET's cybersecurity expertise with the engineering experience of OT partners to design, build, and operate solutions that seamlessly integrate IT and OT worlds, enhance asset visibility, and accommodate OT-specific requirements like long lifecycles, limited update windows, and no or limited connectivity.

In 2024, we focused on establishing our market presence in key European markets, North America, and selected countries in the APAC region, as well as designing a portfolio of scalable cybersecurity offerings driven by specific client needs. Our team successfully delivered customized solutions to high-profile clients from government institutions, telecom companies, banks, as well as defense industry clients.

A notable example of our service delivery is in the Netherlands, where a major Dutch telecom operator sought to provide an extra layer of security for their customers. ESET delivered the B2B2X Cybersecurity Solution based on ESET NetProtect technology, enabling the company to offer DNS-level protection leveraging our proprietary threat intelligence, thus securing the connectivity of households by blocking malicious content before it could reach home users. The solution, branded as KPN Safe Network at Home, allows customers to maintain control over their online security across multiple devices with ease and has other features, including content filtering. This collaboration has been instrumental in enhancing KPN's reputation for providing secure and reliable services.

Another 2024 deployment of B2B2X Cybersecurity Solutions is in Southeast Asia. In cooperation with our partner, we have deployed the ESET NetProtect solution at the DNS resolver level, supported by our ESET Threat Intelligence. This deployment demonstrates our technical capabilities and dedication to providing top-tier security solutions. The solution has been implemented for one of the largest fully integrated telco providers in the area, offering a wide range of telecommunications and digital services across the country's most extensive fiber optic backbone, fixed line, and cellular networks. The scalability of our solution and technology allows the telco provider to protect tens of millions of end customers.

ESET NetProtect is specifically tailored for telecommunications (telco) and Internet Service Providers (ISPs). It comprehensively secures all devices connected to mobile and fixed networks, including smartphones, tablets, computers, and IoT devices. By providing efficient DNS protection, ESET NetProtect ensures that users are shielded from accessing harmful websites and services, regardless of their operating system. The solution offers protection against malware, phishing, and unwanted content, along with seamless integrations and fully customizable options. Additionally, the solution also has the NetProtectGo extension, which can protect customers on the go when connecting to public Wi-Fi networks or when roaming abroad.

Recognised by the leading analysts and testing houses

ESET was named a **Top Player** for the fifth year in a row in **Radicati's** 2024 Advanced Persistent Threat Market Quadrant.

ESET was recognized as both a **Product Leader** and **Market Leader** in the **MDR** space in the KuppingerCole Leadership Compass for MDR 2024.

ESET achieved **Challenger** status in **Gartner's Magic Quadrant for Endpoint Protection Platforms** (EPP) for the sixth time.

ESET was included in **Gartner's Market Guide for Managed Detection and Response** report as a **representative vendor**.

In the IDC Market Glance: Threat Intelligence 2Q24 report, ESET was recognized as a **representative vendor** in **Internal Threat Intelligence**, **Threat Hunting**, **Feed Intelligence**, and **Technical intelligence**.

ESET was named a **Leader** in endpoint security for small businesses and a **Major Player** for midsize businesses and enterprises.

ESET PROTECT Entry with ESET PROTECT Cloud was certified for **Advanced Threat Protection**

ESET was named a **Strategic Leader** in the rigorous AV-Comparatives Endpoint Prevention and Response Test.

Customer satisfaction

ESET PROTECT has clinched the **Best Security Products for 2024** award from G2.

ESET PROTECT is Top 3 in the prestigious G2 Fall 2024 Grid® Report for **Extended Detection and Response** (XDR) Platforms.

ESET PROTECT achieved **70x LEADER** in the G2 Fall 2024 reports, excelling in categories such as Endpoint Protection Platforms, Endpoint Protection Suites, XDR Platforms, and others.

ESET was recognized as a **Vendor in the Balanced group** in the 2024 **Gartner®** Vendor Spectrum for Endpoint Protection Platforms.

ESET PROTECT was named the **Customers' Choice** among Midsized Enterprises in The **Gartner®** 2024 Voice of the Customers' report.

12x

Our **Japanese** partner, Canon Marketing Japan, won the top-ranking award in **Nikkei Customer Satisfaction Survey's** *Security Solution* category for the 12th year in a row. They excelled in Overall Satisfaction, with ESET PROTECT as the core part of Canon MJ's security portfolio.

6.2 For Home Users and Small Businesses

Our consumer offering: subscription to digital life protection

ESET protects consumers' digital lives against ever-evolving threats. There are three main pillars where ESET stands firm and deeply rooted: personal device security, smart home protection, and privacy and identity protection. The offering is centered around the **ESET HOME platform** and **three subscription tiers** in the **main offering line**:

Our powerful technology is the core of our offering and is **ultra-light on computing resources**, so it does not slow customers and their devices down. The **subscription-based model** is designed to meet user needs, offering flexibility and continuous protection without the hassle of manual renewals.

In 2024 we launched an enhanced version of the security and privacy features within our all-in-one subscription tiers. We addressed market needs with the global release of Identity Protection (following its launch in the US market), the new ESET Folder Guard functionality (which protects the most valuable data), and enhanced phishing detection and scanning performance that increase overall security efficiency, and more.

Our small office/home office offering

Our commitment to address needs of different audiences resulted in the creation of a brand-new proposition for microbusinesses:

ESET Small Business Security. ESET now provides tailor-made protection to the small office/home office (SOHO) segment, which is the largest segment by business size in most markets. It is an appealing, affordable, and competitive solution that provides comprehensive and valuable multi-platform protection.

This security solution provides seamless, user-friendly protection, enabling SOHO customers to thrive in an increasingly digital landscape and protect both their personal and work devices. It offers features tailored to safeguard online transactions, secure devices, manage passwords, protect Windows servers, encrypt sensitive data, and counter phishing scams. It includes the ESET HOME security management platform, ensuring efficient protection that is effortless to manage and compatible across multiple operating systems, including Windows, Android, and macOS.

Independent tests

ESET HOME Security Essential was named **Product of the Year**, achieving the highest overall scores across all the tests in the Public Consumer Main-Test Series.

ESET Home Security Essential received the **Advanced+ award** (highest possible).

ESET earned top accolades in **all 2024 consumer tests** conducted by AV-Comparatives and AV-TEST, including:

We're proud to be among the few vendors recognized by AV-Comparatives with the **20-Years Continuous Participation award**.

Customer satisfaction

At ESET, we understand how important it is to listen to our customers' concerns and suggestions. We continuously collect customer feedback and measure customer satisfaction in regular surveys and via peer-review platforms.

95% of surveyed customers are satisfied with ESET, our solutions, and services, with 65% expressing high satisfaction.

Our satisfaction measurements utilize standardized quantitative metrics, such as Customer Satisfaction Score (CSAT) and Net Promoter Score (NPS), in conjunction with the collection of qualitative verbal feedback and secondary indicators. We're proud to achieve consistent numbers: 95% of surveyed customers are satisfied with ESET, our solutions, and services, with 65% expressing high satisfaction.

Our customers highlight product-related factors, such as product performance, stability and reliability, low impact on device performance, and ease of use, as the main drivers for their satisfaction. New customers also highlight the ease of deploying our solutions and getting the appropriate onboarding support. The collected data and insights are evaluated monthly to facilitate improvements in our solutions and offering. For business customers, a Customer Success program was launched with the aim of ensuring that our customers will make the most of the purchased solution.

The overall positive impression is confirmed by our ratings collected on a peer-review platform.

"Excellent"
Trustpilot

ESET achieved the highest "Excellent" Rating in multiple regions, according to Trustpilot reviews.

Based on Trustpilot Ratings as of 01/12/2024

Trustpilot

I have used ESET for over 15 years and...
I have used ESET for over 15 years and found it extremely efficient and easy to manage. I have no reason to ever change from ESET
Nov 4, 2024

Great customer service, Great product
Great customer service, second to none, have used Eset for nearly 20 years & would never use anything else, faultless software
Jul 09, 2024

Excellent product
Excellent product!
I am very satisfied with the quality of this software! This is my second year with it and never had issues with viruses and other bugs!
Dec 31, 2024

Great Product
I have used ESET for over 20 years and never have had a problem! Thank you.
Dec 29, 2024

12 years of use
I have been a happy user ever since it was called NOD32, probably 10-15 years ago... Super lightweight and it works!
Jan 26, 2024

#1 Cyber Security protection available today!
Excellent software, easy to use and great protection for anyone! You don't have to be a Cyber security expert to be protected like one. You can sleep with a peace of mind again!
Dec 29, 2024

6.3 Customer Care

40 customer care centers worldwide

Our global in-house Customer Care divisions serve our customers from over 40 customer care centers in 40 languages across all time zones, answering questions and requests from a self-service tool through main contact channels such as phone, email, and chat.

As part of a long-term push for process and quality standardization, throughout 2024 there were major improvements from Customer Care teams across the world.

40
CUSTOMER CARE CENTERS

40
LANGUAGES

Trailblazing AI-powered chatbot agent launched

In the ever-evolving landscape of IT security, ESET has emerged as a trailblazer, pushing the boundaries of innovation and visionary thinking.

In 2024, ESET has made significant strides with the release of its AI-powered chatbot, now available in 10 languages. This strategic move has resulted in exponential growth in customer interactions, accompanied by overwhelmingly positive feedback from all target countries.

In 2024, ESET has made significant strides with the release of its AI-powered chatbot, now available in 10 languages.

ESET's vision extends beyond mere lingual expansion. We are committed to revolutionizing customer support by evolving the chatbot by further leveraging the experience of our first-line support agents and solution architects. This proactive approach aims to address customer needs comprehensively, offering an anticipatory service that evolves into a full-fledged virtual agent. This agent is meticulously trained by ESET's top customer care professionals, ensuring the highest quality of support.

Early data analyses reveal a promising **15% increase in issue resolution rates**, a testament to the chatbot's effectiveness. However, ESET acknowledges that more time is needed to fully realize these benefits. Our company is actively exploring ways to enhance the efficiency of its customer feedback collection mechanisms, ensuring continuous improvement and adaptation.

Since its launch, the ESET AI Advisor has sent an impressive 359,000 messages across 63,000 sessions, assisting tens of thousands of people worldwide. This remarkable achievement underscores ESET's commitment to leveraging cutting-edge technology to deliver exceptional customer service.

Since its launch, the ESET AI Advisor has sent an impressive 359,000 messages across 63,000 sessions, assisting tens of thousands of people worldwide.

As ESET continues to innovate and expand its AI capabilities, the future looks bright for both the company and our customers. The journey towards a fully integrated, multilingual virtual agent is well underway, and ESET is poised to set new standards in the IT security industry.

The most important source of knowledge for the AI Advisor is the ESET Knowledge Base, which means our AI answers for our customers can only be as good as the knowledge we provide it.

Self-service knowledge base

The ESET Knowledge Base helps users find solutions to common issues independently. This comprehensive collection of articles, guides, and troubleshooting tips is available globally in **29 different languages**, ensuring accessibility and usability for a diverse user base. With **4.6 million active users**, the Knowledge Base has a robust and engaged audience, indicating its value and relevance. In 2024, it achieved more than **10 million pageviews**, reflecting its extensive reach and engagement.

Positive feedback on customer care

In the **NORAM** region, positive customer **satisfaction** with Customer Care achieved **91.3%** for the consumer segment and **92.9%** for businesses, thanks to multiple improvements in the reachability of our Customer Care teams, as well as by the strengthening and developing our teams. The rest of our key markets also performed exceptionally well, with multiple countries reaching over 91% positive satisfaction and the UK hitting as much as 95,4%. Overall, this represented a sharp increase in positive customer ratings, especially in our consumer segment with ESET Customer Care.

7

EMPOWERING OUR PEOPLE

EMPOWERING OUR PEOPLE

At ESET, our employees are the cornerstone of our success. We believe that a thriving company is built on the strength, drive, and wisdom of its people. That's why we invest heavily in creating a supportive and inclusive atmosphere where everyone can thrive.

Visionary ESET Campus, and new premises for our North America international Center

Our ambition is to build a sustainable, high-tech ESET Campus—a hub of technological innovation that will contribute to Slovakia's transition to a knowledge-based economy. The ESET Campus will be more than just a workplace; it aims to be a vibrant environment for our employees, partners, scientists, and the broader public. It will feature unique facilities that foster collaboration and interaction between business and academia, nurturing new ideas and innovation while supporting well-being. The campus will include office areas, a conference center, coworking spaces, labs, and sports and well-being facilities. In 2024, we cleared the plot by removing all former buildings. Around 99% of the demolition waste was either reused or recycled. We also made significant progress in the environmental impact assessment (EIA) report evaluation and in the evaluation of our investment proposal by the Bratislava Municipality. Furthermore, we prepared zoning permit documentation for submission.

In San Diego, we created new office spaces at our **North America International Office** to foster collaboration, creativity, and connection. The 24,000-square-foot office, designed with sustainability in mind, was built to meet LEED Platinum standards. It holds several certificates, including Energy Star Gold, WiredScore Platinum, and a 2-star Fitwel rating.

Employee well-being, support, and development

In 2024, we enhanced employee **well-being** through webinars on mental health, conflict de-escalation, and harassment prevention, supported by Employee Assistance Programs (EAPs) providing access to psychologists and therapists. Our annual **Health Week** featured workshops, preventive check-ups, and blood donation.

We fostered team cohesion and a good work-life balance with regular **events, team-building** activities, and sporting events for employees and their families in Slovakia, including a kids' summer camp.

Christmas party

Family Day

St. Nicholas event

Company team-building event

Our hybrid work model offered **flexibility for remote or in-office work**, accommodating health concerns, family obligations, and personal circumstances. Parents returning from leave could choose schedules that suited their needs.

We provided a range of **benefits**, including loyalty programs, marriage and childbirth allowances, pension savings, and sick days.

We also supported our employees' personal and professional growth through various **learning and development activities**. We expanded our internal event to a full month under the title **Development Month**. It featured 24 workshops, lectures, webinars, and team-building exercises, with nearly 2,000 participations. Throughout the year, we offered online and on-site soft-skill development activities on topics like harassment prevention, resilience, self-awareness, and critical thinking. Additionally, we continued specialized development programs for leaders at various managerial levels, catering to both new and experienced managers through group and individual sessions.

Nurturing future professionals

We offered internships for high school and university students to attract and develop talent, ensuring a pipeline of skilled professionals for our company. Additionally, our experts lectured at universities, bridging the gap between academic knowledge and practical industry skills.

Awards and recognition

Our commitment to fostering a people-first culture was reflected by several notable awards in 2024.

ESET Slovakia secured fourth place in the IT and Telecommunications category of the prestigious ***Top Employer Award*** survey in Slovakia. Respondents praised the company's dedication to employee well-being, professional and personal development, flexible work arrangements, comprehensive benefits and event packages, commitment to ESG initiatives, and its positive impact on the labor market and community.

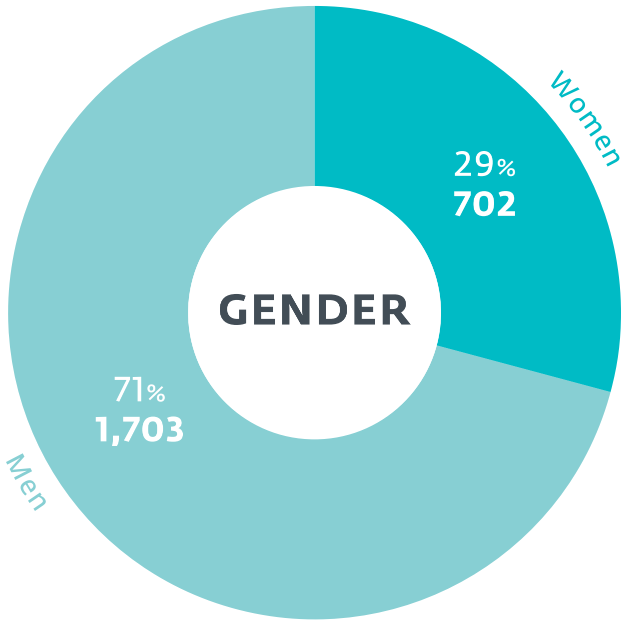
ESET APAC was included in Singapore's Best Workplaces in Technology™ 2024 list by Great Place to Work.

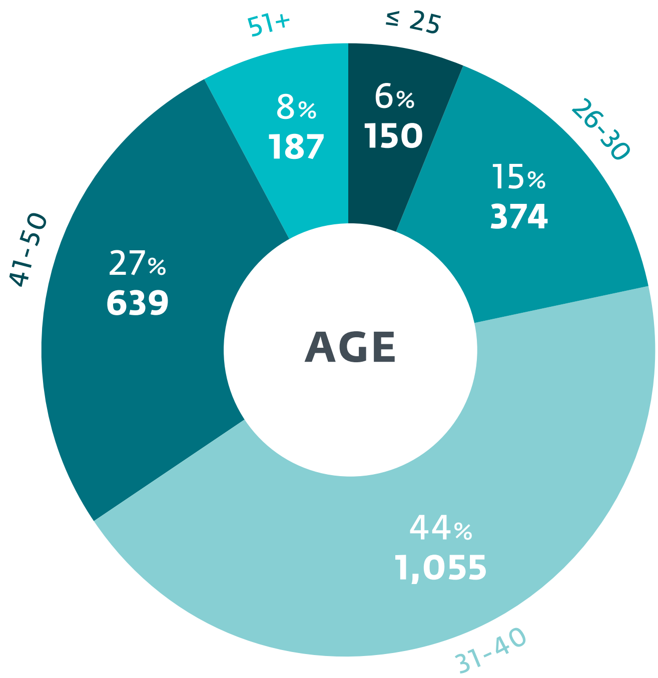
Additionally, Celeste Blodgett, ESET's VP of HR NORAM, was named Business Woman of the Year in the Private Company, Medium category by the San Diego Business Journal.

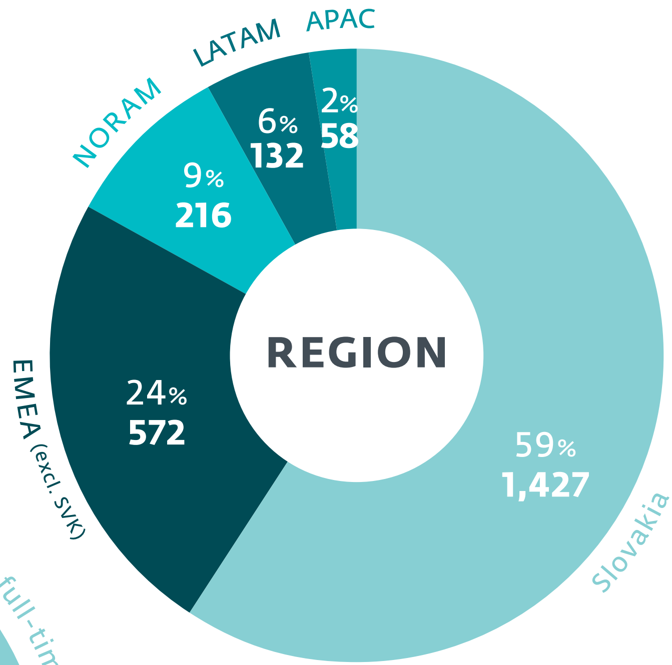
These recognitions reflect our global and progressive mindset, driving us to continually innovate and excel in all aspects of our operations.

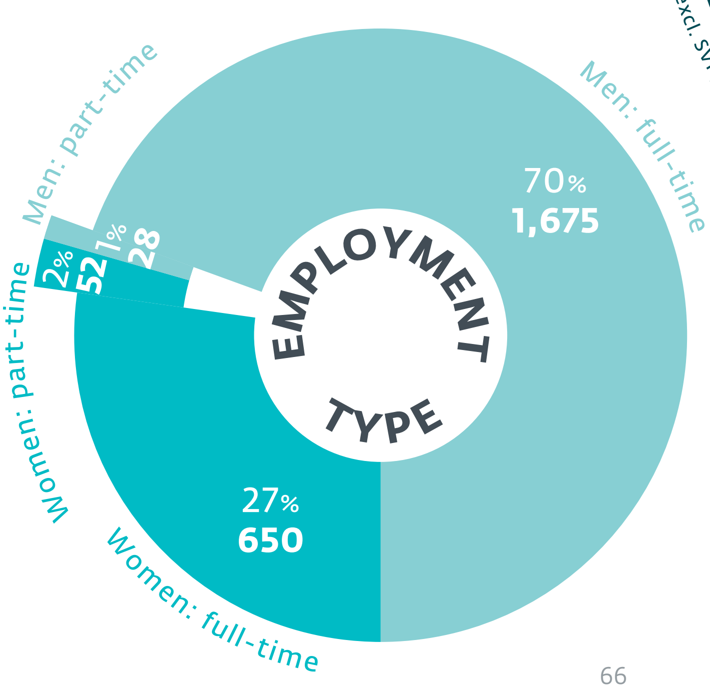
Employee statistics

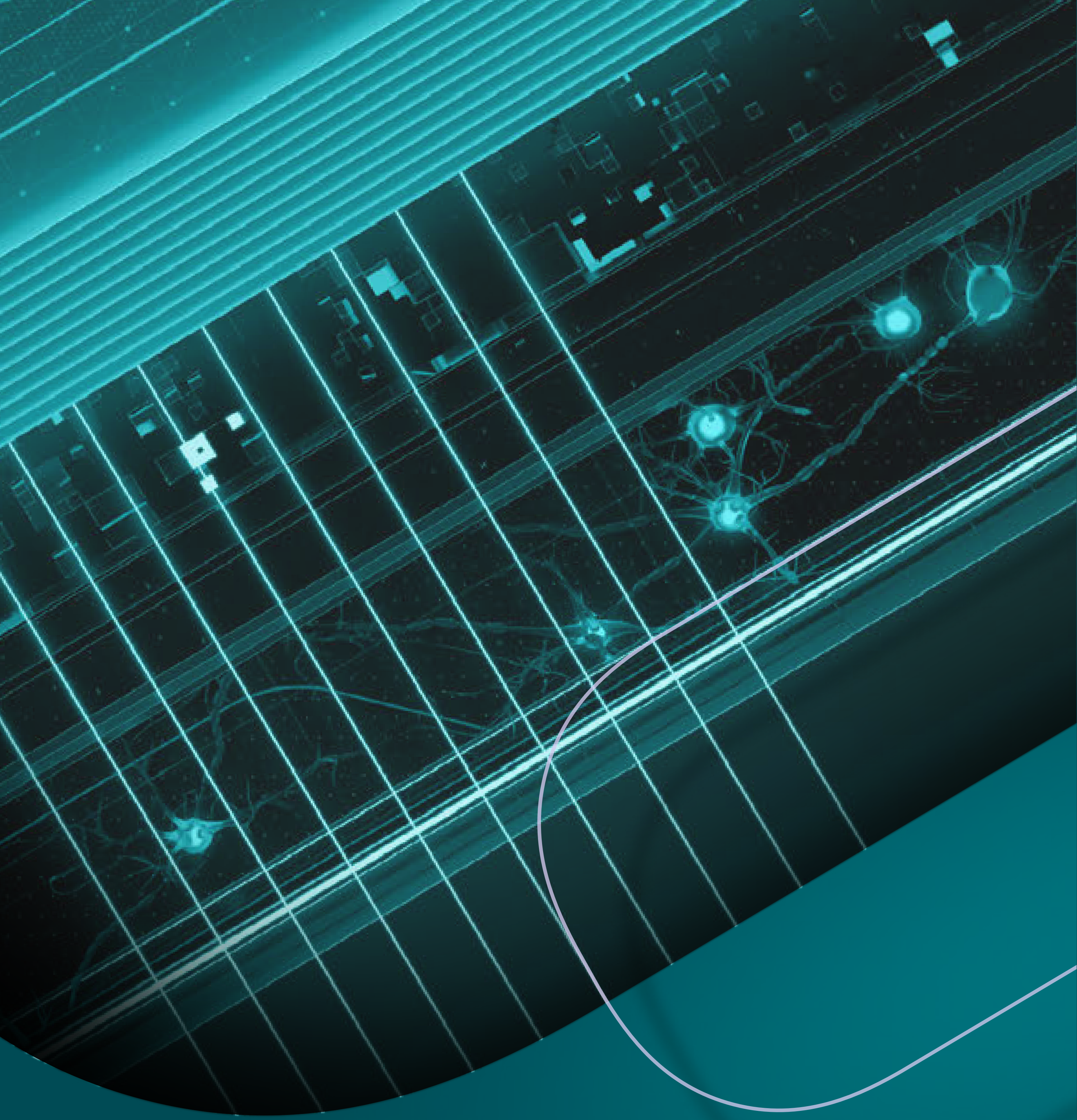
Total number of the ESET Group's employees as of December 31, 2024: **2,405**











8

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) STRATEGY AND SUSTAINABILITY REPORTING

ESG STRATEGY AND SUSTAINABILITY REPORTING

By advancing cybersecurity education, building research partnerships, supporting science, fostering an inclusive workplace, and addressing environmental challenges, ESET aims to make a meaningful difference both within the company and in the wider community.

ESG Strategy established

On March 19, 2024, ESET's Investment Committee acknowledged the group's ESG strategy. The strategy is structured around four key pillars: Cybersecurity Education; Research, Science, and Innovation; Company Culture of Diversity and Inclusion; and Environmental Sustainability. These pillars are supported by clear strategic goals, actions, and key performance indicators, providing a strong framework for the group's long-term commitment to responsible business practices.

Cybersecurity education

- Cybersecurity awareness
- Cybersecurity training
- Partnerships and collaborations
- Empowering women and girls

Research, science, and innovation

- Increasing interest in careers in cybersecurity
- Science popularization
- Collaborations for innovation
- External and internal cybersecurity culture

Company culture, diversity, equity, and inclusion

- Attracting, retaining, and developing diverse talent
- Employee engagement and inclusion
- Internal awareness and external communication of diversity and inclusion (D&I)

Environmental sustainability

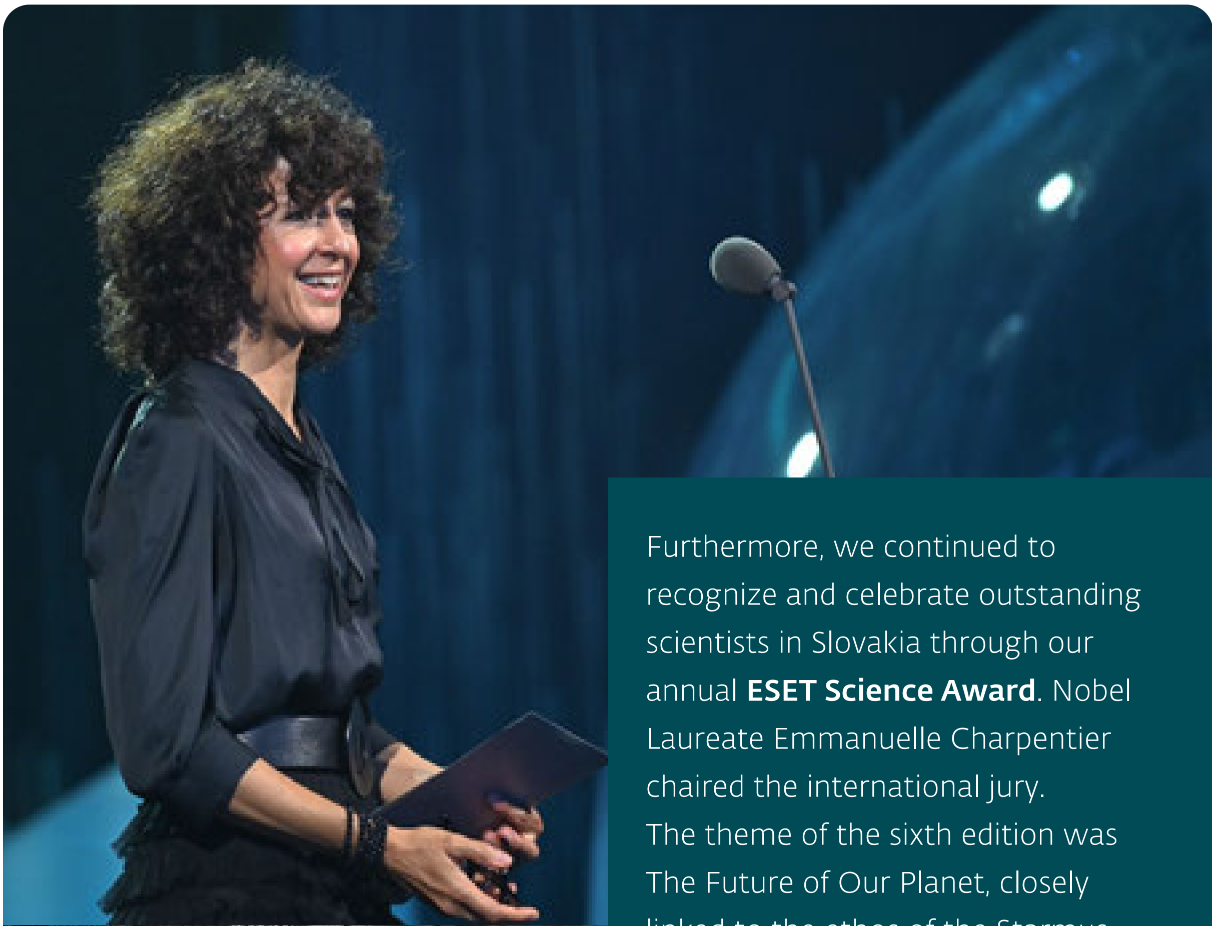
- Sustainable buildings
- Energy efficiency and hardware
- Transport and travel
- Data accuracy
- Employee awareness

As part of our strategy, we also identified cross-cutting topics such as ethics and integrity and volunteering, as well as intersectional activities like employee resource groups (ERGs). Critical priorities in 2024 include adopting the global Code of Ethics and Integrity, as well as conducting workshops for its integration into corporate culture, establishing internal processes for effective ESG implementation, managing ESG-related risks and opportunities, and ensuring compliance with European Sustainability Reporting Standards (ESRS).

Building on the groundwork laid in 2023, we launched the development of our Sustainability Report in 2024, inspired by the European Sustainability Reporting Standards (ESRS). This report will be published later in 2025 and will deliver comprehensive insights into the impact of ESET's actions on the environment and its workforce.

Key highlights

These initiatives aim to inspire and educate the next generation of experts and leaders. Renowned scientists, Nobel laureates, and science popularizers presented on stage to thousands of young people, and they also visited numerous universities in Slovakia and Czechia to spark interest in science, technology, engineering, and mathematics (STEM).



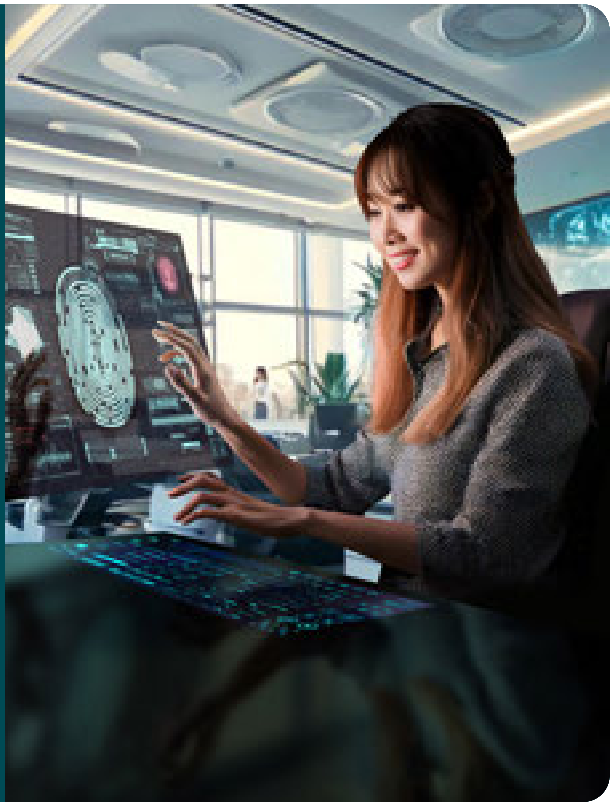
Furthermore, we continued to recognize and celebrate outstanding scientists in Slovakia through our annual **ESET Science Award**. Nobel Laureate Emmanuelle Charpentier chaired the international jury. The theme of the sixth edition was The Future of Our Planet, closely linked to the ethos of the Starmus Festival in May.

Engaging with academic and research institutions is essential for fostering expert knowledge and advancing the technologies, products, and solutions we offer our customers. In 2024, we partnered with ten academic and scientific institutions, including the AGH University of Science and Technology in Krakow, Poland; the Masaryk University in Brno, Czech Republic; the Faculty of Informatics and Information Technologies at the Slovak University of Technology in Bratislava, Slovakia; Universidad Tecnológica Nacional in Buenos Aires, Argentina; and Polytechnique Montréal in Canada. Our experts also delivered 156 lectures for 4,250 students. Additionally, two students benefited from internship opportunities, gaining hands-on experience in cybersecurity and related fields.

We believe that cybersecurity education is key to helping people benefit from the full potential of technology. We regularly share our expertise with vulnerable groups and society at large through our awareness-raising content platforms and training sessions with our ESET experts. In 2024, we delivered 12,000 hours of cybersecurity training for 170,000 participants globally. We value and support our educational and NGO partners that help us create an even bigger impact on the communities we serve. In 2024, they delivered 4,530 activities organized with ESET's support (training, discussions, visits, etc.).

As cybersecurity becomes increasingly crucial in the digital landscape, we find it essential to support and inspire young talent, particularly women, to pursue careers in this field.

The Women in Cybersecurity Scholarships program is designed to spark young women's interest in cybersecurity and related fields, help close the gender gap, and address the industry's talent shortage. In 2024, ESET awarded six scholarships across the US, Canada, Australia, and the UK, contributing around €38,000.



9

FINANCIAL RESULTS

FINANCIAL RESULTS

Over the long term, the ESET Group has consistently achieved positive growth in billings and revenues, along with strong performance in other key financial indicators. This impressive performance primarily stems from the provision of end-user licenses and services. Moving forward, the ESET Group plans to sustain this upward trajectory by ongoing innovation: providing industry-leading cybersecurity solutions and services to organizations of all sizes and by releasing new versions and updates for its continuously enhanced home products. In 2024, the ESET Group sharpened its strategic focus to address the complex cybersecurity needs of large enterprises, critical infrastructure, and government institutions. Building on the foundation of its previously established Corporate Solutions Division, ESET accelerated the delivery of advanced, tailored solutions for high-stakes environments. ESET's commitment to a cloud-first strategy, robust managed detection and response (MDR) capabilities, and AI-native prevention technologies remained central to its vision—ensuring resilience, adaptability, and leadership in an increasingly sophisticated threat landscape.

When assessing its financial position and performance, the ESET Group closely monitors key financial indicators. These include billings and revenues derived from end-user licenses and services; adjusted earnings before interest, taxes, depreciation, and amortization (adjusted EBITDA); as well as the operating result (EBIT) and net cash flows from operating activities. The evaluation of the ESET Group’s financial situation and performance considers both traditional and alternative (non-IFRS) financial indicators. The ESET Group has demonstrated impressive growth and strong results in these key financial indicators from both a short-term and a long-term perspective. Looking ahead, the ESET Group anticipates a 9% increase in net revenues under fixed exchange rates, underscoring its robust financial position and performance despite the ongoing global economic uncertainty.

**Financial statemens of the parent company ESET, spol. s r.o.*

	Consolidated financial statements in millions EUR			Separate* financial statements in millions EUR		
Indicator	**2023**	**2024**	**↑↓**	**2023**	**2024**	**↑↓**
Revenues	632	691	9%	632	692	10%
Adjusted EBITDA	94	100	7%	81	86	7%
Operating result (EBIT)	85	88	3%	74	78	6%
Net cash flows from operating activities	106	124	17%	98	107	9%

The consolidated financial statements of the ESET Group, along with the separate financial statements of the ESET parent company for 2024, were prepared in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS).

In 2024, the ESET Group's revenues rose from €632 million to €691 million, which represents an increase of 9% in comparison to the previous accounting period. The ESET parent company's revenues also rose, from €632 million to €692 million, which represents an increase of 10% over the same period. This growth in revenues aligns with the increase observed in the consolidated financial indicator.

The adjusted earnings before interest, taxes, depreciation, and amortization (adjusted EBITDA) is an important alternative financial indicator measuring the ESET Group's operating performance, which is described in more detail under the consolidated financial statements. In 2024, the ESET Group's adjusted EBITDA rose from €94 million to €100 million, which represents an increase of 7% in the year-over-year comparison. The ESET parent company's adjusted EBITDA also rose, from €81 million to €86 million, which represents an increase of 7% over the same time. The adjusted EBITDA margin as the proportion of adjusted EBITDA relative to revenues for the ESET Group stood at 14%, while the ESET parent company achieved 12% in 2024.

From a long-term perspective, the ESET Group has consistently demonstrated operational efficiency, i.e., it has a positive financial result determining its level of profitability. In 2024, the ESET Group's operating result (EBIT) rose from €85 million to €88 million, which represents an increase of 3% in comparison with the previous accounting period. The ESET parent company's operating result (EBIT) also rose, from €74 million to €78 million, which represents an increase of 6% over the same period. In 2024, both the ESET Group and the ESET parent company maintained a solid EBIT margin, which represents the proportion of operating result (EBIT) relative to revenues. Specifically, the ESET Group reached an EBIT margin of 13%, while the ESET parent company achieved a comparable EBIT margin of 11%.

This level of profitability increases the tax burden, whereby the ESET Group's total expenses on income tax due and deferred represented almost €21 million in 2024, out of which the total expenses of the ESET parent company represented nearly €17 million.

In 2024, the ESET Group's net cash flows from operating activities rose from €106 million to €124 million, which represents an increase of 17%. Over the same period, the ESET parent company's net cash flows from operating activities also rose, from €98 million to €107 million, which represents an increase of 9%. Both the ESET Group and the ESET parent company maintained a solid operating net cash flows margin in 2024, which represents the proportion of operating net cash flows relative to revenues. Specifically, the ESET Group achieved an operating net cash flows margin of 18%, while the ESET parent company achieved a comparable operating net cash flows margin of 15%.

The ESET Group's high liquidity was further boosted by a cash and cash equivalents balance of €62 million, as well as a term deposits balance of €181 million at the end of 2024. Additionally, the absence of loans historically contributed to the company's strong dividend policy.

Research and Development

Similarly to previous years, the ESET parent company did not receive any donations, investment grants, or other direct financial support from the Slovak or any other government in 2024. As a research and development center, the ESET parent company plans to utilize the benefits provided by the Income Tax Act (Section 30c of the Act) and apply an R&D cost deduction of €9.86 million for 2024. Subsidiaries within the ESET Group identified similar R&D cost deductions in 2024, amounting to over €1.87 million (47 million CZK) in the Czech Republic and over €6.50 million (28 million PLN) in Poland. The R&D activities of ESET in 2024 contributed to the development of products provided, which are described in section 6 Offerings.

Distribution of Profit

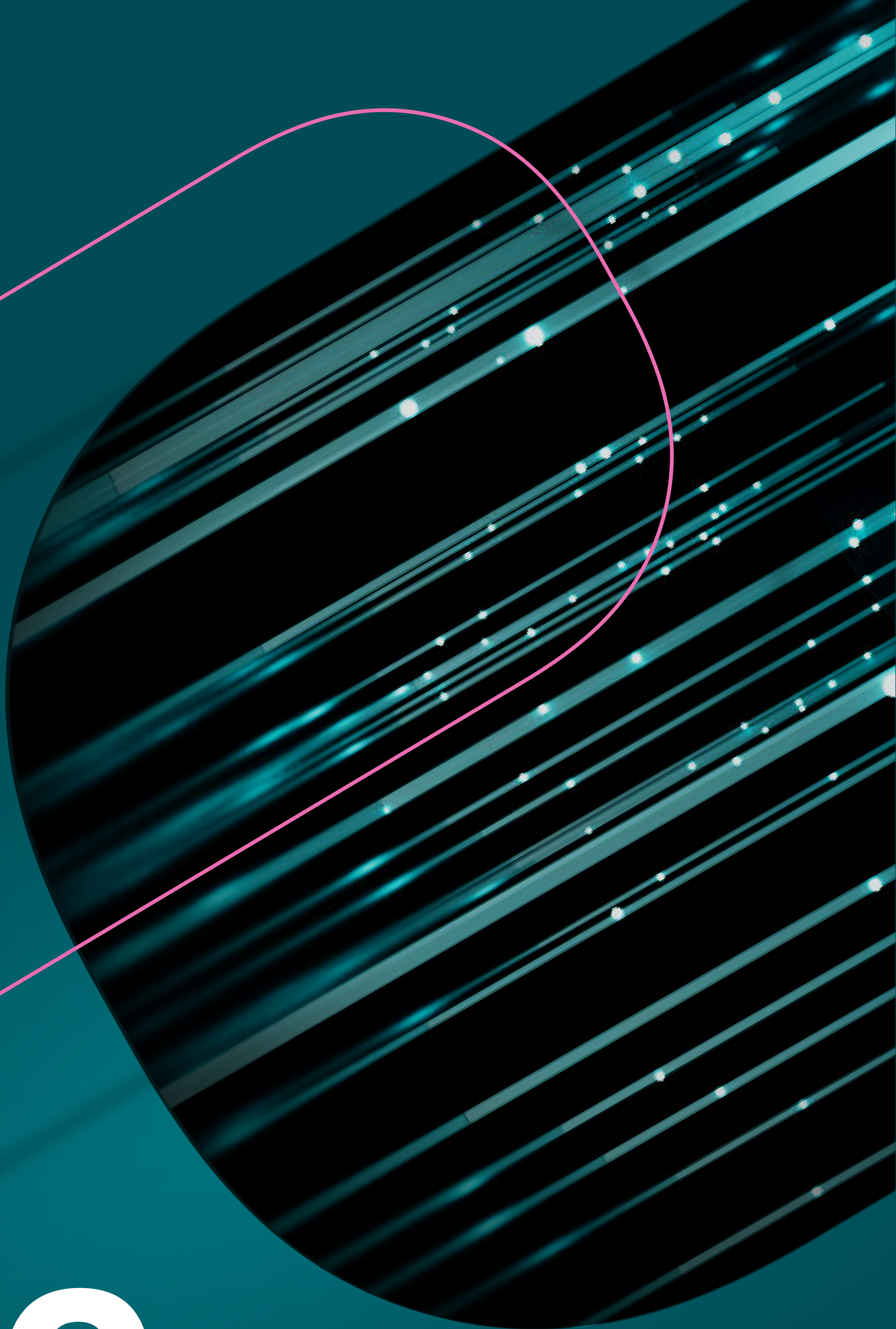
The company's ordinary general meeting that took place on May 22, 2025, approved the separate financial statements of the ESET parent company and the consolidated financial statements of the ESET Group for 2024. At the same time, the ordinary general meeting approved that the net profit of the company for 2024 after taxation reported in the separate financial statements of the company for 2024 in the amount of €75,394,442.26 in total, will be distributed as follows:

- part of the company's profit for 2024 in the amount of €75,194,442.26 will be distributed among the shareholders in proportion to their shares in the company;
- the remaining part of the company's profit for 2024 in the amount of €200,000 will be transferred to the social fund.

The company's ordinary general meeting approved that part of the company's profit for 2023 in the amount of €400,000, shall be distributed among the shareholders in proportion to their shares in the company.

Subsequent Events

Between December 31, 2024, and the day when the annual report was prepared, no other events than those disclosed in the consolidated financial statements took place that would significantly impact the group's assets and liabilities.



10

EU TAXONOMY

EU Taxonomy

The EU Taxonomy is a system that defines which economic activities are considered environmentally sustainable. To support clear and consistent reporting, the EU has gradually been developing implementation guidelines since 2020. As a reporting entity, the ESET Group is required to assess its activities against the six environmental objectives of the EU Taxonomy. For any activities that are defined by the EU Taxonomy (eligible), the ESET Group must then also evaluate whether these meet the technical screening criteria (aligned). In 2024, three eligible activities were identified: data processing, building ownership, and building demolition.

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 (hereinafter also referred to as the "EU Taxonomy Regulation") on the establishment of a framework to facilitate sustainable investment, together with Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 (later supplemented by Commission Delegated Regulation (EU) 2022/1214[(1)], 2023/2485[(2)], and 2023/2486[(3)]) provides a framework for reporting the ESET Group's activities in compliance with the EU Taxonomy (hereinafter also referred to as the "Taxonomy" or the "EU Taxonomy"). This framework is mainly represented by a set of objectives and a set of technical criteria.

The basic set of objectives of the EU Taxonomy is as follows:

- Climate change mitigation (CCM)
- Climate change adaptation (CCA)
- Sustainable use and protection of water and marine resources (WTR)
- Transition to a circular economy (CE)
- Pollution prevention and control (PPC)
- Protection and restoration of biodiversity and ecosystems (BIO)

(1) Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022.
(2) Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023.
(3) Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023.

Since 2020, a framework of implementation practices has been gradually developed, represented, for instance, by Commission Notice 2022/C 385/01 or C/2023/305[1] on the interpretation and implementation of certain legal provisions of the regulations governing the EU Taxonomy.

The above legislative provisions and clarifications for implementation practices imply an obligation for reporting companies to carry out an eligibility analysis in relation to all six objectives of the EU Taxonomy and, where eligible, an assessment of compliance with the technical criteria of the EU Taxonomy (alignment analysis).

On February 5, 2025, the Directorate-General for Financial Stability, Financial Services, and Capital Markets Union published a proposal[2] to simplify some of the EU Taxonomy reporting rules, but these did not affect the ESET Group's reporting for the 2024 financial year.

The EU Taxonomy is a classification system that defines which economic activities are environmentally sustainable. After reviewing and assessing all activities outlined by the delegated acts, including nuclear and gas energy-related activities, the ESET Group identified three eligible activities identical to ones defined in the previous reporting period, namely the following eligible activities:

- *8.1. Data processing, hosting, and related activities*
- *7.7. Acquisition and ownership of buildings*
- *3.3. Demolition and wrecking of buildings and other structures*

Inputs for key EU Taxonomy indicator calculations comprise capital expenditures (CapEx) for purchased IT technical equipment (servers, storage, and datacenter hardware), right-of-use assets under *IFRS 16 Leases*, and demolition CapEx related to the ESET Campus project. Some of these eligible CapEx met the technical criteria and the "do no significant harm" criteria of the delegated act and are therefore presented as taxonomy-aligned.

10.1 Methodology Explanations

Information on the ESET Group's share of revenue, capital expenditure, and operating expenses for the reporting period describes the share of activities associated with eligible economic activities and economic activities aligned with the EU Taxonomy in accordance with Article 8 of the EU Taxonomy Regulation.

(1) *Commission Notice C/2023/305 on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of the EU Taxonomy Regulation.*
(2) *Draft changes presented by the Directorate-General for Financial Stability, Financial Services, and Capital Markets Union.*

An eligible economic activity under the EU Taxonomy is an economic activity that is described in the delegated regulations supplementing the EU Taxonomy, regardless of whether that economic activity meets all the technical criteria set out in supplementary delegated regulations.

An economic activity aligned with the EU Taxonomy (hereinafter also referred to as an "aligned economic activity") is an activity that meets all of the following requirements under Article 3 of the EU Taxonomy Regulation:

- The economic activity contributes substantially to one or more of the environmental objectives set out in the regulation.
- It does not significantly harm any of the environmental objectives.
- It is carried out in compliance with the minimum safeguards set out in the regulation.
- It complies with the technical screening criteria set up by the delegated regulations supplementing the EU Taxonomy Regulation.

Calculation of key EU Taxonomy indicators

CapEx

- The CapEx KPI is defined as follows: CapEx eligible for or aligned with the EU Taxonomy (numerator) divided by the CapEx denominator.
- The CapEx denominator (hereinafter also referred to as "Taxonomy CapEx") is calculated according to Annex I, point 1.1.2. of the supplementary delegated regulation[(1)] and includes tangible and intangible assets according to prescribed IAS and IFRS reporting standards.
- Right-of-use assets related to leases are represented by capitalized aggregation of lease payments, including lease payments already paid and reduced by any lease incentives related to new rented premises in 2024 or rented premises modified during the 2024 financial year under *IFRS 16 Leases*. Further details of the group's accounting policies for capital expenditure can be found in the footnotes to the consolidated financial statements in part 3: *Summary of Significant Accounting Policies*. There were situations when we found a single activity contributing to more than one objective. This disaggregation is then depicted in an additional complementary template. The code linked to the objective we considered the most relevant is highlighted in bold in the main template.

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(1) Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021.

OpEx

- The OpEx KPI is defined as OpEx eligible for or aligned with the EU Taxonomy (numerator) divided by the OpEx denominator.
- The OpEx denominator (hereinafter also referred to as "Taxonomy OpEx") is calculated according to Annex I, point 1.1.3[1] of the supplementary delegated regulation and supplementary Commission Notice C/2023/305[2].
- Total operating expenses (OpEx) in the EU Taxonomy correspond to non-asset costs related to research and development, building renovation measures, short-term leases, maintenance and repair, and any other direct expenses related to the routine maintenance of property, plant, and equipment.

Turnover

- The proportion of economic activities eligible for or (further) aligned with the Taxonomy in total consolidated revenue of the ESET Group is calculated as the portion of consolidated revenue from services related to economic activities eligible for or aligned with the Taxonomy (numerator) divided by consolidated revenue (denominator), in each case for the year ending December 31, 2024.

The ESET Group neither carried out nor invested in activities related to nuclear energy or fossil gas. Those economic activities as predefined by the EU Taxonomy are summarized in the table below[3]:

	Nuclear energy related activities	
1.	The undertaking carries out, funds, or has exposures to research, development, demonstration, and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds, or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds, or has exposures to the safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas-related activities	
4.	The undertaking carries out, funds, or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds, or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds, or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

(1) *Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021.*
(2) *Commission Notice C/2023/305 on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of the EU Taxonomy Regulation.*
(3) *The table represents a template as defined in Annex III of Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022.*

10.2 Eligible Activities

In their annual taxonomy reports for the 2023 and 2024 financial years, industrial peers of the ESET Group used to report either no eligible revenue or eligible revenue in relation to activities 4.1, 8.1, or 8.2. The ESET Group has reassessed its own revenue-generating business activities with the conclusion that there was no eligible revenue in the 2024 financial year.

During the 2024 financial year, there were no changes made to the Taxonomy technical criteria and activities defined by the EU Taxonomy. The ESET Group was not exposed to significant internal or external changes affecting the nature of its activities. Therefore, the eligibility analysis questionnaire from the 2023 financial year remained valid, and no redo was necessary in the 2024 financial year.

The ESET Group identified the following eligible activities for the year ending December 31, 2024:

- **8.1. Data processing, hosting, and related activities:** This activity was defined as eligible for the *climate change mitigation* (CCM) and *climate change adaptation* (CCA) objectives. CapEx of this activity is represented by investments into ESET's own hardware located in data centers in Slovakia and abroad. This economic activity is considered a transitional activity that substantially contributes to climate change mitigation as referred to in Article 10(2) of Regulation (EU) 2020/852.
- **7.7. Acquisition and ownership of buildings:** This activity was defined as eligible for the *climate change mitigation* (CCM) and *climate change adaptation* (CCA) objectives. The activity is defined as buying real estate and exercising ownership of that real estate, and is based on the principle of applying the economic ownership of buildings, including ownership as defined by *IFRS 16 Leases*.
- **3.3. Demolition and wrecking of buildings and other structures:** This activity was defined as eligible for the *transition to a circular economy* (CE) objective. The activity is represented by capital expenditures on demolition works.

10.3 Aligned Activities

The ESET Group conducted a detailed technical criteria screening and a consecutive analysis of purchased equipment, services, and other capital expenditures related to CapEx additions linked to activities *8.1. Data processing, hosting, and related activities*, *7.7. Acquisition and ownership of buildings*, and *3.3. Demolition and wrecking of buildings and other structures*.

Regarding activity *8.1. Data processing, hosting, and related activities*, there was no alignment with technical criteria for the year ending December 31, 2024. This situation was caused by the fact that CapEx additions for the 2024 financial year only occurred at data center locations that were not able to meet the technical criteria.

Analysis of technical criteria for the 2024 financial year led to the identification of the following aligned activities for the year ending December 31, 2024:

- **Activity 7.7. Acquisition and ownership of buildings:** Alignment results are based on climate risk analysis and available energy performance certification.
- **Activity 3.3. Demolition and wrecking of buildings and other structures:** Alignment analysis contained assessments of waste management, audit procedures, material usage, and environmental risks.

SUBSTANTIAL CONTRIBUTION CRITERIA

Contribution to the climate change adaptation objective

Activity *7.7. Acquisition and ownership of buildings* is 100% aligned with the climate change adaptation objective (CCA was defined as the most relevant environmental objective for alignment purposes according to Annex II of the supplementary delegated regulation[(1)]). Aligned CapEx additions were represented by leases of the ESET Group's rented premises reported under *IFRS 16 Leases*, and substantial contribution criteria were evaluated in cooperation with landlords. All cases labeled as aligned consisted of either in-house climate risk and vulnerability assessments or assessments backed up with state-of-the-art science for vulnerability and risk analysis and related methodologies. Data used for the Slovak Republic was based on an OECD study[(2)] that named three principal climate risks for Slovakia (extreme heat, precipitation, and drought) and which contains the following risk assessment parameters:

- Resolution used: municipal level (5×5 km, in selected cases from 10×10 meters to 0.1°×0.1°)
- Representative concentration pathway scenarios used: RCP 4.5

(1) *Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023.*
(2) *The OECD study is titled Assessing municipal climate risks to inform adaptation policy in the Slovak Republic and represents a nation-wide, downscaled climate risk assessment as outlined in the document Measuring Progress in Adapting to a Changing Climate.*

- IPCC (Intergovernmental Panel on Climate Change) outputs used: IPCC fifth and sixth assessment reports ("AR5, AR6")
- Time horizon for climate projections: The time horizon corresponds to the nature of the asset (building construction)—the longest time horizon required by the technical criteria of the EU Taxonomy is 30 years. In the present study, horizons up to 2055 and 2070 are used.

Contribution to the transition to a circular economy objective

Activity 3.3. *Demolition and wrecking of buildings and other structures* is 100% aligned with the *transition to a circular economy* objective. The demolition project had an around 99% re-use and recycling rate. The operator of the activity conducted a pre-demolition audit in line with the EU Construction and Demolition Waste Management Protocol and used the concept checklist inspired by the protocol.

DO NO SIGNIFICANT HARM CRITERIA (DNSH)

DNSH for the climate change adaptation objective

Activity *7.7. Acquisition and ownership of buildings* is compliant with the energy performance criterion, represented by the required energy performance certificates (EPC). An alternative criterion referring to the position in the national or regional building stock was not used.

DNSH for the transition to a circular economy objective

Activity *3.3. Demolition and wrecking of buildings and other structures* is compliant with the following DNSH technical criteria:

- Materials that trigger emissions of greenhouse gases and ozone-depleting substances are handled in the prescribed way.
- A climate risk and vulnerability assessment based on the OECD study for Slovakia is conducted.
- Water-related risk assessments are carried out in the project's environmental impact assessment (EIA).
- Measures are taken to reduce noise, dust, and pollutant emissions during demolition and wrecking works.
- An environmental impact assessment is carried out in relation to the demolition project. The overall project is not located in biodiversity-sensitive areas.

10.4 Minimum Safeguards

In all its business activities, the ESET Group considers the complete set of minimum safeguard foundational documents[(1)].

ESET spol. s r.o. had a valid Code of Ethics in place until April 30, 2024. Some branches of the ESET Group followed their own ethical codes in accordance with local principles and applicable regulations. The process of reviewing, commenting on, and approving a new global Code of Ethics and Integrity was finalized, and the document became effective on May 1, 2024.

The global Code of Ethics and Integrity is based on the following company principles: integrity and accountability for mistakes; respect for human dignity; fostering innovation and creativity; fairness; diversity & inclusion; legality and compliance; lifelong learning; freedom and democracy; protection of the environment.

The ESET Group's Code of Ethics and Integrity (hereinafter also referred to as the "Code of Ethics") has been in effect since May 1, 2024. In accordance with the internal Workflow Directive on the Global Policies Adoption Process, ESET's subsidiaries adopted this global policy and its principles within 90 days.

Updates to the Global Policy on the Procurement of Goods and Services (hereinafter also referred to as the "Procurement Policy") were published in January 2024. The updates to these strategic documents reinforce the ESET Group's commitment to minimum safeguard key topics. This strategic documentation covers the following key areas of minimum safeguards:

- **Human rights**—Our commitment to fundamental human rights is outlined in the Code of Ethics and Integrity. ESET has a global compliance line for reporting violations of the law and the Code of Ethics and Integrity. Additionally, ESET handles whistleblowing complaints, both globally and locally, in accordance with the specific legislation of each country. This procedure ensures that any ethical or legal concerns within the organization are addressed promptly and appropriately.
- **Anti-corruption**—In its Code of Ethics and Integrity, the ESET Group is committed to ethical business practices and responsible business partnerships. Under no

(1) *OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including all principles and rights set out in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights.*

circumstances shall the group engage in unfair business practices, any form of bribery, or corruption.

- **Taxation**—The ESET Group complies with fiscal law in all the countries where it operates. All tax-related risks are closely monitored by the Legal, Tax, and Finance departments.
- **Fair competition**—The principles of fair competition are outlined in the Procurement Policy (particularly in the sections addressing conflicts of interest) and in the External Relationships section of the Code of Ethics and Integrity.
- **Legal monitoring**—The ESET Group accepts whistleblowing complaints. Any issue related to human rights can be subject to a complaint. Reports of violations of the law or the Code of Ethics and Integrity can be submitted by email. Whistleblowers are protected against discrimination or retaliation for reporting a violation. Reports can also be submitted anonymously.

10.5 Details on the Taxonomy Performance Indicators

ELIGIBLE AND ALIGNED REVENUES

The proportion of economic activities eligible for or (further) aligned with the Taxonomy in total consolidated revenues of the ESET Group is calculated as the portion of consolidated revenues from services related to economic activities eligible for or aligned with the Taxonomy (numerator) divided by consolidated revenues (denominator), in each case for the year ending December 31, 2024.

The denominator of the revenues indicator is based on the ESET Group's consolidated revenues and amounts to €691,218 thousand in 2024.

As outlined in the Eligible Activities chapter, no revenue-generating activity was labeled eligible by the ESET Group in the 2024 financial year. Consequently, there are no Taxonomy-aligned revenues. Taxonomy-eligible revenues amount to 0% of the total consolidated revenues, based on €0 of consolidated net revenues from Taxonomy-eligible business activities. The share of Taxonomy-aligned revenues reached 0% of our total consolidated revenues. The breakdown of our turnover KPIs eligible for and aligned with the Taxonomy by economic activity is shown in the following table:

REVENUES — Financial year 2024

Economic activities	Code	Turnover	Proportion of turnover for 2024	Substantial contribution criteria: Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	DNSH ("do no significant harm") criteria: Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1) or eligible (A.2) Turnover, 2023	Category: enabling activity	Category: transitional activity
		In thousand EUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0.0%		
Of which enabling		0	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0.0%	E	
Of which transitional		0	0.0%	N/EL						N	N	N	N	N	N	N	0.0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (Taxonomy non-aligned activities)																			
Turnover of Taxonomy-eligible but environmentally unsustainable activities (Taxonomy non-aligned activities) (A.2)		0	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		0	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy non-eligible activities (B)		**691,218**	**100.0%**																
TOTAL (A + B)		**691,218**	**100.0%**																

N—NO **Y**—YES **N/EL**—NOT ELIGIBLE

EU Taxonomy objective	Proportion of turnover / Total turnover: Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.0%	0.0%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

TAXONOMY-ELIGIBLE AND ALIGNED CAPITAL EXPENDITURES (CAPEX)

The selection of capital expenditures from Taxonomy-eligible activities was based on an analysis of the complete set of Taxonomy activities contained in the supplementary delegated regulations. The ESET Group thus identified three eligible activities resulting in eligible capital expenditures. The capital expenditures that were considered were associated with owned assets, leased assets, or assets controlled by the ESET Group.

ESET's Taxonomy CapEx was €19,295 thousand in 2024.

The CapEx amount for **7.7. Acquisition and ownership of buildings** is also the result of our centralized monitoring of new or modified real estate lease agreements under *IFRS 16 Leases* (lease additions) and the calculation of the corresponding right-of-use assets in accordance with *IFRS 16 Leases*. Right-of-use assets related to buildings were represented by the 2024 additions that met the criteria for eligibility, i.e., 100% of the ESET Group's total real estate additions. However, not all of these buildings met the Taxonomy technical criteria requirements, and based on that, the ESET Group reported Taxonomy alignment on 1.1% of all new real estate leases for 2024.

The CapEx amount for **8.1. Data processing, hosting, and related activities** is the result of centralized monitoring of storage, server, and data center hardware purchases. This way, the ESET Group was able to assess the value of the 2024 purchases that met the eligibility criteria, i.e., 100% of the group's total storage and server equipment purchases. In the 2024 financial year, no purchases met the Taxonomy technical criteria requirements, so the ESET Group is reporting taxonomy alignment on 0.0% of new additions (purchases) for 2024.

The CapEx amount for **3.3 Demolition and wrecking of buildings and other structures** is the result of the monitoring of capital expenditures resulting from direct demolition and wrecking ("demolition project"). CapEx additions that were linked to the demolition project indirectly (e.g., expenditures for architectural and consulting services) did not meet the eligibility criteria for activity *3.3 Demolition and wrecking of buildings and other structures*. All direct purchases met the Taxonomy technical criteria requirements, so the ESET Group is reporting Taxonomy alignment on 3.6% of our new purchases for 2024.

As a result, for the 2024 financial year, the shares of Taxonomy-eligible and Taxonomy-aligned CapEx amount to 49.6% and 4.7% of our total consolidated CapEx, respectively, which amounts to €9,578 thousand of Taxonomy-eligible CapEx and €909 thousand of Taxonomy-aligned CapEx. The breakdown of our Taxonomy-eligible and Taxonomy-aligned CapEx KPIs by economic activity is shown in the following table:

CAPEX — Financial year 2024

Economic activities	Code	CapEx	Proportion of CapEx in 2024	Substantial contribution criteria: Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	DNSH ("do no significant harm") criteria: Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1) or eligible (A.2) CapEx in 2023	Category: enabling activity	Category: transitional activity
		In thousand EUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Acquisition and ownership of buildings	CCM 7.7 / CCA 7.7	217	1.1%	N	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1.5%		
Data processing, hosting, and related activities	CCM 8.1 / CCA 8.1	0	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.1%		T
Demolition and wrecking of buildings and other structures	CE 3.3	692	3.6%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	6.1%		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**909**	**4.7%**	**0**	**100%**	**0**	**0**	**100%**	**0**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**7.7%**		
Of which enabling		0	0.0%	%	%	%	%	%	%	Y	Y	Y	Y	Y	Y	Y	0.0%	E	
Of which transitional		0	0.0%	%						Y	Y	Y	Y	Y	Y	Y	0.1%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (Taxonomy non-aligned activities)																			
Acquisition and ownership of buildings	CCM 7.7 / CCA 7.7	6,295	32.6%	EL	EL	N/EL	N/EL	N/EL	N/EL								23.2%		
Data processing, hosting, and related activities	CCM 8.1 / CCA 8.1	2,374	12.3%	EL	EL	N/EL	N/EL	N/EL	N/EL								17.5%		
Demolition and wrecking of buildings and other structures	CE 3.3	0	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								6.1%		
CapEx of Taxonomy eligible but environmentally unsustainable activities (Taxonomy non-aligned activities) (A.2)		**8,669**	**44.9%**	**0**	**100%**	**0**	**0**	**100%**	**0**								**46.8%**		
A. CapEx of Taxonomy eligible activities (A.1 + A.2)		**9,578**	**49.6%**	**0**	**100%**	**0**	**0**	**100%**	**0**								**54.5%**		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy non-eligible activities (B)		**9,717**	**50.4%**																
TOTAL (A + B)		**19,295**	**100.0%**																

N—NO **Y**—YES **N/EL**—NOT ELIGIBLE

EU Taxonomy objective	Proportion of CapEx / Total CapEx: Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.0%	46.1%
CCA	1.1%	46.1%
WTR	0.0%	0.0%
CE	3.6%	3.6%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

Overview of CapEx in EU Taxonomy

ESET Group	Eligible CapEx: A	Aligned CapEx: B	Total CapEx: C	Eligible proportion of CapEx: (A/C)	Aligned proportion of CapEx: (B/C)
TOTAL	9,578	909	19,295	49.6%	4.7%

TAXONOMY-ELIGIBLE AND ALIGNED OPERATING EXPENSES (OPEX)

Section 1.1.3.2 in Annex I to Article 8(2) of the Taxonomy Regulation allows for a certain degree of flexibility in the reporting of the OpEx KPI where the OpEx is not considered material for the business model of a non-financial undertaking. Total OpEx in the ESET Group's 2024 consolidated financial statements amount to €603,656 thousand, while OpEx for Taxonomy amount to €2,707 thousand. OpEx as defined in the Taxonomy regulations account for less than 1% of the ESET Group's total OpEx, which is not representative of its business model. Consequently, the ESET Group decided not to report on the OpEx numerator given the immaterial nature of its OpEx.

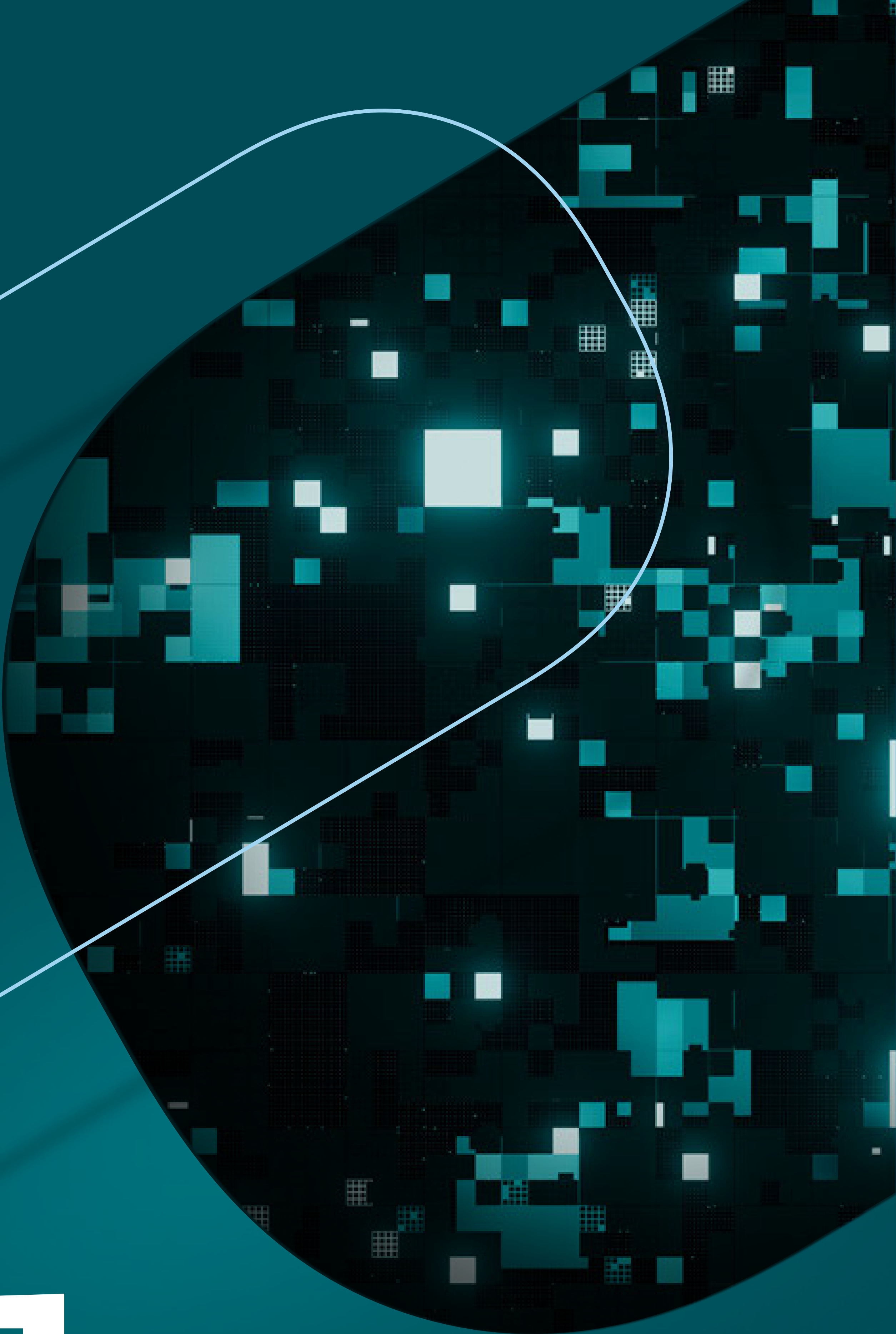
Even when applying an exception from disclosing OpEx data, undertakings are still obliged to publish the prescribed template containing Taxonomy OpEx. This information is available in the following table:

OPEX — Financial year 2024

Economic activities	Code	OpEx	Proportion of OpEx in 2024	Substantial contribution criteria: Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	DNSH ("do no significant harm") criteria: Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1) or eligible (A.2) OpEx in 2023	Category: enabling activity	Category: transitional activity
		In thousand EUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0.0%**	**N/EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0.0%**		
Of which enabling		0	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0.0%	E	
Of which transitional		0	0.0%	N/EL						N	N	N	N	N	N	N	0.0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (Taxonomy non-aligned activities)																			
OpEx of Taxonomy-eligible but environmentally unsustainable activities (Taxonomy non-aligned activities) (A.2)		0	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
A. OpEx of Taxonomy-eligible activities (A.1 + A.2)		0	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL										
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy non-eligible activities (B)		**2,707**	**100.0%**																
TOTAL (A + B)		**2,707**	**100.0%**																

N—NO **Y**—YES **N/EL**—NOT ELIGIBLE

EU Taxonomy objective	Proportion of OpEx / Total OpEx: Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.0%	0.0%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%



11 ANNEX

Annex 1: Consolidated Financial Statements and Independent Auditor's Report as of 31 December 2024

ESET, spol. s r.o.

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

For the year ended 31 December 2024

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.
Pribinova 34
811 09 Bratislava
Slovak Republic

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

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

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ESET, spol. s r.o.

INDEPENDENT AUDITOR'S REPORT

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

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the 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 2024, 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 material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by 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, as amended (hereinafter the "Act on Statutory Audit") related to independence and 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.

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 International Financial Reporting Standards as adopted by 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.

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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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, it is our responsibility to gain an understanding of the information disclosed in the consolidated annual report and assess whether such information is materially inconsistent with the consolidated financial statements or our knowledge of the group and its position 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 2024 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, 7 May 2025

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

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

CONTENTS

	Page
Consolidated Statement of Comprehensive Income	**5**
Consolidated Statement of Financial Position	**6**
Consolidated Statement of Changes in Equity	**7**
Consolidated Statement of Cash Flows	**8**
Notes to the Consolidated Financial Statements	**9**

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024
(in thousands EUR)

	Note	2024	2023
Revenues from the provision of end-user licences and services	8	691 218	632 001
Services	9	(401 240)	(365 857)
Personnel expenses	10	(186 534)	(168 574)
Depreciation		(14 593)	(13 561)
Impairment gains and losses		33	(1 210)
Other operating (expenses)/income, net	11	(1 322)	2 332
Finance income	12	9 374	3 825
Finance costs	13	(2 119)	(4 556)
Profit before tax		94 817	84 400
Income tax	14	(20 578)	(18 603)
PROFIT FOR THE YEAR		**74 239**	**65 797**
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange differences on translating foreign operations into the reporting currency		*(3 529)*	*1 497*
Items that may not be reclassified subsequently to profit or loss:			
Gains (+)/losses (-) on the revaluation of defined benefit plans, net of tax	*25*	*(25)*	*(17)*
TOTAL COMPREHENSIVE INCOME		**70 685**	**67 277**
Profit attributable to:			
Owners of the parent company		74 231	65 789
Minority interests		8	8
Total profit for the period		**74 239**	**65 797**
Other comprehensive income attributable to:			
Owners of the parent company		(3 551)	1 487
Minority interests		(3)	(7)
Total other comprehensive income for the period		**(3 554)**	**1 480**
Adjusted earnings before interest, taxes, depreciation and amortisation (Adjusted EBITDA)	*15*	**100 145**	**93 802**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2024
(in thousands EUR)

	Note	31 December 2024	31 December 2023
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	16	63 402	56 761
Right-of-use assets	24	22 971	24 043
Intangible assets	17	2 344	2 772
Other assets		5 384	3 368
Capitalised contract costs	18	84 789	86 022
Deferred tax asset	22	32 761	34 460
Total non-current assets		211 651	207 426
CURRENT ASSETS			
Cash and cash equivalents	21	61 563	67 285
Term deposits	21	180 615	134 000
Trade and other receivables	19	18 758	23 404
Income tax assets		1 401	4 164
Capitalised contract costs	18	190 710	175 756
Inventories		279	283
Total current assets		453 326	404 892
TOTAL ASSETS		**664 977**	**612 318**
EQUITY AND LIABILITIES			
EQUITY			
Registered capital		140	140
Share premium		740	740
Legal reserve fund		167	167
Other capital funds		1 500	708
FX translation reserve		(10 782)	(7 414)
Revaluation reserve – actuarial gains and losses		(37)	(12)
Retained earnings		22 053	11 733
Equity attributable to the owners of the parent company in total		*13 781*	*6 062*
Minority interest		*74*	*69*
Total equity		13 855	6 131
NON-CURRENT LIABILITIES			
Deferred income	26	156 696	157 730
Non-current lease liabilities	24	20 627	17 905
Other non-current liabilities		1 015	805
Provisions	25	13 366	10 877
Deferred tax liability	22	19	28
Total non-current liabilities		191 723	187 345
CURRENT LIABILITIES			
Trade and other payables	23	71 049	69 368
Deferred income	26	369 539	339 316
Current lease liabilities	24	7 014	7 240
Provisions	25	2 308	1 802
Current income tax		9 489	1 116
Total current liabilities		459 399	418 842
TOTAL EQUITY AND LIABILITIES		**664 977**	**612 318**

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024
(in thousands EUR)

	Registered Capital	***Share Premium***	***Legal Reserve Fund***	***Other Capital Funds***	***Foreign Currency Translation Reserve***	***Revaluation Reserve – Actuarial Gains/Losses***	***Retained Earnings***	***Total (Owners of the Parent Company)***	***Minority Interest***	***Total***
Balance at 31 December 2022	**140**	**740**	**166**	**1 003**	**(9 890)**	**5**	**(42 855)**	**(50 691)**	**68**	**(50 623)**
Net profit for the year	-	-	-	-	-	-	65 789	65 789	8	65 797
Allocation to reserve funds from profit	-	-	1	85	-	-	(86)	-	-	-
Dividends paid	-	-	-	-	-	-	(11 075)	(11 075)	-	(11 075)
Hyperinflationary restatement	-	-	-	(380)	972	-	(40)	552	-	552
Other items of comprehensive income for the period (actuarial gains/losses)	-	-	-	-	-	(17)	-	(17)	-	(17)
Other comprehensive income, net	-	-	-	-	1 504	-	-	1 504	(7)	1 497
Balance at 31 December 2023	**140**	**740**	**167**	**708**	**(7 414)**	**(12)**	**11 733**	**6 062**	**69**	**6 131**
Net profit for the year	-	-	-	-	-	-	74 231	74 231	8	74 239
Allocation to reserve funds from profit	-	-	-	120	-	-	(120)	-	-	-
Dividends paid	-	-	-	-	-	-	(63 892)	(63 892)	-	(63 892)
Hyperinflationary restatement	-	-	-	672	158	-	101	931	-	931
Other items of comprehensive income for the period (actuarial gains/losses)	-	-	-	-	-	(25)	-	(25)	-	(25)
Other comprehensive income, net	-	-	-	-	(3 526)	-	-	(3 526)	(3)	(3 529)
Balance at 31 December 2024	**140**	**740**	**167**	**1 500**	**(10 782)**	**(37)**	**22 053**	**13 781**	**74**	**13 855**

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 share premium in relation to the acquisition of a subsidiary, ESET, LLC.

Other capital funds comprise cumulative profits/losses of a subsidiary, ESET LATINOAMERICA S.R.L., which are transferred from Retained earnings in compliance with local legislation.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024
(in thousands EUR, unless stated otherwise)

	2024	***2023***
Cash flows from operating activities		
Profit before tax	94 817	84 400
Non-cash transactions affecting profit/loss from ordinary activities before income tax:		
Interest charged to expenses	1 097	788
Interest charged to income	(6 434)	(3 762)
Profit from the sale of assets	(20)	(93)
Depreciation	14 593	13 561
Loss allowances	(1 037)	1 210
Change in expense accruals	2 048	(3 243)
Change in provisions	2 971	2 288
Foreign exchange differences	(1 317)	750
Other non-cash items	1 800	401
	108 518	96 300
Effect of changes in working capital		
(Increase)/decrease in inventories	4	56
(Increase)/decrease in trade and other receivables	(4 223)	(13 283)
(Increase)/decrease in capitalised costs of obtaining a contract	(10 143)	(10 850)
Increase/(decrease) in trade and other payables	2 232	4 985
Increase/(decrease) in deferred income*	27 988	37 778
	124 376	114 986
Cash flows from operating activities		
Income tax paid	(6 293)	(11 730)
Interest received	6 434	3 762
Interest paid	(757)	(788)
Net cash flows from operating activities	**123 760**	**106 230**
Cash flows from investing activities		
Acquisition of non-current assets	(10 383)	(10 793)
Proceeds from the sale of assets	37	146
Term deposits other than cash and cash equivalents	(46 615)	(129 000)
Net cash flows from investing activities	**(56 961)**	**(139 647)**
Cash flows from financing activities		
Expenditures for finance lease	(7 083)	(7 397)
Dividends paid**	(65 537) **	(9 430) **
Net cash flows from financing activities	**(72 620)**	**(16 827)**
Net increase/(decrease) in cash and cash equivalents	**(5 821)**	**(50 244)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD	67 285	118 400
EFFECT OF FOREIGN EXCHANGE DIFFERENCES	99	(871)
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	**61 563**	**67 285**

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

*** A share of dividends approved for payment by the decision of the Management Board of 21 December 2023 in the amount of EUR 1 645 thousand was paid on 25 January 2024.*

(in thousands EUR, unless stated otherwise)

1. COMPANY'S DESCRIPTION

1.1. General Information

The consolidated financial statements for the year ended 31 December 2024 were prepared by ESET, spol. s r. o. (hereinafter the "Parent Company") and its subsidiaries (together the "Group" or "ESET") in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union (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 2024 were prepared pursuant to Article 22 of Act No. 431/2002 Coll. on Accounting, as amended, for the reporting period from 1 January 2024 until 31 December 2024.

The Parent Company was incorporated on 17 September 1992 by registration in the Business Register (Business Register of the City Court Bratislava III (formerly 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

As at 31 December 2024, the owners of the Parent Company are the individuals stated below.

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

Shareholders	***Share in Registered Capital***		***Voting Rights***
	EUR ´000	***%***	***%***
Ján Hrubý and Elena Hrubá*	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 Business Register:			EUR 140 thousand
Registered capital not registered in the Business Register:			-

* *Mr Ján Hrubý is the appointed common representative for the co-owners of a joint business share as at 31 December 2024.*

Supervisory Board of the Parent Company

The Supervisory Board is composed of the individuals listed below.

First Name and Surname	***Position***	***Date of Appointment***
Matej Bošňák	Chairman of the Supervisory Board	1 January 2022
Maroš Grund	Member of the Supervisory Board	1 January 2022
Anton Zajac	Member of the Supervisory Board	1 January 2022

1.2. Scope of Activities

ESET® provides cutting-edge digital security solutions that prevent attacks before they occur. Thanks to a combination of AI strength and human experience, ESET remains ahead of known and emerging cyber threats, thus protecting businesses, critical infrastructure and individuals. Its AI and cloud-based solutions and services remain highly efficient and easy to use, ensuring endpoint, cloud or mobile-device protection. ESET's technologies include robust detection and response, exceptionally secure encryption and multi-factor authentication. Due to continuous real-time protection and strong local support, ESET ensures both user security and business continuity. In the ever-changing digital environment, a progressive approach to security is essential. The Group's priority is world-class research and efficient threat analysis underpinned by research and development centres and a strong global partner network. 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 2024 was 2 405, of which executive management: 30 (for the year ended 31 December 2023: 2 318, of which executive management: 31).

The Group's full-time equivalent was 2 359 as at 31 December 2024 (for the year ended 31 December 2023: 2 253).

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 2024.

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 IFRS 16 Leases: Lease Liability in a Sale and Leaseback** (effective for annual periods beginning on or after 1 January 2024),
- **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 2024),
- **Amendments to IAS 1 Presentation of Financial Statements** – Non-current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024),
- **Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments – Disclosures**: Supplier Finance Arrangements (effective for annual periods beginning on or after 1 January 2024).

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

At the date of authorisation of these financial statements, the following amendments to the existing standards were issued by the International Accounting Standards Board (IASB) and adopted by the EU and are not yet effective:

- **Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates** – Lack of Exchangeability (approved by the IASB and effective for annual periods beginning on or after 1 January 2025).

The Group has elected not to adopt these amendments to the existing standards 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:

- **Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Disclosures:** Amendments to the Classification and Measurement of Financial Instruments (effective for annual periods beginning on or after 1 January 2026),

- **Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Disclosures:** Contracts Referencing Nature-dependent Electricity (effective for annual periods beginning on or after 1 January 2026),

- **IFRS 18 Presentation and Disclosure in Financial Statements** (effective for annual periods beginning on or after 1 January 2027),

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures** (effective for annual periods beginning on or after 1 January 2027),

- **Annual Improvements to the IFRS Standards: Volume 11** (effective for annual periods beginning on or after 1 January 2026),

- **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 (effective date deferred indefinitely).

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.

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").

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) Goodwill

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.

b) 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.

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. For indirect sales, receivables from the fulfilment of contracts with customers and payables to distributors and resellers are recognised on a net basis as receivables from or payables to distributors and resellers where this has been contractually agreed. The settlement of receivables and payables on a net basis is agreed with selected distributors and resellers 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 resellers (liabilities representing compensation for activities performed by distributors and resellers). Even though contract assets constitute a contractual claim against end customers and liabilities represent a performance obligation towards distributors and resellers, their settlement on a net basis is contractually agreed upon in distribution contracts with distributors and resellers.

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.

During the current and immediately preceding reporting periods, the Group primarily recognised the following financial instruments:

- Trade receivables (see Note 3.1 (c))
- Cash and cash equivalents (see Note 3.1 (f))
- Foreign exchange gains and losses (see Note 3.1 (l))

c) Trade Receivables

Trade receivables (which do not comprise a significant financing component) are measured at the transaction price upon the initial recognition and subsequently at amortised costs, less a loss allowance for debtors in bankruptcy proceedings, restructuring proceedings and less a loss allowance for doubtful and uncollectible overdue receivables where there is a risk that the debtor will not pay them fully or partially.

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 the expected credit loss model (ECL model) when assessing loss allowances for financial assets. The ECL model is described in Note 19.2 Expected Credit Losses.

For trade receivables, the Group takes into consideration lifetime expected credit losses (simplified approach), and all trade receivables are recognised in Stage 2 or Stage 3. When assessing the allowance for an expected credit loss on financial assets in line with IFRS 9 Financial Instruments, the Group classified the respective portion of trade and other receivables recognised as current assets into three stages.

The Group defines the individual stages in line with IFRS 9 Financial Instruments as follows:

- Stage 1: Other receivables for which the Group takes into account expected credit losses over the next 12 months and does not record higher credit risk;

- Stage 2: Other receivables for which the Group records significantly higher credit risk and all trade receivables for which it takes into account life time expected credit losses;

- Stage 3: Trade and other receivables for which there is objective evidence of their impairment and a portion of trade receivables showing possible signs of default.

When categorising financial assets into individual stages, the Group primarily monitors the status of overdue trade and other receivables and the solvency of its business partners in default. The Group also takes into account extraordinary events which are significant for the classification of trade and other receivables into individual stages. For the Group, extraordinary events include, e.g. court decisions in pending legal disputes, significant events in international politics and other unforeseen events which have a material impact on the maturity or recoverability of the Group's trade and other receivables.

Additional information on the applied expected credit loss model (ECL model) are presented in Note 19.2 Expected Credit Losses.

d) 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.

All items of property, plant and equipment are depreciated using the straight-line method based on the asset's estimated useful life.

The useful lives of non-current assets applied in 2024 can be summarised as follows:

	Estimated Useful Lives in Years	***Depreciation Method***
Software	3 - 10	Straight-line
Structures and technical improvements of premises	The shorter of the useful life and the expiration of the lease contract	Straight-line
Fixtures and fittings	4 - 15	Straight-line
Plant and machinery	2 - 8	Straight-line
Transportation means	6	Straight-line

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

Non-current intangible assets with a cost of EUR 2 400 or less are recognised in expenses in the reporting period in which they are placed into service. Such assets are kept in sub-ledger records.

Non-current tangible assets (except for IT assets – see paragraph below) with a cost of EUR 1 700 or less are expensed when placed into service.

IT assets with a cost of EUR 500 or less are expensed when placed into service. Computers, laptops, mobile phones and monitors are capitalised by the Group regardless of their cost.

e) Research and Development

Development 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.

Based on criteria under IAS 38, the Group did not capitalise any development costs incurred in the current or immediately preceding reporting periods.

f) Cash, Cash Equivalents and Term Deposits

The Group presents term deposits with a maturity of 3 to 12 months as current financial assets, separately from cash and cash equivalents.

The Group assessed the credit risk related to cash, cash equivalents and term deposits as immaterial, and did not account for expected credit losses (ECL model).

g) 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.

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.

The Parent Company provides end customers and partners in Slovakia, and partners in the EMEA region, APAC, Brazil 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) undertakes distribution activities on the Italian market.

The Group sells its product through intermediaries such as distributors, resellers and others. The top ten distributors accounted for 40% of total sales in 2024 and 40% of sales in 2023.

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 paid by end users for ESET products and services carried out by Group distributors and resellers or directly the Group via direct channels. Compensation for activities performed by distributors and resellers is a distribution network margin, which is initially capitalised as the cost of contract acquisition and amortised in costs 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 recognised 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 returnable, 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. The Group individually assesses the recognition of revenues for returnable batches. The Group continuously estimates revenues from unactivated licence keys, which are adjusted on a monthly basis by the actual amount of activated or refunded licence keys.

For prepaid batches of registration keys sold since 1 June 2023, the Group updated the return policy so that each prepaid batch of registration keys is deemed returnable under certain conditions. Revenues from non-activated licence keys are realised at the moment of expiration of a prepaid batch.

Primarily in the NORAM region, the Group uses another type of prepaid batch of registration keys for sale via a consignment warehouse. Supplied licence keys are invoiced when sold by the distributor to the end customer. The Group recognises revenues from these prepaid batches based on activations of batch licences by end customers. Given the high level of activations by end customers shortly after the distributor's billing, revenues from non-activated registration keys are recognised at the end of the contractual liability (at batch expiration). All rights and obligations under prepaid batches are settled on the batch expiration date.

End users may return ESET products, subject to limitations, via distributors and resellers or may ask the Group directly for a refund within a reasonably short period from the date of purchase. The Group considers the amount of a refund liability to be immaterial, given its amount, and as a result, it did not recognise this liability as at 31 December 2024 and 31 December 2023.

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.

The Group's Corporate Solutions division supplies large corporate clients with products and services tailored to their specific business needs. The Group enters into complex contractual relations requiring an individual assessment under IFRS 15. When accounting for these complex transactions, the Group applies its judgment, particularly as regards:

- Identification of distinct goods and services or a group of distinct goods and services;
- Probability of exercising options;
- Estimate of variable consideration.

h) Short-term and Long-term Employee Benefits

The Group recognised provisions for the following types of employee benefits as at 31 December 2024 and 31 December 2023:
- Provision for management and key personnel bonuses;
- Provision for retirement payments;
- Provision for loyalty bonus;
- Provision for loyalty vacation days;
- Liabilities from a long-term employee benefit plan.

Provisions for 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. The final amount of the provision reflects key parameters, primarily turnover and the expected increase in wages and salaries. The discount rate used to calculate the present value of the liability is derived from the yield curve of high-quality bonds with a maturity approximating the terms of the Group's liabilities.
As the used actuarial assumptions have a material impact on the measurement of provisions for long-term employee benefits, the Group conducted a sensitivity analysis of these provisions to a change in the most significant actuarial assumptions in Note 25 Provisions.

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

The Group has a long-term employee benefit scheme in place in the USA (hereinafter the "Deferred Compensation & Incentive Plan"). The scheme complies with the definition of Other long-term employee benefits under IAS 19. The scheme is defined as a non-qualified deferred compensation plan, which allows a selected group of management employees to defer compensation payments on a pre-tax basis and accumulate payments to be taxed in future periods. The Group has a contractual obligation to employees registered in the scheme and has established a separate investment plan to match the obligation, which includes life insurance and other investments.

Responsibility for scheme governance – including investment decisions and contribution schedule – lies jointly with ESET, LLC (the subsidiary) and the Board of Trustees. The Board of Trustees must be composed of the representatives of ESET, LLC (the subsidiary) and scheme participants in line with the scheme rules. As at 31 December 2024, 9 employees were registered in the scheme.

i) Leases

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.

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.

Lease payments are discounted using a weighted average interest rate[1], 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.

[1] *The Group uses a weighted average interest rate to discount lease payments, as the interest rates indicated by selected contract banks are not set separately for the Parent Company or the subsidiaries, but for the ESET Group as a whole (see Note 24 Leases).*

(in thousands EUR, unless stated otherwise)

j) 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.

On 1 January 2025, a new corporate income tax rate of 24% entered into force in the Slovak Republic to be used for the calculation of the Parent Company's tax liability for the next reporting period.

On 31 December 2023, Act No. 507/2023 Coll. on Top-up Tax to Ensure Minimum Level of Taxation for Multinational Enterprise Groups and Large-scale Domestic Groups became effective. The Top-up Tax Act implemented Council Directive (EU) 2022/2523 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the European Union.

The Group assessed the impact of the Act on the income tax calculation. The above rules apply to companies which generated consolidated revenues of EUR 750 million for at least two of the last four years. Accordingly, the Group concluded that the Act does not have an impact on the calculation of the Group's current income tax.

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 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.

k) Deferred Tax

The valid income tax rates used to determine the amount of current and deferred tax are as follows:

Country	***2025***	***2024***	***2023***
Slovakia	24%	21%	21%
USA – federal tax	21%	21%	21%
– California state tax (average effective tax rate for all states – 3.25% in 2024; 3.49% in 2023)	8.84%	8.84%	8.84%
Czech Republic	21%	21%	19%
Argentina	25% [(4)]	25% [(4)]	35% [(4)]
Singapore	17%	17%	17%
Poland	19%	19%	19%
Germany	31.58%	31.58%	31.58%
UK	25%	25%	19% /25% [(1)]
Canada	26.5%	26.5%	26.5%
Australia	30%	30%	30%
Brazil [(2)]	24%	24%	24%
Romania	16%	16%	16%
Mexico	30%	30%	30%
Italy [(3)]	27.9%	27.9%	27.9%
Japan [(5)]	23.2%	23.2%	23.2%

[(1)] For the taxation period until 31 March 2023, the applicable tax rate was 19%. For the taxation period from 1 April 2024, the applicable tax rate is 25%.
[(2)] 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).
[(3)] Italian legal entities are subject to corporate income tax of 24% and a regional production tax of 3.9%.
[(4)] For the taxation period as of 1 January 2024, taxable income of up to ARS 34 703 523.08 is subject to a 25% tax rate. Taxable income from ARS 34 703 523.08 up to ARS 347 035 230.79 is subject to a fixed tax in the amount of ARS 8 675 880.77 + 30% of the amount exceeding ARS 34 703 523.08. Taxable income of more than ARS 347 035 230.79 is subject to a fixed tax in the amount of ARS 102 375 393.08 + 35% of the amount exceeding ARS 347 035 230.79. The tax rates stated in the line "Argentina" represent actually applied rates for the respective taxation period.
For the taxation period until 2023, taxable income from ARS 14 301 209.21 up to ARS 143 012 092.08 was subject to a fixed tax in the amount of ARS 3 575 302.30 + 30% of the amount exceeding ARS 14 301 209.21. Taxable income exceeding ARS 143 012 092.08 was subject to a fixed tax in the amount of ARS 42 188 567.16 + 35% of the amount exceeding ARS 143 012 092.08. The tax rates stated in the line "Argentina" represent actually applied rates for the respective taxation period.
[(5)] Japanese legal entities are subject to a progressive corporate income tax rate of 15% from the tax base of up to JPY 8 million and of 23.2% from the tax base over JPY 8 million. In addition, they are also subject to a local corporate income tax, business tax, special business tax and residential tax. Tax rates and tax bases of the respective taxes differ. The total nominal tax rate for 2023 and 2024 is 34.59%.

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.

l) 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.

Foreign exchange gains and losses are presented on a net basis and recognised as profit or loss in the consolidated statement of comprehensive income, except for foreign exchange gains and losses from financial instruments which are measured at fair value through profit or loss in line with IFRS 9 Financial Instruments.

m) Subsidies

The Group recognises subsidies for expenses and income in Other operating (expenses)/income, net. Received subsidies are presented separately from the related expenses.

n) Gifts Provided

The Group recognises gifts provided in expenses in the reporting period in which they were provided under the accrual principle of accounting. The Group considers a gift to be provided if there is a legally binding decision on the provision of the gift.

The Group recognises monetary gifts as expenses in the reporting period in which the gift was provided, regardless of the time of the actual cash outflows, even if such cash outflows occur in future periods. In-kind gifts, eg donations of non-current assets, are recognised as expenses in the period in which the respective assets were handed over to the gift recipient.

4. CHANGES IN ACCOUNTING PRINCIPLES AND METHODS

There were no changes to the Group's accounting principles and methods during the reporting period.

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 regularly reviews the collectability and creditworthiness of its distributors and resellers to determine an appropriate loss allowance for receivables. Irrecoverable receivables could exceed the amount of the existing or future loss allowances. Loss allowances for receivables are created in accordance with the rules described in Note 19.2 Expected Credit Losses. As at 31 December 2024, the loss allowance for trade and other receivables amounted to EUR 3 418 thousand. As at 31 December 2023, the loss allowance for receivables amounted to EUR 8 939 thousand.

- 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 related to non-refundable prepaid batches of registration keys (as described in Note 3.1 g), 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 (g) Revenue from contracts with customers.

- The Group enters into complex contractual relationships that require an individual assessment under IFRS 15 (see Note 3.1. (g)).

  In 2023, the Group concluded a contract comprising a substantial consideration for a two-year term. The contract includes an option to extend the contractual rights and obligations for another two years. After analysing commitments and the supply of goods and services together with related considerations, the Group concluded that the revenue recognition in line with IFRS 15 would not significantly differ from the annual billing to customers. For the purposes of simplification, the Group applies a straight-line revenue recognition based on invoiced amounts over the period to which the invoice relates.

  At the end of 2024, the customer exercised their right and decided to order further services which will be provided in 2025 and 2026. This fact was assessed according to principles governing contract modifications and evaluated as a separate contract.

- 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 2024 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 Group allocates goodwill recognised from the acquisition of a subsidiary, ESET SOFTWARE UK Limited, and goodwill recognised by a subsidiary, ESET Deutschland GmbH, to CGUs, which represent the business activities of these subsidiaries. As at 31 December 2024, the Group determined the recoverable amount of CGUs using an EBITDA multiplier. EBITDA was determined based on the results of subsidiaries' business activities to the extent in which they contribute to the Group's overall results calculated in line with IFRS. The EBITDA multiplier was determined by an expert in Economics and Management and Industrial Property (hereinafter the "Expert") based on the adjusted industrial average of companies whose nature of activities and service portfolio were very similar to the business activities of the subsidiaries defined as CGUs. As the EBITDA multiplier value has a significant impact on the determination of the recoverable amount of the respective CGUs and the result of impairment testing, the Group performed a sensitivity analysis of the recoverable amount to a change in the EBITDA multiplier (see Note 17 Intangible Assets).

- The Group monitors external impairment indicators, primarily hyperinflation (117.8% in the current reporting period; 211.4% in the preceding reporting period) and macroeconomic instability in Argentina, which may have an impact on the measurement of the assets of ESET Latinoamerica S.R.L. (subsidiary) and receivables of ESET, LLC (subsidiary).

The Group considered the materiality of assets owned via the subsidiary, ESET Latinoamerica S.R.L. (non-current assets of EUR 886 thousand; trade and other receivables of EUR 388 thousand), and assessed it as immaterial. Based on this assessment, the Group did not calculate the recoverable amount of assets in the subsidiary, ESET Latinoamerica S.R.L., and did not recognise a loss allowance for such assets.

Loss allowances for receivables owned via the subsidiary, ESET, LLC, are created based on the rules described in Note 19.2 Expected Credit Losses.

- 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 applied actuarial assumptions and the sensitivity analysis of the amount of the provision to a change thereto are stated in Note 25 Provisions.

(in thousands EUR, unless stated otherwise)

6. GROUP STRUCTURE

The consolidated subsidiaries as at 31 December 2024:

Name	***Seat***	***Ownership Share %***		***Principal activity***
Subsidiaries		***2024***	***2023***	
ESET, LLC [(1)]	655 West Broadway, STE 700, San Diego, CA 92101, USA	100%	100%	Antivirus software distributor
ESET Canada Recherche Inc.	473, Rue Sainte-Catherine Quest, Bureau 300, Montreal QC, H3B 1B1, Canada	100%	100%	Research and development
ESET Canada Inc.	44 Chipman Hill Suite 1000, Saint John NB, E2L 2A9, Canada	100%	100%	Antivirus software distributor
ESET Deutschland GmbH	Spitzweidenweg 32, 07743 Jena, Germany	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 Research Czech Republic s.r.o.	Palachovo náměstí 799/5, Starý Lískovec, 625 00 Brno, Czech Republic	100%	100%	Research and development
ESET Polska Sp. Z o.o.	Jasnogórska 9, 31 – 358 Kraków, Poland	100%	100%	Research and development
ESET SOFTWARE UK Limited	3th Floor Ocean 80, Holdenhurst Road, Bournemouth, BH8 8AQ, United Kingdom	100%	100%	Antivirus software distributor
ESET RESEARCH UK Limited	3 Heron Gate Office Park, Hankridge Way, Taunton, Somerset, TA1 2LR, United Kingdom	100%	100%	Research and development
ESET Romania S.R.L. [(2)]	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 ITALIA S.r.l.	Via Campo Lodigiano 3, 20122 Milan, Italy	100%	100%	Antivirus software distributor
Nadácia ESET	Einsteinova 24, 851 01 Bratislava, Slovak Republic	100%	100%	Foundation
ESET ASIA PTE. LTD.	3 Anson Road, Springleaf Tower #12-01/02, Singapore 079909, Singapore	100%	100%	Service provider + Antivirus software distributor
ESET Software Australia, PTY, LTD.	Level 20, 111 Pacific Highway, North Sydney NSW 2060, Sydney, Australia	100%	100%	Antivirus software distributor
ESET Japan Inc. [(3)]	2-16-4 Konan, Minato-ku, Tokyo 108-0075, Japan	90%	90%	Service provider
ESET LATINOAMERICA S.R.L. [(4)]	1270 Juan Diaz de Solis, 2nd Floor, Vicente Lopez, Buenos Aires CP: B1638BHF, Argentina	100%	100%	Service provider
ESET DO BRASIL MARKETING LTDA [(5)]	Rua Verbo Divino, 2.001, Cjts 1407/1410, Chácara Santo Antônio, São Paulo / SP – Brazil, Zip 04.719-002	100%	100%	Service provider
ESET MÉXICO S. de R.L. de C.V. [(6)]	Av. Paseo de la Reforma 250 – Office 981 A-B-C-D-, Colonia Juárez, Delegación Cuauhtémoc, Mexico City, Mexico	100%	100%	Service provider

[(1)] ESET, LLC changed its registered office in October 2024. The former registered office was 610 West Ash Street, Suite 1700, San Diego, CA 92101, USA.
[(2)] 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.
[(3)] 90% of the shares are held by the Parent Company and the remaining 10% are held by Canon Marketing Japan Inc.
[(4)] 90% of the shares are held by ESET, LLC and the remaining 10% are held by the Parent Company.
[(5)] 90% of the shares are held by the Parent Company and the remaining 10% are held by ESET, LLC.
[(6)] 90% of the shares are held by the Parent Company and the remaining 10% are held by ESET, LLC.

(in thousands EUR, unless stated otherwise)

7. ACQUISITION OF A BUSINESS

The Group acquired no investments in subsidiaries in 2024 and 2023.

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

	2024	2023
Revenues from the provision of end user licenses and services	691 218	632 001
Total	**691 218**	**632 001**

Additional information on the remaining expected contract performance is stated in Note 26 Deferred Income and Note 20 Contract Assets and Offsetting of Financial Assets and Liabilities. The majority of non-current deferred income will be released to revenues in 2026 and 2027. In addition to the above factors, the future amount of actual revenues from the provision of end-user licences and services will be affected by future sales.

Revenues from the provision of end-user licenses and services by sales region:

	2024	2023
EMEA[1]	417 753	363 281
APAC[2]	125 941	124 582
NORAM[3]	94 398	92 949
LATAM[4]	48 710	45 229
Global sales	4 416	5 960
Total	**691 218**	**632 001**

[1] EMEA region represents the countries of Europe and South Africa
[2] APAC region represents the countries of Asia-Pacific
[3] NORAM region represents the countries of North America
[4] LATAM region represents the countries of South America

9. SERVICES

	2024	2023
Costs of obtaining a contract	316 137	294 132
Advertising and promotion expenses	36 571	25 793
Rent	4 899	5 390
Internet, data services, IT services	27 282	20 095
Accounting, economic, legal and audit services	4 214	8 252
Travel expenses	3 445	3 084
Other	8 692	9 111
Total	**401 240**	**365 857**

The most significant year-on-year increase in costs of services comprises an increase in advertising and promotion costs due to ESET brand awareness-raising and an increase in costs of cloud services which increased year-on-year in line with revenues from cloud services.

Costs of contract acquisition comprise compensation for distributors for their distribution activities performed for the Group.

10. PERSONNEL EXPENSES

	2024	2023
Wages and salaries	139 068	126 207
Health and social security insurance payments	38 298	33 836
Other personnel and social expenses	9 168	8 531
Total	**186 534**	**168 574**

The increase in wages and salaries is due an increased headcount (2024: 2 405; 2023: 2 318) and employee salary increases in 2024.

(in thousands EUR, unless stated otherwise)

11. OTHER OPERATING (EXPENSES)/INCOME, NET

	2024	*2023*
Income from subsidies	722	4 719
Other operating income	830	839
Other taxes and fees	(594)	(540)
Other operating expenses	(2 280)	(2 686)
Total	**(1 322)**	**2 332**

In 2024, the Group recognised income from a subsidy for R&D activities of ESET Polska Sp. Z o.o. (subsidiary) for the 2022, 2023 and 2024 periods in the amount of EUR 722 thousand. In Poland, the Group may claim R&D expenses over the income tax base by offsetting them against other tax liabilities. Subsidies are only recognised when it is reasonably certain that the Group has complied with the related terms and conditions and these subsidies will be received.

12. FINANCE INCOME

	2024	*2023*
Foreign exchange gains, net	2 859	-
Interest income	6 434	3 762
Other	81	63
Total	**9 374**	**3 825**

13. FINANCE COSTS

	2024	*2023*
Bank fees	79	82
Foreign exchange losses, net	-	3 188
Interest expense	1 097	788
Other	943	498
Total	**2 119**	**4 556**

The total amount of interest expense amounted to EUR 1 097 thousand (2023: EUR 788 thousand), of which interest expense from lease liabilities stated in Note 24 Leases amounted to EUR 1 031 thousand (2023: EUR 721 thousand).

14. INCOME TAX

14.1. Income Tax Recognised in Profit/Loss for the Year

	2024	*2023*
Current income tax	17 577	8 375
Deferred income tax	3 001	10 228
Total income tax for the year	**20 578**	**18 603**

14.2. Reconciliation of the Effective Income Tax Rate Recognised in the Statement of Comprehensive Income

	2024	*2023*
Profit before income tax	94 817	84 400
Income tax at statutory tax rate of 21% (2023: 21%)	19 912	17 724
Effect of non-taxable income and tax non-deductible expenses	1 303	1 808
Impact of different tax rates of the subsidiaries in other jurisdictions	59	164
Effect of an unrecognised deferred tax asset	4	(767)
Effect of change of deferred tax rate	(571)	(1 049)
Adjustments recognised in relation to the current tax for the preceding reporting periods	(129)	723
Total income tax for the year	**20 578**	**18 603**

(in thousands EUR, unless stated otherwise)

14.3. Income Tax Recognised Through Other Comprehensive Income

	2024	2023
Gains (+)/losses (-) on the revaluation of defined benefit plans	(27)	(17)
Deferred income tax recognised through other comprehensive income	**(2)**	**(5)**

15. ADJUSTED EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTISATION (ADJUSTED EBITDA)

Adjusted EBITDA represents earnings before taxes, interest, amortisation and depreciation adjusted for other income and expenses as disclosed in the reconciliation below, primarily income/(expenses) from financing operations representing foreign exchange gains/losses and interest income/(expense). Group management uses such adjusted EBITDA to manage Company performance.

The adjusted EBITDA represents an alternative performance measure that is not defined under IFRS.

	2024	***2023***
Profit for the Year	**74 239**	**65 797**
Depreciation of right-of-use assets	7 655	7 616
Amortisation and depreciation of non-current tangible and non-current intangible assets	6 938	5 945
Other operating (expenses)/income, net*	(988)	(4 315)
Income tax	20 578	18 603
Interest expense and foreign exchange losses, net	1 097	3 976
Finance income and foreign exchange gains, net	(9 374)	(3 820)
Adjusted EBITDA	**100 145**	**93 802**

**The difference between other operating (expenses) income, net stated in this Note and the "Other operating (expenses) income, net" line presented in the consolidated statement of comprehensive income primarily results from revenues from subsidies received, insurance costs, other tax expenses (real estate tax, motor vehicle tax, etc), gifts provided and costs of leased cars, which are not included in the adjusted EBITDA.*

(in thousands EUR, unless stated otherwise)

16. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings, Structures – Construction Modifications	*Plant, Machinery & Equipment*	*Other Tangible Assets*	*Total*
Cost				
At 1 January 2023	26 826	35 034	27 459	89 319
Additions	2 809	5 892	2 160	10 861
Disposals	(1 953)	(2 691)	(3)	(4 647)
Transfers	103	262	(365)	-
Inflationary restatement	136	278	-	414
Effects of exchange rate	(399)	(732)	(14)	(1 145)
At 31 December 2023	**27 522**	**38 043**	**29 237**	**94 802**
At 1 January 2024	27 522	38 043	29 237	94 802
Additions	4 865	6 634	1 221	12 720
Disposals	(2 967)	(4 822)	(3)	(7 792)
Transfers	20 650	391	(21 041)	-
Inflationary restatement	200	338	-	538
Effects of exchange rate	167	206	(4)	369
At 31 December 2024	**50 437**	**40 790**	**9 410**	**100 637**
Accumulated Depreciation and Impairment				
At 1 January 2023	12 656	25 303	-	37 959
Depreciation	1 768	3 448	-	5 216
Net book value upon disposal	-	50	-	50
Disposals	(1 953)	(2 692)	-	(4 645)
Inflationary restatement	103	130	-	233
Effects of exchange rate	(274)	(498)	-	(772)
At 31 December 2023	**12 300**	**25 741**	**-**	**38 041**
At 1 January 2024	12 300	25 741	-	38 041
Depreciation	2 155	4 258	-	6 413
Net book value upon disposal	-	11	-	11
Disposals	(2 967)	(4 817)	-	(7 784)
Impairment of assets	-	-	7	7
Inflationary restatement	147	233	-	380
Effects of exchange rate	9	158	-	167
At 31 December 2024	**11 644**	**25 584**	**7**	**37 235**
Net Book Value				
At 31 December 2023	15 222	12 302	29 237	56 761
At 31 December 2024	**38 793**	**15 206**	**9 403**	**63 402**

The Group recognises acquisitions of property, plant and equipment placed into service in the same financial year as additions in 2024. The acquisitions of property, plant and equipment from preceding periods, which were placed into service in 2024, are classified as transfers.

In the "Depreciation" line, the Group also presents the net book value of assets disposed of by liquidation. The net book value of assets disposed of by other means, eg through sale or donation, is included in the "Net book value upon disposal" line.

In 2024, 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.

As at 31 December 2024, the insurance of property, plant and equipment and non-current intangible assets within the Group totals EUR 75 386 thousand (31 December 2023: EUR 79 197 thousand).

Land and Buildings, Structures – Construction Modifications primarily comprise land and technical improvements to leased office premises. Movements in this category of assets relate to the Group's new headquarters, primarily placing land including related demolition works into service. In addition, movements in this category comprise construction modifications of the Group's existing office premises.

Land placed into service is intended for the construction of the ESET Science Campus (see Note 34.2. Creation of New Companies). After completing demolition works in 2024, the Group considers the land ready for use (construction of the ESET Science Campus); therefore, it decided to place the land into service.

(in thousands EUR, unless stated otherwise)

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.

17. INTANGIBLE ASSETS

	Software	*Valuable Rights*	*Goodwill*	*Other*	*Non-current Intangible Assets in Acquisition*	*Total*
Cost						
At 1 January 2023	8 833*	583	1 590	7 368	78	18 452*
Additions	-	-	-	-	-	-
Disposals	(451)	-	-	(46)	(71)	(568)
Transfers	5	-	-	-	(7)	(2)
Inflationary restatement	92	-	-	-	-	92
Exchange differences	(218)	-	20	150	-	(48)
At 31 December 2023	**8 261***	**583**	**1 610**	**7 472**	**-**	**17 926***
At 1 January 2024	8 261	583	1 610	7 472	-	17 926
Additions	55	-	-	-	8	63
Disposals	(327)	-	-	-	-	(327)
Transfers	-	-	-	-	-	-
Inflationary restatement	132	-	-	-	-	132
Exchange differences	61	-	64	346	-	471
At 31 December 2024	**8 182**	**583**	**1 674**	**7 818**	**8**	**18 265**
Accumulated Amortisation and Impairment						
At 1 January 2023	6 956*	582	-	7 356	-	14 894*
Amortisation	725	-	-	-	3	728
Net book value upon disposal	2	-	-	-	-	2
Disposals	(451)	-	-	(46)	(3)	(500)
Inflationary restatement	84	-	-	-	-	84
Exchange differences	(204)	-	-	150	-	(54)
At 31 December 2023	**7 112***	**582**	**-**	**7 460**	**-**	**15 154***
At 1 January 2024	7 112	582	-	7 460	-	15 154
Amortisation	525	-	-	-	-	525
Net book value upon disposal	18	-	-	-	-	18
Disposals	(327)	-	-	-	-	(327)
Inflationary restatement	131	-	-	-	-	131
Exchange differences	61	1	-	358	-	420
At 31 December 2024	**7 520**	**583**	**-**	**7 818**	**-**	**15 921**
Net Book Value						
At 31 December 2023	1 149	1	1 610	12	-	2 772
At 31 December 2024	**662**	**-**	**1 674**	**-**	**8**	**2 344**

* *In the preceding reporting periods, the Group disclosed incorrect amounts in lines "Cost" and "Accumulated amortisation and impairment" in columns "Software" and "Total". The net book value was disclosed in the correct amount. The restatement represents a decrease in the opening balance as at 1 January 2023 by EUR 1 151 thousand in lines "Cost" and "Accumulated amortisation and impairment".*

The Group recognises acquisitions of non-current intangible assets placed into service in the same financial year as additions in 2024. The acquisitions of non-current intangible assets from preceding periods, which were placed into service in 2024, are classified as transfers.

In the "Depreciation" line, the Group also presents the net book value of assets disposed of by liquidation. The net book value of assets disposed of by other means, eg through sale or donation, is included in the "Net book value upon disposal" line.

(in thousands EUR, unless stated otherwise)

Software primarily comprises a Global e-store tool for the sale of products to end customers, purchased software licences used in the Group's business activities, and encryption software obtained by the acquisition of subsidiaries. Other items of intangible assets primarily include a customer list obtained by the acquisition of subsidiaries.

The Group acquired goodwill that is annually subject to impairment testing under IAS 36 by the acquisition of Datsec in Germany and a subsidiary, ESET SOFTWARE UK 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.

The Group allocates the goodwill arising upon acquisition of the subsidiary, ESET SOFTWARE UK Limited, and the goodwill recognised by the subsidiary, ESET Deutschland GmbH, to CGUs which represent the business of these subsidiaries. The Group determined the recoverable amount of CGUs using an EBITDA multiplier. EBITDA was determined based on the results of subsidiaries' business activities to the extent in which they contribute to the Group's overall results calculated in line with IFRS. The recoverable amount of goodwill calculated using the EBITDA multiplier is higher than its carrying amount, therefore the Group concluded that the above goodwill is not impaired as at 31 December 2024.

The EBITDA multiplier value has a substantial impact on the calculation of the recoverable amount of the CGU and on the result of an impairment test, therefore the Group carried out a sensitivity analysis of the recoverable amount to a change in the EBITDA multiplier as follows:

CGU ESET SOFTWARE UK Limited		***10% decrease in EBITDA***	***25% decrease in EBITDA***
Carrying amount of CGU including goodwill	2 151		
Recoverable amount of CGU	24 438	21 244	18 536
EBITDA multiplier	16.7	15.03	12.53

CGU ESET Deutschland GmbH		***10% decrease in EBITDA***	***25% decrease in EBITDA***
Carrying amount of CGU including goodwill	2 597		
Recoverable amount of CGU	54 943	49 805	42 097
EBITDA multiplier	16.7	15.03	12.53

18. CAPITALISED CONTRACT COSTS

	2024	***2023***
Balance as at 1 January	261 778	253 151
Capitalised contract costs	325 221	298 838
Amortised in expenses of the current year	(315 078)	(287 988)
Effect of FX differences	3 578	(2 223)
Balance as at 31 December	**275 499**	**261 778**
of which:		
Current capitalised costs of obtaining a contract	*189 750*	*175 296*
Non-current capitalised costs of obtaining a contract	*84 598*	*85 832*
Current capitalised costs to fulfil a contract	*960*	*460*
Non-current capitalised costs to fulfil a contract	*191*	*190*

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 revenues from the provision of end-user licences.

The costs to fulfil a contract relate to technical support provided to customers by third-party distributors (distributors which are not part of the Group).

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

(in thousands EUR, unless stated otherwise)

19. TRADE AND OTHER RECEIVABLES

19.1. Trade and Other Receivables

	2024	*2023*
Trade receivables	9 594	14 492
Other financial receivables	1 167	3 558
Other non-financial receivables and other assets	11 095	14 084
Contract assets	320	209
Less: loss allowance for doubtful receivables	(3 418)	(8 939)
Trade and other receivables, net	**18 758**	**23 404**

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. Contingent receivables are disclosed in Note 27 Contingent Assets and Liabilities.

Other financial receivables primarily comprise receivables from assigned trade receivables, for which a 100% loss allowance was created, and receivables from a subsidy for R&D activities. Other non-financial receivables comprise tax assets. Other assets primarily comprise deferred expenses.

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

	2024	*2023*
Overdue trade and other receivables	**9 464**	**16 680**
of which:		
Overdue by up to 30 days	*2 710*	*2 886*
Overdue between 30 – 90 days	*752*	*2 805*
Overdue by more than 90 days	*6 002*	*10 989*

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.

The average maturity period for receivables from the provision of software (primarily resulting from licence fees and support services) is 30 days. In the current reporting period, the Group primarily recorded a loss allowance for receivables from I-SET Software LLC in the amount of EUR 1 625 thousand, a loss allowance for receivables from distributors in South America in the amount of EUR 482 thousand, and a loss allowance for receivables from distributors in the APAC region in the amount of EUR 624 thousand. In 2023, the Group recorded a loss allowance for receivables from Future Time S.r.l. in the amount of EUR 4 602 thousand, a loss allowance for receivables from I-SET Software LLC in the amount of EUR 1 625 thousand, a loss allowance for receivables from distributors in Argentina in the amount of EUR 1 155 thousand, and a loss allowance for receivables from distributors in the APAC region in the amount of EUR 747 thousand.

In 2024, the Group wrote off trade and other financial receivables from Future Time S.r.l. in the amount of EUR 4 577 thousand due to their irrecoverability. The Group created a 100% loss allowance for the above receivables in the previous reporting periods.

The carrying amount of receivables approximates their fair value.

(in thousands EUR, unless stated otherwise)

19.2. Expected Credit Losses

The categorisation of financial instruments into stages in accordance with IFRS 9 "Financial Instruments" is presented in the table below:

		2024		
	Stage 1	***Stage 2***	***Stage 2***	***Stage 3***
Trade and other financial receivables	630	4 606	-	5 845
Expected credit losses		***General Loss Allowance***	***Specific Loss Allowance***	***Specific Loss Allowance***
Within maturity		0%	0%	0%
Overdue by up to 30 days		0%	0%	0%
Overdue between 30 – 90 days		0%	0%	0%
Overdue by more than 90 days		55%	0%	57%

		2023		
	Stage 1	***Stage 2***	***Stage 2***	***Stage 3***
Trade and other financial receivables and contract assets	824	3 730	997	12 708
Expected credit losses		***General Loss Allowance***	***Specific Loss Allowance***	***Specific Loss Allowance***
Within maturity		0%	0%	100%
Overdue by up to 30 days		0%	4%	43%
Overdue between 30 – 90 days		0%	11%	27%
Overdue by more than 90 days		51%	59%	75%

Movements in loss allowances for receivables and contract assets due to ECL in the current and previous reporting periods were as follows:

	2024	***2023***
Balance as at 1 January	(8 939)	(7 801)
Change in the ECL model	33	(1 310)
Write-off of trade and other receivables	5 582	100
Effect of FX differences	(94)	72
Balance as at 31 December	**(3 418)**	**(8 939)**

The Group assesses the expected credit losses (ECL model) from trade and other receivables as follows:

<table>
<tr><th>Type of Loss Allowance</th><th>Stage</th><th>Within Maturity</th><th>0 – 30</th><th>31 – 60</th><th>61 – 90</th><th>91 – 180</th><th>181 – 270</th><th>271 – 365</th><th>365+</th></tr>
<tr><td>General</td><td>2</td><td></td><td></td><td></td><td></td><td>30%</td><td>50%</td><td>80%</td><td>100%</td></tr>
<tr><td>Specific*</td><td>2</td><td></td><td></td><td colspan="6">Receivable amount over EUR 150 000 **</td></tr>
<tr><td>Specific*</td><td>3</td><td></td><td></td><td></td><td></td><td colspan="4">Receivable amount over EUR 50 000 ***</td></tr>
<tr><td>Specific*</td><td>2</td><td colspan="8">Litigation, military conflict, etc.</td></tr>
<tr><td>Specific*</td><td>3</td><td colspan="8">Litigation, military conflict, etc.</td></tr>
</table>

* *The amount of the specific loss allowance is determined based on an individual assessment of the respective receivables.*
** *The assessment of a specific loss allowance relates to all trade and other receivables from a business partner, where at least EUR 150 000 is overdue by more than 30 days.*
*** *The assessment of a specific loss allowance relates to all trade and other receivables from a business partner, where at least EUR 50 000 is overdue by more than 90 days.*

(in thousands EUR, unless stated otherwise)

The Group assesses input parameters for expected credit losses (ECL model) from trade and other receivables, which primarily include the historical credit loss rate and a forecast of future economic conditions. For trade receivables and contract assets, the Group considers lifetime expected credit losses. For other receivables classified as Stage 1, the following 12-month period is considered. As regards other receivables classified as Stage 2 and Stage 3, the Group considers lifetime expected credit losses. When determining the historical credit loss rate in 2024, the Group took into account a 3-year period (2021 – 2023), for which the amount of written-off trade and other receivables was immaterial.

Stage 1

The Group considered expected credit losses from other receivables to be immaterial in the current and immediately preceding reporting periods and thus no expected credit losses were recognised.

Stage 2

The Group classifies as Stage 2 primarily trade receivables from companies of which none represented a significant portion of financial assets in Stage 2 in 2024. In 2023, a significant portion of financial assets classified as Stage 2 included trade and other receivables from distributors in the APAC region.

Stage 3

The Group classifies as Stage 3 other receivables where there is objective evidence of their impairment, and all trade receivables from a business partner if at least EUR 50 thousand is overdue by more than 90 days. In 2024, a significant portion of financial assets classified as Stage 3 included trade and other receivables from I-SET Software and distributors in the APAC region and Argentina. As at 31 December 2023, the Group classified trade and other receivables from Future Time, I-SET Software and distributors in the APAC region and in Argentina as Stage 3.

20. 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.

	2024	***2023***
Balance as at 1 January	14 514	15 007
Additions of contract assets	15 034	14 514
Disposals of contract assets*	(14 514)	(15 007)
Balance as at 31 December	**15 034**	**14 514**

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

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.

Offset financial assets and financial liabilities are presented in the table below:

	2024	***2023***
Contract assets	14 714	14 305
Trade receivables	2 609	2 138
Trade payables	17 323	16 443

Details regarding financial assets not subject to offsetting are presented below:

	2024	***2023***
Contract assets, gross	15 034	14 514
Offsetting of contract assets	(14 714)	(14 305)
Contract assets not offset	**320**	**209**

Contract assets not offset as at 31 December 2023 were classified as trade receivables as at 31 December 2024, as the contractual right to consideration became unconditional.

(in thousands EUR, unless stated otherwise)

21. CASH, CASH EQUIVALENTS AND TERM DEPOSITS

21.1. Cash and Cash Equivalents

	2024	*2023*
Cash on hand	6	8
Bank accounts	43 661	38 483
Bank deposits and other cash equivalents	17 896	28 794
Total	**61 563**	**67 285**

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 classifies bank deposits as cash and cash equivalents, provided their maturity period does not exceed 3 months.

21.2. Term Deposits

The Group presents term deposits with a maturity of 3 to 12 months as current financial assets, separately from cash and cash equivalents:

	2024	*2023*
Term deposits	180 615	134 000
Total	**180 615**	**134 000**

22. DEFERRED TAX ASSET AND DEFERRED TAX LIABILITY

22.1. Deferred Tax Balances

	2024	*2023*
Deferred tax asset	32 761	34 460
Deferred tax liability	(19)	(28)
Total	**32 742**	**34 432**

Deferred tax assets/(liabilities) broken down by temporary differences:

	Balance at 1 Jan 2024	*Charged Through Equity*	*Charged to Profits/ Losses*	*Recognised in Other Comprehensive Income*	*Balance at 31 Dec 2024*
Deferred income	52 631	-	(3 389)	1 938	51 180
Capitalised costs of obtaining a contract	(29 148)	-	2 015	(794)	(27 927)
Right-of-use assets	(5 476)	-	(20)	(27)	(5 523)
Lease liabilities	5 664	-	893	55	6 612
Tax loss	2 379	-	(2 295)	-	84
Deduction of R&D expenses	552	-	387	11	950
Provisions	3 120	-	1 111	12	4 243
Other	4 710	2	(1 618)	29	3 123
Total	**34 432**	**2**	**(2 916)**	**1 224**	**32 742**

(in thousands EUR, unless stated otherwise)

	Balance at 1 Jan 2023	***Charged Through Equity***	***Charged to Profits/ Losses***	***Recognised in Other Comprehensive Income***	***Balance at 31 Dec 2023***
Deferred income	71 760	-	(17 915)	(1 214)	52 631
Capitalised costs of obtaining a contract	(40 970)	-	11 347	475	(29 148)
Right-of-use assets	(5 265)	-	(315)	104	(5 476)
Lease liabilities	5 549	-	214	(99)	5 664
Tax loss	6 351	-	(3 972)	-	2 379
Deduction of R&D expenses	1 260	-	(744)	36	552
Provisions	2 500	-	625	(5)	3 120
Other	4 288	5	532	(115)	4 710
Total	**45 473**	**5**	**(10 228)**	**(818)**	**34 432**

Deferred tax assets/(liabilities) in Other primarily include deferred tax on temporary differences arising from the difference between the tax value and carrying amount of non-current tangible and intangible assets, trade and other receivables and other payables.

As at 31 December 2024, the Group did not recognise a deferred tax asset in the amount of EUR 5 775 thousand (2023: EUR 5 430 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.

23. TRADE AND OTHER PAYABLES

	2024	***2023***
Trade payables	8 926	9 522
Liabilities from distribution commissions	27 635	26 248
Employee benefits liabilities	14 818	13 839
Social security liabilities	5 033	4 421
Other tax liabilities	4 949	6 032
Other payables	9 688	9 306
Total	**71 049**	**69 368**
of which:		
Liabilities within maturity	69 448	68 872
Overdue liabilities	1 601	496

	2024	***2023***
Overdue liabilities	**1 601**	**496**
of which:		
Overdue by up to 30 days	*1 201*	*416*
Overdue between 30 – 90 days	*382*	*66*
Overdue by more than 90 days	*18*	*14*

As at 31 December 2024, the Group recognised liabilities overdue by up to 30 days and overdue between 30 to 90 days to suppliers of equipment for the new office premises of ESET, LLC (subsidiary). The liabilities were settled immediately after the lessor provided incentives for the lease of new office premises. The Group has rules under which liabilities must be paid by their maturity. Other payables are primarily related to accrued expenses.

(in thousands EUR, unless stated otherwise)

24. 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.

Right-of-use assets in EUR '000

	2024	***2023***
At 1 January	24 043	24 464
Additions	6 512	7 504
Disposals	-	-
Depreciation	(7 655)	(7 616)
Inflationary restatement	(96)	89
Exchange rate effects	167	(398)
At 31 December	**22 971**	**24 043**

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

	2024	***2023***
Buildings	22 925	23 986
Equipment	-	2
Motor vehicles	46	55
Total	**22 971**	**24 043**

Lease liabilities in EUR '000

	2024	***2023***
At 1 January	25 145	25 450
Additions	8 912	7 365
Disposals	-	-
Accrued interest expense	1 031	720
Lease payments	(7 738)	(8 009)
Exchange rate effects	291	(381)
At 31 December	**27 641**	**25 145**
of which:		
Current lease liabilities	*7 014*	*7 240*
Non-current lease liabilities	*20 627*	*17 905*
of which:		
Non-current lease liabilities falling due in 1-5 years	*11 419*	*16 755*
Non-current lease liabilities falling due in over 5 years	*9 208*	*1 150*

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 2023: 2.630%
- At 31 December 2023: 3.084%
- At 31 December 2024: 4.185%

Lease liabilities under IFRS 16 in EUR '000 and discount

	31 Dec 2024	***31 Dec 2023***
Lease liabilities net of discount	35 120	26 544
Discount	(7 479)	(1 399)
Lease liabilities after discounting	**27 641**	**25 145**
Weighted average interest rate	**4.185%**	**3.084%**

(in thousands EUR, unless stated otherwise)

The Group leases office premises. 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 lease liabilities from unused options stated in lease contracts, which may be exercised by the Group in the future, amount to EUR 11 056 thousand (2023: EUR 3 191 thousand) and contingent liabilities due to future variable payments related to such options amount to EUR 454 thousand (2023: EUR 653 thousand).

Estimated future variable lease payments arising from lease contracts capitalised under IFRS 16 total EUR 6 214 thousand and have the following maturity structure:

	31 Dec 2024	*31 Dec 2023*
Falling due in up to 1 year	2 246	2 498
Falling due in 1-5 years	3 740	6 076
Falling due in over 5 years	228	402
Total	**6 214**	**8 976**

Profit/(loss) as at 31 December 2024 in respect of IFRS 16 in EUR '000

	31 Dec 2024	*31 Dec 2023*
Depreciation of right-of-use assets	(7 655)	(7 527)
of which:		
Buildings	*(7 623)*	*(7 482)*
Equipment	*(1)*	*(3)*
Motor vehicles	*(31)*	*(42)*
Interest expense from lease liabilities	(1 031)	(720)
Expenses relating to low-value assets	(30)	(29)
Expenses relating to short-term leases	(706)	(619)
Expenses relating to other assets excluded from the scope of IFRS 16	(549)	(482)
Expenses relating to variable lease payments	(2 362)	(2 569)

The breakdown of the total amount of variable lease payments recognised in the consolidated statement of comprehensive income for the year ended 31 December 2024 is as follows:

	2024	*2023*
Rent	2 333	2 533
Other operating expenses	29	36

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 December 2024 amount to EUR 17 thousand, total lease liabilities from short-term leases amount to EUR 320 thousand. The total amount of other assets excluded from the scope of IFRS 16 due to materiality is EUR 1 065 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.

A summary of future lease payments to which IFRS 16 was not applied (leased low-value assets, short-term leases, other assets):

	31 Dec 2024	*31 Dec 2023*
Falling due in up to 1 year	814	708
Falling due in 1 to 5 years	588	502
Falling due in over 5 years	-	-
Total	**1 402**	**1 210**

(in thousands EUR, unless stated otherwise)

25. PROVISIONS

	2024	***2023***
Current provisions	2 308	1 802
Non-current provisions	13 366	10 877
of which:		
Maturity in up to 5 years	5 836	4 842
Maturity over 5 years	7 530	6 035
Total	**15 674**	**12 679**

Provisions categorised by type are presented below:

	2024	***2023***
Provision for restoration of leased assets to their original condition	**137**	**134**
of which:		
Current provisions	-	-
Non-current provisions	*137*	*134*
Provision for management and key personnel bonuses	**2 833**	**2 006**
of which:		
Current provisions	*1 022*	*638*
Non-current provisions	*1 811*	*1 368*
Provision for retirement payments	**363**	**303**
of which:		
Current provisions	*19*	*19*
Non-current provisions	*344*	*284*
Provision for loyalty bonus	**4 038**	**3 258**
of which:		
Current provisions	*327*	*251*
Non-current provisions	*3 711*	*3 007*
Provision for loyalty vacation days	**8 303**	**6 477**
of which:		
Current provisions	941	*615*
Non-current provisions	7 362	*5 862*
Deferred Compensation & Incentive Plan, net	**-***	**9***
Other provisions	**-**	**492**
of which:		
Current provisions	-	*283*
Non-current provisions	-	*209*
Total	**15 674**	**12 679**

* *Data for the immediately-preceding reporting period represent the net amount of liabilities from the Deferred Compensation & Incentive Plan in the USA. The net value of this plan for 2024 represents assets in the amount of EUR 103 thousand and is recognised separately in Other assets.*

Provisions include provisions for employee benefits, provisions for the restoration of leased assets to their original condition and other provisions. The provisions for employee benefits were created in connection with an employee loyalty bonus and employee loyalty vacation days, bonuses to Group management and key personnel, retirement payments, and the Deferred Compensation & Incentive Plan in the USA.

(in thousands EUR, unless stated otherwise)

The change in the net present value of assets/liabilities from the provision of employee benefits is presented in the table below:

	Post-employment Benefits		***Other Long-term Benefits***	
	2024	***2023***	***2024***	***2023***
Present value of liabilities as at 1 January	**303**	**216**	**12 289**	**10 024**
Changes in provided benefits	-	-	*533*	-
Current service cost	*37*	*65*	*2 548*	*3 086*
Interest expense	*9*	*7*	*431*	*343*
Benefit plan contributions – employees	-	-	-	-
Actuarial (gains) losses due to other changes	*5*	*15*	*944*	*(36)*
Actuarial (gains) losses due to changes in assumptions	*12*	*17*	*169*	*717*
of which:	-	-	-	-
Actuarial (gains) losses due to changes in demographic assumptions	*18*	*27*	*233*	*347*
Actuarial (gains) losses due to changes in financial assumptions	*(6)*	*(10)*	*(64)*	*370*
Benefits paid	*(3)*	*(17)*	*(1 084)*	*(1 845)*
Income on benefit plan assets	-	-	-	-
Past service cost	-	-	-	-
Other	-	-	-	-
Amounts recognised in the statement of profit or loss	48	55	3 524	2 265
Amounts recognised in other comprehensive income	12	31	17	-
Present value of liabilities as at 31 December	**363**	**303**	**15 830**	**12 289**
Present value of assets as at 1 January	-	-	*539*	*124*
Exchange rate effects	-	-	*34*	*(14)*
Interest income	-	-	*58*	*39*
Actuarial gains (losses) net of interest income	-	-	*13*	*39*
Benefit plan contributions – employees	-	-	-	-
Benefit plan contributions – employer	-	-	*146*	*393*
Benefits paid	-	-	-	-
Administrative expenses, other fees, insurance costs	-	-	*(31)*	*(43)*
Present value of assets as at 31 December	**-**	**-**	**759**	**539**
Present value of assets as at 31 December	-	-	*759*	*539*
Present value of liabilities as at 31 December	**363**	*303*	*15 830*	*12 289*
Present value of (assets)/liabilities as at 31 December	**363**	**303**	**15 071**	**11 750**

The net present value of (assets)/liabilities as at 31 December 2024 differs from the amount of total provisions in the tables above as the net amount of liabilities from the Deferred Compensation & Incentive Plan in the USA represents an asset of EUR 103 thousand. This amount is included in Other assets in the consolidated statement of financial position.

The following actuarial assumptions were used when calculating provisions for long-term employee benefits:

Number of employees as at 31 December	2 405
Weighted average turnover rate	9.42% p.a.
Weighted average increase in wages and salaries	3.10% p.a.
Weighted average discount rate	2.59% p.a.

(in thousands EUR, unless stated otherwise)

The sensitivity analysis of the provisions for employee benefits to a change in material assumptions is presented below:

	Present Value of the Provision	***Sensitivity to Change in Discount Rate***		***Sensitivity to Change in Average Wages and Salaries***		***Sensitivity to Change in Turnover***	
	31 Dec 2024	***+100 Basis Points***	***-100 Basis Points***	***+100 Basis Points***	***-100 Basis Points***	***+10%***	***-10%***
Loyalty vacation days	8 303	7 741	8 875	8 923	7 688	7 708	8 900
Retirement payments	363	284	396	396	283	293	382
Loyalty bonus	4 038	3 745	4 373	-	-	3 774	4 333
Management and key personnel bonuses	2 833	2 770	2 898	-	-	-	-
Deferred Compensation & Incentive Plan	656	604	714	-	-	-	-

	Present Value of the Provision	***Sensitivity to Change in Discount Rate***		***Sensitivity to Change in Average Wages and Salaries***		***Sensitivity to Change in Turnover***	
	31 Dec 2023	***+100 Basis Points***	***-100 Basis Points***	***+100 Basis Points***	***-100 Basis Points***	***+10%***	***-10%***
Loyalty vacation days	6 477	6 010	6 941	6 979	5 968	6 003	6 972
Retirement payments	303	234	320	320	233	239	312
Loyalty bonus	3 258	2 999	3 504	-	-	3 007	3 503
Management and key personnel bonuses	2 006	1 957	2 057	-	-	-	-
Deferred Compensation & Incentive Plan	606	549	668	-	-	-	-

As at 31 December 2024 and 31 December 2023, the Group carried out a sensitivity analysis of the actuarial assumptions which were used in the calculation of the present value of a liability related to different types of provisions and also had a material impact on the amount of these liabilities.

26. DEFERRED INCOME

	2024	***2023***
Balance as at 1 January	497 046	473 633
Consideration for services to be provided in the future	720 138	651 564
Released to revenues for the current year	(698 350)*	(623 202)
of which:		
Released deferred income included in the opening balance	*(337 436)*	*(314 310)*
Effect of FX differences	7 401	(4 949)
Balance as at 31 December	**526 235**	**497 046**
of which:		
Current deferred income	369 539	339 316
Non-current deferred income	156 696	157 730

** The amount of deferred income released in revenues for the current year differs from the amount of revenues from the provision of user licences and services recognised in the consolidated statement of comprehensive income because revenues generated by subsidiaries are recalculated in the consolidated financial statements using the average annual exchange rate, whereas deferred income is recalculated using the exchange rate as at the reporting date. The effect of FX differences is recognised in a separate line in the Deferred Income table.*

"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 difference between the current portion of deferred income as at 31 December 2023 and the deferred income released in 2024 and included in the opening balance is represented by customer contract modifications.

27. CONTINGENT ASSETS AND LIABILITIES

27.1 Contingent Assets

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.

As at 31 December 2024, the Group records contingent receivables amounting to EUR 76 578 thousand (31 December 2023: EUR 70 379 thousand). These receivables are not enforceable and due at the end of the reporting period, but the Group expects them to fall due on average within 30 days after 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.

27.2 Contingent Liabilities

The Parent Company's tax returns remain open and may be subject to review over a five-year period, or a ten-year period in the event of the application of international tax treaties, following the filing of a tax return. The fact that a certain period or a tax return related to that period was subject to review does not exclude this period from any other review during the period of five or ten years. Accordingly, as at 31 December 2024, the Parent Company's tax returns for 2019 (or 2014 if a ten-year period applies) to 2024 remain open and may be subject to review.

The Group identified future contingent lease liabilities from unused options stated in lease contracts, which may be exercised in the future, in the total amount of EUR 11 056 thousand and contingent liabilities due to future variable payments related to such options in the amount of EUR 454 thousand.

On 22 February 2024, the Group's Management Board approved the provision of a financial contribution of EUR 3 000 thousand to the Kempelen Institute of Intelligent Technologies to have an option to apply for a grant from the European Commission (EC).

As at 31 December 2024, the Group classified the provision of the financial contribution as a contingent liability as its provision is subject to obtaining the EC grant. The grant agreement between the EC and the Kempelen Institute of Intelligent Technologies was signed in March 2025. Based on the signed grant agreement, the Group will recognise the expense for the provided financial contribution and the related liability in the financial statements prepared for 2025.

28. LITIGATION

FINJAN Inc.

The Parent Company and its subsidiaries were parties to three legal disputes with FINJAN Inc. in the preceding reporting period. In 2024, the remaining two legal disputes ended:

1. 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.
2. Litigation for patent invalidity (the original litigation ended in 2023) involving ESET, spol. s r.o. as the plaintiff and FINJAN Inc. as the defendant. FINJAN Inc. took legal action with regard to an alleged breach of this patent in the above litigation.

In January 2024, the court dismissed the action under paragraph 1 and ordered FINJAN Inc. to reimburse ESET, spol. s r.o. for its legal representation costs. FINJAN Inc. failed to lodge an appeal by the statutory deadline, and therefore the litigation is finally concluded.

Due to the termination of the litigation under paragraph 1, the Group withdrew the action under paragraph 2 on 28 February 2024.

Future Time S.r.l.

In February 2022, the Arbitration Court of the Slovak Chamber of Commerce and Industry issued an award dismissing the action of Future Time S.r.l. in its entirety, partially acknowledged our counterclaims, and ordered both parties to pay certain costs of the proceedings.

(in thousands EUR, unless stated otherwise)

Future Time S.r.l. entered into liquidation on 11 November 2022. In April 2023, an Italian court recognised the arbitral award of the Slovak Chamber of Commerce and Industry and it thus became automatically enforceable. The Parent Company is the sole creditor, as a result of which it was paid assets totalling EUR 275 thousand as part of the liquidation, of which EUR 250 thousand was paid at the end of 2023. The Group partially reversed the loss allowance created for the receivable in an amount equalling the received asset. In December 2024, the Group decided to write off an irrecoverable portion of the receivable from Future Time S.r.l. and released the created loss allowance in that amount (see Note 19. Trade and Other Receivables).

29. COMMITMENTS

As at 31 December 2024, the Group had concluded no significant contracts for the purchase of non-current tangible and intangible assets.

30. COSTS OF AUDIT SERVICES

	2024	*2023*
Costs of auditing financial statements	469	443
Other assurance audit services	-	4
Tax services	27	22
Other non-audit services	43	38

The costs of auditing financial statements in the current reporting period included the costs of the Group auditor and the costs of local statutory auditors in the UK in the amount of EUR 44 thousand (2023: EUR 33 thousand).

Tax services in the current reporting period primarily comprised advisory services or tax return preparation in India, Canada, Singapore and Poland.

Other non-audit services in the current and immediately-preceding reporting periods primarily included costs of accounting services provided by the local statutory audit firm in the UK.

31. RELATED PARTIES

Identification of Related Parties

As stated in the following overview, in accordance with IAS 24 Related Party Disclosures, the Group identified that it is a related party to the following entities:

1. Members of Senior Management of the Parent Company and subsidiaries, shareholders of the Parent Company (Note 1.1) and members of the Supervisory Board.
2. Other related parties in terms of capital or personnel.

Group 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 Parent Company, have been eliminated on consolidation and are not disclosed in this Note.

31.1. Trading Transactions

Transactions with related parties under point 2 are presented below:

	2024	*2023*
Liability from an approved contribution for the Kempelen Institute of Intelligent Technologies	-	600
Costs of contributions for Kempelen Institute of Intelligent Technologies	1 000	1 000

(in thousands EUR, unless stated otherwise)

31.2. Transactions with Parent Company Shareholders, Members of Senior Management and the Supervisory Board

	2024	*2023*
Short-term employee benefits	7 970	9 247
Other long-term employee benefits	1 182	1 139
Employment termination benefits	387	289
Total	**9 539**	**10 675**

32. FINANCIAL RISK MANAGEMENT

The difference between the net book value and fair value of cash and cash equivalents, trade receivables and payables and other current receivables and payables is not material.

32.1. Risk Management

The Group is exposed to various financial risks such as market risk (mainly, foreign exchange risk), liquidity risk and credit 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.

The Group maintains cash balances and short-term investments with a number of financial institutions. The Group invests with highly-rated financial institutions. The Group has no significant interest-bearing assets with a floating interest rate, other than cash balances in bank accounts.

32.2. 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 local functional currencies (Czech koruna, British pound, Polish zloty, Romanian leu, US dollar, Canadian dollar, Brazilian real, Argentine peso, Australian dollar, Mexican peso and Japanese yen). To calculate foreign exchange risk, the Group does not consider the balances of financial assets and liabilities of subsidiaries recognised in their functional currency to be financial assets and liabilities in other than the functional currency. 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 (in EUR '000):

				2024			
	USD	*CZK*	*PLN*	*GBP*	*JPY*	*CHF*	*SGD*
Trade and other receivables	503	60	-	-	21	-	114
Cash and cash equivalents	7 370	1 791	487	1 423	3 090	562	183
Term deposits	25 315	-	-	-	-	-	-
Non-current lease liabilities	276	-	-	-	-	-	-
Trade and other payables	2 674	-	-	1	3 127	7	146
Current lease liabilities	149	-	-	-	-	-	-

				2023			
	USD	*CZK*	*PLN*	*GBP*	*JPY*	*CHF*	*SGD*
Trade and other receivables	379	-	-	-	8	-	54
Cash and cash equivalents	6 766	1 748	217	2 213	3 235	410	507
Non-current lease liabilities	13	-	-	-	-	-	-
Trade and other payables	1 968	17	-	2	2 666	7	203
Current lease liabilities	204	-	-	-	-	-	-

(in thousands EUR, unless stated otherwise)

Historically, the Group included all financial assets and liabilities denominated in currencies other than the euro in the calculation of foreign exchange risk including those held by its subsidiaries in their local functional currencies. This approach was revised based on a more detailed interpretation of IFRS 7, which states that financial assets and liabilities of subsidiaries denominated in their functional currencies should not be subject to the recognition of foreign exchange risk in the consolidated financial statements.

As a result, the Group updated its foreign exchange risk data in its consolidated financial statements for 2024 and adjusted the data for the immediately-preceding reporting period. The correction of historical data which comprised items in the functional currency of subsidiaries as part of the FX risk ensures that the data accurately reflect the Group's current foreign exchange risk exposure.

The Group also has assets and liabilities denominated in Canadian dollar, Brazilian real, Mexican peso, Australian dollar, Indonesian rupiah and Indian rupiah, which are immaterial to the Group. 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 and Polish zloty.

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.

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

	Exchange Rate at 31 Dec 2024	***Exchange Rate Appreciation by 10%***	***Exchange Rate Depreciation by 10%***
EUR/USD	1.0389	1.1428	0.9350
EUR/CZK	25.1850	27.7035	22.6665
EUR/JPY	163.0600	179.3660	146.7540
EUR/GBP	0.8292	0.9121	0.7463
EUR/PLN	4.2750	4.7025	3.8475
EUR/SGD	1.4164	1.5580	1.2748
EUR/CHF	0.9412	1.0353	0.8471

**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 from the translation of assets and liabilities on the profit/loss recognised in the consolidated statement of comprehensive income would be as follows:

	Depreciation of the Exchange Rate by 10%	***Appreciation of the Exchange Rate by 10%***
EUR/USD	(2 739)	3 347
EUR/CZK	(168)	206
EUR/JPY	2	(2)
EUR/GBP	(129)	158
EUR/PLN	(44)	54
EUR/SGD	(31)	38
EUR/CHF	(50)	62

**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.

The Group is also exposed to foreign exchange differences when converting items of the balance sheets and income statements of foreign subsidiaries to the Group's presentation currency, ie EUR. The resulting exchange rate differences are included in equity as a foreign exchange translation reserve.

(in thousands EUR, unless stated otherwise)

32.3. Exchange Rates

Currency	*Average Exchange Rate for 2024*	*Exchange Rate as at 31 Dec 2024*	*Average Exchange Rate for 2023*	*Exchange Rate as at 31 Dec 2023*
EUR/USD	1.0824	1.0389	1.0813	1.1050
EUR/CZK	25.1198	25.1850	24.0043	24.7240
EUR/JPY	163.8519	163.0600	151.9903	156.3300
EUR/GBP	0.8466	0.8292	0.8698	0.8691
EUR/PLN	4.3058	4.2750	4.5420	4.3395
EUR/AUD	1.6397	1.6772	1.6288	1.6263
EUR/BRL	5.8283	6.4253	5.4010	5.3618
EUR/SGD	1.4458	1.4164	1.4523	1.4591
EUR/CAD	1.4821	1.4948	1.4595	1.4642
EUR/ARS*	988.4311	1072.2300	341.9860	894.4230
EUR/RON	4.9746	4.9743	4.9467	4.9756
EUR/MXN	19.8314	21.5504	19.1830	18.7231
EUR/CHF	0.9526	0.9412	0.9718	0.9260

**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.*

32.4. Liquidity Risk

Liquidity risk is the risk that the Group will not be able to settle its financial liabilities when due. The Group manages the liquidity risk by ensuring sufficient liquidity to settle its liabilities when due.

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. At the end of the reporting period, the Group had demand deposits in the amount of EUR 61 563 thousand (2023: EUR 67 285 thousand) and 3-month to 12-month term deposits in the amount of EUR 180 615 thousand (2023: EUR 134 000 thousand), which are expected to rapidly generate cash flows to manage the liquidity risk.

The majority 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 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.

The following tables present the maturity of financial assets and liabilities based on contractual non-discounted payments:

2024

Financial Assets	*Net Book Value*	*Expected Cash Flows*				
		Total	*On Demand*	*Up to 1 Year*	*Up to 5 Years*	*Over 5 Years*
Cash and cash equivalents	61 563	61 563	61 563	-	-	-
Bank deposits	180 615	180 615	-	180 615	-	-
Trade and other receivables*	7 663	7 663	6 046	1 617	-	-
Contingent receivables*	76 578	76 578	-	76 578	-	-
Other non-current assets**	2 997	3 102	-	-	2 484	618

** The On Demand category represents overdue receivables. For more information on contingent receivables, see Note 27.1 Contingent Assets.*
*** The difference between the net book value of other non-current assets and the related expected cash flows represents non-current receivables discounted to their present value. The Group only includes other non-current assets that are part of financial assets in other non-current assets.*

(in thousands EUR, unless stated otherwise)

2024

Financial Liabilities	***Net Book Value***	***Expected Cash Flows***				
		Total	***On Demand****	***Up to 1 Year***	***Up to 5 Years***	***Over 5 Years***
Trade and other payables	66 213	66 213	1 601	64 612	-	-
Lease liabilities**	27 641	35 120	-	7 570	16 004	11 546
Other non-current liabilities	1 015	1 015	-	-	1 015	-

**Liabilities payable on demand represent overdue liabilities.*
***The difference between the net book value of lease liabilities and the related expected cash flows represents a future interest expense included in lease instalments.*

2023

Financial Assets	***Net Book Value***	***Expected Cash Flows***				
		Total	***On Demand***	***Up to 1 Year***	***Up to 5 Years***	***Over 5 Years***
Cash and cash equivalents	67 285	67 285	67 285	-	-	-
Bank deposits	134 000	134 000	-	134 000	-	-
Trade and other receivables*	9 320	9 320	7 786	1 534	-	-
Contingent receivables*	70 379	70 379	-	70 379	-	-
Other non-current assets**	2 547	2 675	-	-	2 132	543

* *The On Demand category represents overdue receivables. For more information on contingent receivables, see Note 27.1 Contingent Assets.*
** *The difference between the net book value of other non-current assets and the related expected cash flows represents non-current receivables discounted to their present value. The Group only includes other non-current assets that are part of financial assets in other non-current assets.*

2023

Financial Liabilities	***Net Book Value***	***Expected Cash Flows***				
		Total	***On Demand****	***Up to 1 year***	***Up to 5 years***	***More than 5 Years***
Trade and other payables	58 915	58 915	496	58 419	-	-
Lease liabilities**	25 145	26 544	-	7 733	17 624	1 187
Other non-current liabilities	805	805	-	-	805	-

**Liabilities payable on demand represent overdue liabilities.*
***The difference between the net book value of lease liabilities and the related expected cash flows represents a future interest expense included in lease instalments.*

32.5. Credit Risk

Credit risk is a risk arising from the possible inability or unwillingness of a debtor to settle its payables. The Group manages credit risk appropriately, primarily by applying an individual approach to its major business partners. The Group regularly monitors the payment discipline of its business partners.

Most of the Group's revenues are generated from cooperation with long-term foreign partners that have an excellent record as regards long-term payment discipline. As regards credit risk, the Group categorises its customers as follows:

1. Business partners – their payment discipline is monitored on a weekly basis. To date, the payment discipline of this group of partners has been excellent, except for partners with whom cooperation has been terminated.

2. End customers – credit risk is mitigated automatically. If a customer fails to pay an issued invoice within 14 days of purchasing a licence, a credit note is automatically issued and the licence is deactivated.

3. Resellers – credit risk is managed using a short maturity period of issued invoices. If an invoice is unpaid when due, a reminder is sent automatically and non-cooperating partners are suspended from ordering licences. The access of such a partner is restored after documenting the settlement of all overdue invoices.

The expected percentage of credit losses and the loss allowance for receivables are described in Note 19 Trade and Other Receivables.

33. CAPITAL MANAGEMENT

The Group manages capital to ensure that it is able to continue as a going concern. To achieve this, the Group uses its equity. The amount of the Group's own funds is optimised in relation to the distribution thereof. The Group takes into consideration future investment needs when managing its own capital.

34. OTHER INFORMATION

34.1. Military Conflict in Ukraine

During 2022, the Company decided to end the sale of products to new customers in Russia and Belarus to make clear its position and support for Ukraine and its people.

This issue had an impact on the carrying amount of the Group's receivables as at 31 December 2024. In the immediately-preceding reporting periods, in the light of the above situation and sanctions against the Russian Federation, the Group created a loss allowance for trade receivables from I-SET Software LLC in the full amount of EUR 1 625 thousand.

In 2024, the Group provided humanitarian aid in the amount of EUR 142 thousand via the ESET Foundation. This amount was used to support non-profit humanitarian organisations working in Ukraine, and to set up a system of financial assistance for Ukrainian refugees and ESET employees providing them with accommodation.

34.2. Creation of New Companies

In March 2023, the Parent Company's shareholders approved a plan for creating two new companies which will not be part of the Group:

- ESET Science Campus company;
- A holding company via which shareholders will hold their shares in the newly-created ESET Science Campus company.

Both newly-created companies will be linked with the Parent Company in terms of personnel (via the shareholders of the Parent Company). The future transactions between the Group and the newly-created companies above will represent transactions with related parties.

After creating the above companies, the Parent Company plans to transfer the ESET Science Campus project in the amount of EUR 45 158 thousand to a new entity, ESET Science Campus.

In March 2024, Parent Company shareholders also approved a change to the legal form of the Parent Company from a limited liability company to a joint-stock company.

Based on the evaluation of the current status and development of analyses and preparation work for the project, the Group does not expect the formation of the new companies stated above and the transfer of the ESET Science Campus project will take place in 2025.

The Group concluded that as at 31 December 2024 the plan for transferring the ESET Science Campus project to a new company did not meet the requirements of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations for presentation as a separate line item in the consolidated statement of financial position.

34.3. Environmental, Social and Governance as Part of Responsible Business Conduct

The Group considers environmental, social and governance (ESG) as part of responsible business conduct. In 2024, ESET approved and continued implementing the Global ESG Strategy and aligning internal processes related to ESG strategy implementation, monitoring and reporting in line with ESRS (European Sustainability Reporting Standards). As of 2022, in accordance with EU Regulation 2080/852 of 18 June 2020 ("Taxonomy Regulation") and Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021, on behalf of the Group, ESET examines all economic activities eligible under the Taxonomy that are typical professional IT services activities. In 2024, the Group prepared an impact, risk and opportunity assessment (IRO) related to sustainability. In 2025, the Group is preparing an additional assessment of physical and transition climate risks.

(in thousands EUR, unless stated otherwise)

As part of the environmental aspects, the Group has begun assessing the impact of climate change on the financial statements. For the financial statement items, the Group will assess the potential impairment of recognised assets and the origin of liabilities due to climate change. At this stage, no significant impact of climate change on the Group's financial statements has been identified.

35. EVENTS AFTER THE DATE OF THE STATEMENT OF FNANCIAL POSITION

The inheritance proceedings for the deceased shareholder Rudolf Hrubý ended on 7 March 2024. Elena Hrubá and Ján Hrubý became equal heirs to the business share in the Parent Company. On 28 March 2024, the heirs were entered in the Business Register of the Slovak Republic as the shareholders. Mr Ján Hrubý became the sole owner of the business share on 15 February 2025 based on the donation of a portion of the business share held by Ms Elena Hrubá and the settlement of the original co-ownership of the business share.

On 22 February 2024, the Parent Company's Management Board approved the provision of a financial contribution of EUR 3 000 thousand to the Kempelen Institute of Intelligent Technologies to have an option to apply for a grant from the European Commission (EC).

As at 31 December 2024, the Group classified the provision of the financial contribution as a contingent liability as its provision is subject to obtaining the EC grant. The grant agreement between the EC and the Kempelen Institute of Intelligent Technologies was signed in March 2025. Based on the signed grant agreement, the Group will recognise the expense for the provided financial contribution and the related liability in the financial statements prepared for 2025.

The details of the current status of the Group's ongoing litigations are provided in Note 28 Litigation.

In addition to the above, no other events occurred after 31 December 2024 that would have a material impact on the Group's financial position or operations.

36. 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 office:	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:	2 405

Consolidated entities

Business name:	ESET, spol. s r.o.
Registered office:	Slovak Republic Parent company
Business name:	ESET software spol. s r.o.
Registered office:	Czech Republic Subsidiary
Business name:	ESET, LLC,
Registered office:	California, USA Subsidiary

Business name:	ESET LATINOAMERICA, SRL
Registered office:	Argentina
	Subsidiary
Business name:	ESET ASIA PTE. LTD.
Registered office:	Singapore
	Subsidiary
Business name:	ESET DO BRASIL MARKETING LTDA
Registered office:	Brazil
	Subsidiary
Business name:	ESET POLSKA SPÓŁKA Z OGRANICZONA ODPOWIEDZIALNÓSCIA
Registered office:	Poland
	Subsidiary
Business name:	ESET CANADA Recherche Inc.
Registered office:	Canada
	Subsidiary
Business name:	ESET Canada Inc.
Registered office:	Canada
	Subsidiary
Business name:	ESET Research Czech Republic s.r.o.
Registered office:	Czech Republic
	Subsidiary
Business name:	ESET DEUTSCHLAND GmbH
Registered office:	Germany
	Subsidiary
Business name:	ESET SOFTWARE AUSTRALIA PTY, LTD.
Registered office:	Australia
	Subsidiary
Business name:	ESET RESEARCH UK Limited
Registered office:	UK
	Subsidiary
Business name:	ESET SOFTWARE UK Limited
Registered office :	UK
	Subsidiary
Business name:	ESET Romania S.R.L.
Registered office:	Romania
	Subsidiary
Business name:	Nadácia ESET
Registered office:	Slovak Republic
	Subsidiary
Business name:	ESET Japan Inc.
Registered office:	Japan
	Subsidiary
Business name:	ESET MÉXICO S. de R.L. de C.V.
Registered office:	Mexico
	Subsidiary
Business name:	ESET ITALIA S.r.l.
Registered office:	Italy
	Subsidiary

(in thousands EUR, unless stated otherwise)

Ultimate consolidating company

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

Consolidating companies where the consolidated financial statements are kept

Business name:	ESET, spol. s r.o.
Registered office:	Bratislava, Slovak Republic
Address of the Court of Record:	Business Register of the City Court Bratislava III (formerly: District Court Bratislava I), Section: Sro, Insert No.: 3586/B

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

Executives of the consolidating company as at 31 December 2024:

Richard Marko;
Peter Paško; and
Miroslav Trnka.

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

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 Parent Company:

	2024	***2023***
Balance at 1 January	354	252
+ Creation debited to expenses	984	942
- Drawing	(811)	(840)
- Transfer to funds from profit	-	-
Balance at 31 December	**527**	**354**

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:***
7 May 2025			
Approved on:			
7 May 2025			

Annex 2:
Separate Financial Statements and Independent Auditor's Report as of 31 December 2024

ESET, spol. s r.o.

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

For the year ended 31 December 2024

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.
Pribinova 34
811 09 Bratislava
Slovak Republic

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

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

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ESET, spol. s r.o.

INDEPENDENT AUDITOR'S REPORT

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

REPORT ON THE AUDIT OF THE SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the separate financial statements of ESET, spol. s r.o. (the "Company"), which comprise the separate statement of financial position as at 31 December 2024, and the separate statement of comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended, and notes to the separate financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying separate financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by 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 Separate 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, as amended (hereinafter the "Act on Statutory Audit") related to independence and ethical requirements, including the Code of Ethics for Auditors that are relevant to our audit of the separate 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 Separate the Financial Statements

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

In preparing the separate 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 Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate 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 separate 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 separate 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 separate 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 separate financial statements, including the disclosures, and whether the separate 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 No. 431/2002 Coll. as amended (the "Act on Accounting"). Our opinion on the separate financial statements stated above does not apply to other information in the annual report.

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

As at the issuance date of the auditor's report on the audit of separate 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 separate financial statements, we will express an opinion on whether:

- Information disclosed in the annual report prepared for 2024 is consistent with the separate 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 separate financial statements.

Bratislava, 7 May 2025

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

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

SEPARATE FINANCIAL STATEMENTS
PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EU
For the year ended 31 December 2024

CONTENTS

	Page
Separate Statement of Comprehensive Income	**5**
Separate Statement of Financial Position	**6**
Separate Statement of Changes in Equity	**7**
Separate Statement of Cash Flows	**8**
Notes to the Separate Financial Statements	**9**

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SEPARATE STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024
(in thousands EUR)

	Note	*2024*	*2023*
Revenues from the provision of end-user licences and services	7	691 845	631 694
Services	8	(506 497)	(459 883)
Personnel expenses	9	(98 946)	(89 776)
Depreciation		(8 728)	(7 477)
Other operating (expenses)/income, net		617	377
Impairment gains and losses	16, 18	149	(1 207)
Finance income	10	14 211	7 929
Finance costs	11	(475)	(2 022)
Profit before tax		92 176	79 634
Income tax	12	(16 782)	(15 342)
PROFIT FOR THE YEAR		**75 394**	**64 292**
OTHER COMPREHENSIVE INCOME			
Items that may not be reclassified subsequently to profit or loss:			
Gains (+)/losses (-) on the revaluation of defined benefit plans, net of tax	*24*	*(9)*	*(18)*
TOTAL COMPREHENSIVE INCOME		**75 385**	**64 274**
Adjusted earnings before interest, taxes, depreciation and amortisation (EBITDA)	**13**	**86 397**	**80 683**

SEPARATE STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2024
(in thousands EUR)

	Note	*31 December 2024*	*31 December 2023*
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	14	51 600	50 473
Right-of-use assets	23	10 390	13 689
Intangible assets	15	1 005	1 479
Financial investments in subsidiaries	16	20 554	20 554
Other assets		2 605	2 182
Capitalised contract costs	17	109 470	110 385
Deferred tax asset	21	6 537	10 757
Total non-current assets		**202 161**	**209 519**
CURRENT ASSETS			
Cash and cash equivalents	20	36 420	44 928
Term deposits		180 615	134 000
Trade and other receivables	18, 19	9 079	11 486
Income tax assets		-	3 678
Capitalised contract costs	17	252 349	235 571
Inventories		49	95
Total current assets		**478 512**	**429 757**
TOTAL ASSETS		**680 673**	**639 276**
EQUITY AND LIABILITIES			
EQUITY			
Registered capital		140	140
Legal reserve fund		14	14
Revaluation reserve – actuarial gains and losses	24	(22)	(13)
Retained earnings		75 794	64 292
Total equity		**75 926**	**64 434**
NON-CURRENT LIABILITIES			
Deferred income	25, 19	148 138	149 742
Non-current lease liabilities	23	7 060	10 708
Other non-current liabilities		992	782
Provisions	24	10 425	8 751
Total non-current liabilities		**166 615**	**169 983**
CURRENT LIABILITIES			
Trade and other payables	22, 19	73 759	76 245
Deferred income	25, 19	350 110	323 355
Current lease liabilities	23	4 124	3 826
Provisions	24	1 688	1 434
Income tax liabilities	12	8 450	-
Total current liabilities		**438 132**	**404 860**
TOTAL EQUITY AND LIABILITIES		**680 673**	**639 276**

SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024
(in thousands EUR)

	Registered Capital	Legal Reserve Fund	Revaluation Reserve – Actuarial Gains/Losses	Retained Earnings	Total
Balance at 1 January 2023	**140**	**14**	**5**	**11 075**	**11 234**
Net profit for the year	-	-	-	64 292	64 292
Other items of comprehensive income for the period (actuarial gains/losses)	-	-	(18)	-	(18)
Allocation to reserve funds from profit	-	-	-	-	-
Dividends paid	-	-	-	(11 075)	(11 075)
Balance at 31 December 2023	**140**	**14**	**(13)**	**64 292**	**64 434**
Net profit for the year	-	-	-	75 394	75 394
Other items of comprehensive income for the period (actuarial gains/losses)	-	-	(9)	-	(9)
Allocation to reserve funds from profit	-	-	-	-	-
Dividends paid	-	-	-	(63 892)	(63 892)
Balance at 31 December 2024	**140**	**14**	**(22)**	**75 794**	**75 926**

SEPARATE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024
(in thousands EUR, unless stated otherwise)

	2024	2023
Cash flows from operating activities		
Profit before tax	92 176	79 634
Non-cash transactions affecting profit/loss from ordinary activities before income tax:		
Interest charged to expenses	456	505
Interest charged to income	(6 001)	(2 935)
Profit from the sale of assets	3	(44)
Dividends and other shares of profit charged to income	(5 828)	(4 994)
Depreciation	8 728	7 477
Change in loss allowances	(149)	1 207
Change in expense accruals	3 679	(2 844)
Change in provisions	1 928	1 429
Foreign exchange differences	(174)	757
Other non-cash items	(27)	(54)
	94 791	**80 139**
Effect of changes in working capital		
(Increase)/decrease in inventories	46	32
(Increase)/decrease in trade and other receivables	(3 146)	(8 652)
(Increase)/decrease in capitalised costs of obtaining a contract	(15 862)	(15 450)
Increase/(decrease) in trade and other payables	(811)	7 342
Increase/(decrease) in deferred income*	26 665	38 142
	101 682	**101 552**
Cash flows from operating activities		
Income tax paid	(432)	(5 840)
Interest received	6 001	2 935
Interest paid	(456)	(505)
Net cash flows from operating activities	**106 796**	**98 143**
Cash flows from investing activities		
Acquisition of non-current assets	(5 592)	(8 969)
Dividend income	5 828	4 994
Proceeds from the sale of assets	-	55
Term deposits other than cash and cash equivalents	(46 615)	(129 000)
Expenditures for borrowings provided to a group entity	(257)	(217)
Proceeds from borrowings provided to a group entity	560	90
Net cash flows from investing activities	**(46 076)**	**(133 046)**
Cash flows from financing activities		
Expenditures for finance lease	(3 866)	(3 160)
Dividends paid**	(65 537)	(9 430)
Proceeds from borrowings received	1	19
Net cash flows from financing activities	**(69 402)**	**(12 572)**
Net increase/(decrease) in cash and cash equivalents	**(8 682)**	**(47 475)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD	44 928	93 160
EFFECT OF FOREIGN EXCHANGE DIFFERENCES	174	(757)
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	**36 420**	**44 928**

** Deferred income from contracts with customers comprises contract liabilities.*
*** A portion of the Company's profit for 2023 in the amount of EUR 63 892 thousand was approved for payment to the shareholders based on the decision of the General Meeting held on 23 May 2024. A portion of dividends approved in the previous reporting period in the amount of EUR 1 645 thousand was paid out on 25 January 2024.*

(in thousands EUR, unless stated otherwise)

1. COMPANY'S DESCRIPTION

1.1. General Information

The separate financial statements for the year ended 31 December 2024 were prepared by ESET, spol. s r. o. (hereinafter the "Company" or "ESET") in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union (the "EU"). The reporting currency of the Company is the euro (EUR). The separate financial statements were prepared under the going-concern assumption.

The separate financial statements for the period from 1 January 2024 to 31 December 2024 were prepared under International Financial Reporting Standards ("IFRS") as adopted by the EU, in accordance with Article 17a (2) of Act No. 431/2002 Coll. on Accounting ("Act on Accounting").

Under Act No. 431/2002 Coll. on Accounting, as amended, the Company is obliged to prepare consolidated financial statements, as the requirements of Article 22 of the Act are met. The Company prepared its consolidated financial statements as at 31 December 2023 and has the same obligation for the reporting period from 1 January 2024 to 31 December 2024. The consolidated financial statements are available at the parent company's registered office – ESET, spol. s r.o., Einsteinova 24, 851 01 Bratislava, Slovak Republic.

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

Seat of the Company:

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

As at 31 December 2024, the owners of the Company are the individuals stated below:

Structure of the Registered Capital by Partners

Shareholders	***Share in Registered Capital***		***Voting Rights***
	EUR ´000	***%***	***%***
Ján Hrubý and Elena Hrubá*	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:	-

* *Mr Ján Hrubý is the appointed common representative for the co-owners of a joint business share as at 31 December 2024.*

The Supervisory Board is composed of the individuals listed below.

First Name and Surname	***Position***	***Date of Appointment***
Matej Bošňák	Chairman of the Supervisory Board	1 January 2022
Maroš Grund	Member of the Supervisory Board	1 January 2022
Anton Zajac	Member of the Supervisory Board	1 January 2022

1.2. Scope of Activities

ESET® provides cutting-edge digital security solutions that prevent attacks before they occur. Thanks to a combination of AI strength and human experience, ESET remains ahead of known and emerging cyber threats, thus protecting businesses, critical infrastructure and individuals. Its AI- and cloud-based solutions and services remain highly efficient and easy to use, ensuring endpoint, cloud or mobile-device protection. ESET's technologies include robust detection and response, exceptionally secure encryption and multi-factor authentication. Due to continuous real-time protection and strong local support, ESET ensures both user security and business continuity. In the ever-changing digital environment, a progressive approach to security is essential. The Group's priority is world-class research and efficient threat analysis underpinned by research and development centres and a strong global partner network. The Group operates in the following geographic regions: North and South America; Europe, the Middle East and Africa (hereinafter "EMEA"), Australia and Asia.

In January 2025, the Company's scope of business was expanded to include additional services in administrative management and of organisational and economic nature, and activities of business and economic advisors.

1.3. Employees

The number of the Company's employees for the year ended 31 December 2024 was 1 427, of which executive management: 14 (for the year ended 31 December 2023: 1 367, of which executive management: 14).

The Company's full-time equivalent was 1 399 as at 31 December 2024 (for the year ended 31 December 2023: 1 336).

2. NEW INTERNATIONAL FINANCIAL REPORTING STANDARDS AND CHANGES IN ESTIMATES

2.1. Application of New and Revised International Financial Reporting Standards

The Company 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 2024.

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 IFRS 16 Leases: Lease Liability in a Sale and Leaseback** (effective for annual periods beginning on or after 1 January 2024),
- **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 2024),
- **Amendments to IAS 1 Presentation of Financial Statements** – Non-current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024),
- **Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments – Disclosures**: Supplier Finance Arrangements (effective for annual periods beginning on or after 1 January 2024).

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

At the date of authorisation of these financial statements, the following amendments to the existing standards were issued by the International Accounting Standards Board (IASB) and adopted by the EU and are not yet effective:

- **Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates** – Lack of Exchangeability (approved by the IASB and effective for annual periods beginning on or after 1 January 2025).

The Company has elected not to adopt these amendments to the existing standards in advance of their effective dates. The Company 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 Company 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:

- **Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments - Disclosures:** Amendments to the Classification and Measurement of Financial Instruments (effective for annual periods beginning on or after 1 January 2026),

- **Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments - Disclosures:** Contracts Referencing Nature-dependent Electricity (effective for annual periods beginning on or after 1 January 2026),

- **IFRS 18 Presentation and Disclosure in Financial Statements** (effective for annual periods beginning on or after 1 January 2027),

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures** (effective for annual periods beginning on or after 1 January 2027),

- **Annual Improvements to the IFRS Standards: Volume 11** (effective for annual periods beginning on or after 1 January 2026),

- **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 (effective date deferred indefinitely).

The Company 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 Company in the period of initial application.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Basis of Accounting

The separate financial statements have been prepared in accordance with IFRS as adopted by the European Union.

The separate 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.

a) Financial Investments in Subsidiaries

As at 31 December 2024, the Company performed an impairment test for selected financial investments (see Note 16 Financial Investments in Subsidiaries).

b) Financial Instruments

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

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 made via third-party distributors and resellers (distributors/resellers not part of the Group) and related-party distributors and resellers (subsidiaries). For indirect sales, receivables from the fulfilment of contracts with customers and payables to distributors and resellers are recognised on a net basis as receivables from or payables to distributors and resellers where this has been contractually agreed. The settlement of receivables and payables on a net basis is agreed with selected distributors and resellers in distribution contracts.

If the Company 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 Company as a contract asset. In accordance with IAS 32, the Company offsets contract assets against liabilities to distributors and resellers (liabilities representing compensation for activities performed by distributors and resellers). Even though contract assets constitute a contractual claim against end customers and liabilities represent a performance obligation towards distributors and resellers, their settlement on a net basis is contractually agreed upon in distribution contracts with distributors and resellers.

The Company 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.

During the current and immediately-preceding reporting periods, the Company primarily recognised the following financial instruments:

- Trade receivables (see Note 3.1 (c))
- Cash and cash equivalents (see Note 3.1 (f))
- Foreign exchange gains and losses (see Note 3.1 (l))

c) Trade Receivables

Trade receivables (which do not comprise a significant financing component) are measured at the transaction price upon the initial recognition and subsequently at amortised costs, less a loss allowance for debtors in bankruptcy or restructuring proceedings and less a loss allowance for doubtful and uncollectible overdue receivables where there is a risk that the debtor will not pay them fully or partially.

The Company 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 Company 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 Company applies the expected credit loss model (ECL model) when assessing loss allowances for financial assets. The ECL model is described in Note 18.2 Expected Credit Losses.

For trade receivables, the Company takes into consideration lifetime expected credit losses (simplified approach), and all trade receivables are recognised in Stage 2 or Stage 3.

When assessing the allowance for an expected credit loss on financial assets in line with IFRS 9 Financial Instruments, the Company classified the respective portion of trade and other receivables recognised as current assets into three stages.

The Company defines the individual stages in line with IFRS 9 Financial Instruments as follows:

Stage 1: Other receivables for which the Company takes into account expected credit losses over the next 12 months and does not record higher credit risk

Stage 2: Other receivables for which the Company records significantly higher credit risk or trade receivables for which it takes into account life time expected credit losses

Stage 3: Trade and other receivables for which there is objective evidence of their impairment and a portion of trade receivables showing possible signs of default.

When categorising financial assets into individual stages, the Company primarily monitors the status of overdue trade and other receivables and the solvency of its business partners in default. The Company also takes into account extraordinary events which are significant for the classification of trade and other receivables into individual stages. For the Company, extraordinary events include, eg court decisions in pending legal disputes, significant events in international politics and other unforeseen events which have a material impact on the maturity or recoverability of the Company's trade and other receivables.

Additional information on the applied expected credit loss model (ECL model) are presented in Note 18.2 Expected Credit Losses.

d) 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.

All items of property, plant and equipment are depreciated using the straight-line method based on the asset's estimated useful life. The useful lives of non-current assets can be summarised as follows:

	Estimated Useful Lives in Years	***Depreciation Method***
Software	3 – 10	Straight-line
Right-of-use assets	Up to the termination of a lease contract	Straight-line
Technical improvements to right-of-use assets	The shorter of the useful life and the time up to the expiration of a lease contract	Straight-line
Fixtures and fittings	4 – 15	Straight-line
Plant and machinery	2 – 8	Straight-line
Transportation means	6	Straight-line

The Company depreciates right-of-use assets on a straight-line basis up to the termination of the contract.

Non-current intangible assets with a cost of EUR 2 400 or less are recognised in expenses in the reporting period in which they are placed into service. Such assets are kept in sub-ledger records.

Non-current tangible assets (except for IT assets – see paragraph below) with a cost of EUR 1 700 or less are expensed when placed into service.

IT assets with a cost of EUR 500 or less are expensed when placed into service. Computers, laptops, mobile phones and monitors are capitalised by the Company regardless of their cost.

e) Research and Development

Development 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 Company 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 separate statement of comprehensive income when incurred.

Based on the criteria under IAS 38, the Company did not capitalise any development costs incurred in the current or immediately-preceding reporting periods.

f) Cash, Cash Equivalents and Term Deposits

The Company presents term deposits with a maturity of 3 to 12 months as current financial assets, separately from cash and cash equivalents.

The Company assessed the credit risk related to cash, cash equivalents and term deposits as immaterial, and did not account for expected credit losses (ECL model).

g) Revenues from Contracts with Customers

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

Sales are made directly or indirectly. Direct sales primarily comprise internet sales to end customers via the ESET website. Indirect sales are made via independent distributors and resellers (distributors/resellers who are not Group members) and related-party distributors and resellers (subsidiaries).

The Company provides end customers and partners in Slovakia, and partners in the EMEA region, APAC, Brazil and South Africa with the right to use the antivirus software. Eset Software spol. s r.o. (subsidiary) has concluded an agreement with the 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) undertakes distribution activities on the Italian market.

The Company sells its product via intermediaries, ie distributors, resellers, etc. Company sales within the Group (see Note 6 Information on Financial Investments in Subsidiaries) accounted for 51% of the Company's total sales (2023: 52% of total sales). The top ten third-party distributors accounted for 38% of total sales in 2024 and 38% of sales in 2023.

Based on a detailed analysis of contractual arrangements, rights and obligations of all members of the distribution chain, the Company applies the gross revenue recognition method. During the contract period, the Company recognises revenues in the amount paid by end users for ESET products and services carried out by Company distributors and resellers or directly the Company via direct channels. Compensation for activities performed by distributors and resellers is a distribution network margin, which is initially capitalised as the costs of obtaining a contract and amortised in costs over the term of the licence in proportion to the amount of recognised licencing revenues.

The costs of obtaining a contract relate to the commissions paid to distributors and resellers for the acquisition of licence agreements with end customers. Distribution commissions are expenses that the Company would not incur if the contract were not obtained. The Company 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 Company as a member of the ESET Technology Alliance also sells products of other companies that are not the Company's subsidiaries. In this case, the Company 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 Company 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 Company 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 an accrual 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 Company also recognises revenues from the sale of encryption software. When analysing such revenues, the Company identified two primary contractual performance obligations which were measured by the Company 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 Company 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 recognised on an accrual 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 separate statement of comprehensive income.

If the customer pays the consideration or the receivable is due before the Company grants the customer the right to use the software for a specified period, the Company 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 Company's obligation to transfer to the customer the right to use the software for a specified period, for which the Company has received consideration from the customer, or such consideration is due. The Company recognises contract liabilities in the line Deferred income in the separate statement of financial position.

The Company also distributes license products in the form of registration keys and a series of registration keys – batches, for 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 Company incurs a contract liability, which it recognises in deferred income. At the moment of licence activation by the end user, the Company recognises revenue which is deferred over the licence validity term.

If a prepaid batch of registration keys is not returnable, the Company proceeds as follows: The generated revenue attributable to the sold and non-activated registration keys is estimated by the Company based on the historical development of the activation of licenses from the respective batch. Such revenue is recognised by the Company 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 separate statement of financial position and the "Revenues from the provision of end user licences and services" in the separate statement of comprehensive income. The Company individually assesses the recognition of revenues for refundable batches. The Company continuously estimates revenues from non-activated licence keys, which are adjusted on a monthly basis by the actual amount of activated or refunded licence keys.

For prepaid batches of registration keys sold since 1 June 2023, the Company updated the return policy so that each prepaid batch of registration keys is deemed refundable under certain conditions. Revenues from non-activated licence keys are realised at the moment of expiration of a prepaid batch.

Primarily in the NORAM region, the Company uses another type of a prepaid batch of registration keys for sale via a consignment warehouse. Supplied licence keys are invoiced when sold by the distributor to the end customer. Given the high level of activations by end customers shortly after the distributor's billing, revenues from non-activated registration keys are recognised at the end of the contractual liability. The Company recognises revenues from these prepaid batches based on activations of batch licences by end customers. Given the high level of activations by end customers shortly after the distributor's billing, revenues from non-activated registration keys are recognised at the end of the contractual liability (at batch expiration). All rights and obligations under prepaid batches are settled on the batch expiration date.

End users may return ESET products, subject to limitations, via distributors and resellers or may ask the Company directly for a refund within a reasonably short period from the date of purchase. The Company considers the amount of a refund liability to be immaterial, given its amount, and as a result, it did not recognise this liability as at 31 December 2024 and 31 December 2023.

The Company 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 Company 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 Company cumulatively adjusts recognised revenues. If a contract modification is made after the termination of a contract's validity, the Company recognises such contract modification as a separate contract.

The Group's Corporate Solutions division supplies large corporate clients with products and services tailored to their specific business needs. The Company enters into complex contractual relations requiring an individual assessment under IFRS 15. When accounting for these complex transactions, the Company applies its judgment, particularly as regards:

- Identification of distinct goods and services or a group of distinct goods and services;
- Probability of exercising options;
- Estimate of variable consideration.

h) Short-term and Long-term Employee Benefits

The Company recognised provisions for the following types of employee benefits as at 31 December 2024 and 31 December 2023:

- Provision for management and key personnel bonuses;
- Provision for retirement payments;
- Provision for loyalty bonus;
- Provision for loyalty vacation days.

Provisions for long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date. The final amount of the provision reflects key parameters, primarily turnover and the expected increase in wages and salaries. The discount rate used to calculate the present value of the liability is derived from the yield curve of high-quality bonds with a maturity approximating the terms of the Company's liabilities.

As the used actuarial assumptions have a material impact on the measurement of provisions for long-term employee benefits, the Company conducted a sensitivity analysis of these provisions to a change in the most significant actuarial assumptions in Note 24 Provisions.

Estimated employee benefit obligations are included in the line Provisions in the separate statement of financial position.

i) Leases

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.

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 Company applied the above practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Company includes fixed payments and variable payments (based on an index) in additional lease or non-lease components when measuring a lease liability.

Lease payments are discounted using a weighted average interest rate[1], 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.

j) Income Tax (Current)

Income taxes of the Company are calculated on accounting profit as determined under Slovak accounting procedures after adjustments for certain items for taxation purposes using the valid income tax rate of 21%.

On 1 January 2025, a new corporate income tax rate of 24% entered into force to be used for the calculation of the tax liability for the next reporting period.

On 31 December 2023, Act No. 507/2023 Coll. on Top-up Tax to Ensure Minimum Level of Taxation for Multinational Enterprise Groups and Large-scale Domestic Groups became effective. The Top-up Tax Act implemented Council Directive (EU) 2022/2523 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the European Union.

The Company assessed the impact of the Act on the income tax calculation. The above rules apply to companies which generated consolidated revenues of EUR 750 million for at least two of the last four years. Accordingly, the Company concluded that the Act does not have an impact on the calculation of the Company's current income tax.

[1] *The Company uses a weighted average interest rate to discount lease payments, as the interest rates indicated by selected contract banks are not set for the Company but for the ESET Group as a whole (see Note 23).*

k) Deferred Tax

To determine the amount of deferred income tax, the tax rate applicable in the subsequent reporting period was applied, ie 24%. In the previous reporting period, the income tax rate of 21% was used to determine the amount of deferred income tax.

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.

l) 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.

Foreign exchange gains and losses are presented on a net basis and recognised as profit or loss in the separate statement of comprehensive income, except for foreign exchange gains and losses from financial instruments which are measured at fair value through profit or loss in line with IFRS 9 Financial Instruments.

m) Gifts Provided

The Company recognises gifts provided in expenses in the reporting period in which they were provided under the accrual principle of accounting. The Company considers a gift to be provided if there is a legally binding decision on the provision of the gift.

The Company recognises monetary gifts as expenses in the reporting period in which the gift was provided, regardless of the time of the actual cash outflows, even if such cash outflows occur in future periods. In-kind gifts, eg donations of non-current assets, are recognised as expenses in the period in which the respective assets were handed over to the gift recipient.

4. CHANGES IN ACCOUNTING PRINCIPLES AND METHODS

There were no changes to the Company's accounting principles and methods during the reporting period.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Company's accounting policies, as described in Note 3, the Company 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 Company regularly reviews the collectability and creditworthiness of its distributors and resellers to determine an appropriate loss allowance for receivables. The uncollectible accounts could exceed the current or future loss allowances. Loss allowances for receivables are created in accordance with the rules described in Note 18.2 Expected Credit Losses. As at 31 December 2024, the loss allowance for trade and other receivables and the loss allowance for other non-current assets amounted to EUR 2 377 thousand and EUR 0 thousand, respectively.

  As at 31 December 2023, the loss allowance for trade and other receivables and the loss allowance for other non-current assets amounted to EUR 7 019 thousand and EUR 65 thousand, respectively.

- The Company 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 Company determines some revenues from licences related to non-refundable prepaid batches of registration keys (as described in Note 3.1 (g)), 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 Company is stated in Note 3.1 (g) Revenue from contracts with customers.

- The Company enters into complex contractual relationships that require an individual assessment under IFRS 15 (see Note 3.1 (g)).

  In 2023, the Company concluded a contract comprising a substantial consideration for a two-year term. The contract includes an option to extend the contractual rights and obligations for another two years. After analysing commitments of the supply of goods and services together with related considerations, the Company concluded that the revenue recognition in line with IFRS 15 would not significantly differ from the annual billing to customers. For the purposes of simplification, the Company applies a straight-line revenue recognition based on invoiced amounts over the period to which the invoice relates.

  At the end of 2024, the customer exercised their right and decided to order further services which will be provided in 2025 and 2026. This fact was assessed according to principles governing contract modifications and evaluated as a separate contract.

- The Company 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 Company will not exercise this option. The Company also records lease contracts that include an option to extend or terminate a contract. The Company exercises judgment when assessing whether it is reasonably certain that the Company will or will not exercise an option to extend or terminate a lease. This means that the Company 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 Company 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 Company applied the incremental borrowing rate to the entire lease contract portfolio based on their lease term. The incremental borrowing rate is the rate the Company 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 2024 in a similar economic environment, under similar conditions, with similar collateral. Based on the above, the Company applied the estimate when determining the incremental borrowing rate, as it takes into account the interest rate the Company would have applied and would have to pay if it had to obtain funds necessary to acquire right-of-use assets.

- 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 applied actuarial assumptions and the sensitivity analysis of the amount of the provision to a change thereto are stated in Note 24 Provisions.

- As at 31 December 2024, the Company performed an impairment test of financial investments in ESET SOFTWARE UK Limited and ESET Deutschland GmbH (subsidiaries). The Company determined the recoverable amount of the financial investments in ESET SOFTWARE UK Limited and ESET Deutschland GmbH using an EBITDA multiplier. EBITDA was determined based on the results of subsidiaries' business activities under the applicable financial reporting framework used by these subsidiaries. The EBITDA multiplier was determined by an expert in Economics and Management and Industrial Property (hereinafter the "Expert") based on the adjusted industrial average of companies whose nature of activities and service portfolio were very similar to the business activities of the Company. As the EBITDA multiplier value has a significant impact on the determination of the recoverable amount of the respective financial investments and the result of impairment tests, the Company performed a sensitivity analysis for the recoverable amount to a change in the EBITDA multiplier (see Note 16 Financial Investments in Subsidiaries).

(in thousands EUR, unless stated otherwise)

6. INFORMATION ON FINANCIAL INVESTMENTS IN SUBSIDIARIES

The Group consists of the parent company, ESET, spol. s r.o., and its subsidiaries included in the consolidated financial statements.

As at 31 December 2024 and 31 December 2023, the Company recorded the following financial investments in subsidiaries.

Name	***Seat***	***Ownership Share %***		***Principal Activity***
Subsidiaries		***2024***	***2023***	
ESET, LLC [(1)]	655 West Broadway, Suite 700, San Diego, CA 92101, USA	100%	100%	Antivirus software distributor
ESET Canada Recherche Inc.	473, Rue Sainte-Catherine Quest, Bureau 300, Montreal QC, H3B 1B1, Canada	100%	100%	Research and development
ESET Canada Inc.	44 Chipman Hill Suite 1000, Saint John NB, E2L 2A9, Canada	100%	100%	Antivirus software distributor
ESET Deutschland GmbH	Spitzweidenweg 32, 07743 Jena, Germany	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 Research Czech Republic s.r.o.	Palachovo náměstí 799/5, Starý Lískovec, 625 00 Brno, Czech Republic	100%	100%	Research and development
ESET Polska Sp. z o.o.	Jasnogórska 9, 31 – 358 Kraków, Poland	100%	100%	Research and development
ESET SOFTWARE UK Limited	3rd Floor Ocean 80, Holdenhurst Road, Bournemouth, BH8 8AQ, United Kingdom	100%	100%	Antivirus software distributor
ESET RESEARCH UK Limited	3 Heron Gate Office Park, Hankridge Way, Taunton, Somerset, TA1 2LR, United Kingdom	100%	100%	Research and development
ESET Romania S.R.L. [(2)]	Strada Palas Nr. 7D-7E, Cladirea United Business Center 3 (Corp C2), Etaj 2, Spatiul C2S9, Municipiul Iaşi, Judet Iași, Romania	100%	100%	Research and development
ESET ITALIA S.r.l.	Via Campo Lodigiano 3, 20122 Milan, Italy	100%	100%	Antivirus software distributor
Nadácia ESET	Einsteinova 24, 851 01 Bratislava, Slovak Republic	100%	100%	Foundation
ESET ASIA PTE. LTD.	3 Anson Road, Springleaf Tower #32-02, Singapore 079909, Singapore	100%	100%	Service provider + Antivirus software distributor
ESET Software Australia, PTY, LTD.	Level 20, 111 Pacific Highway, North Sydney NSW 2060, Sydney, Australia	100%	100%	Antivirus software distributor
ESET Japan Inc. [(3)]	2-16-4 Konan, Minato-ku, Tokyo 108-0075, Japan	90%	90%	Service provider
ESET LATINOAMERICA S.R.L. [(4)]	1270 Juan Diaz de Solis, 2nd Floor, Vicente Lopez, Buenos Aires CP: B1638BHF, Argentina	100%	100%	Service provider

(in thousands EUR, unless stated otherwise)

Name	*Seat*	*Ownership Share %*		*Principal Activity*
Subsidiaries		***2024***	***2023***	
ESET DO BRASIL MARKETING LTDA [(5)]	Rua Verbo Divino, 2.001, Cjts 1407/1410, Chácara Santo Antônio, São Paulo/SP - Brazil, Zip 04.719-002	100%	100%	Service provider
ESET MÉXICO S. de R.L. de C.V. [(6)]	Av. Paseo de la Reforma 250 – Office 981 A-B-C-D-, Colonia Juárez, Delegación Cuauhtémoc, Mexico City, Mexico	100%	100%	Service provider

[(1)] ESET, LLC changed its registered office in October 2024. The former registered office was 610 West Ash Street, Suite 1700, San Diego, CA 92101, USA.
[(2)] 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.
[(3)] % of the shares are held by the Parent Company and the remaining 10% are held by Canon Marketing Japan Inc.
[(4)] 90% of the shares are held by ESET, LLC and the remaining 10% are held by the Parent Company.
[(5)] 90% of the shares are held by the Parent Company and the remaining 10% are held by ESET, LLC.
[(6)] 90% of the shares are held by the Parent Company and the remaining 10% are held by ESET, LLC.

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

	2024	***2023***
Revenues from the provision of end-user licenses and services	691 845	631 694
Total	**691 845**	**631 694**

Additional information on the remaining expected contract performance is stated in Note 25 Deferred Income and Note 19 Contract Assets and Offsetting of Financial Assets and Liabilities. The majority of non-current deferred income will be released to revenues in 2026 and 2027. In addition to the above factors, the future amount of actual revenues from the provision of end-user licences and services will be affected by future sales.

Revenues from the provision of end-user licenses and services by sales region:

	2024	***2023***
EMEA[(1)]	419 507	363 701
APAC[(2)]	126 077	124 730
NORAM[(3)]	94 297	92 584
LATAM[(4)]	48 683	45 668
Global sales	3 281	5 011
Total	**691 845**	**631 694**

[1] EMEA region represents the countries of Europe and South Africa
[2] APAC region represents the countries of Asia-Pacific
[3] NORAM region represents the countries of North America
[4] LATAM region represents the countries of South America

8. SERVICES

	2024	***2023***
Costs of obtaining a contract	416 671	385 543
Advertising and promotion expenses	16 674	5 784
Rent	2 238	2 958
Internet, data services, IT services	24 382	17 390
Accounting, economic, legal and audit services	1 519	5 553
Travel expenses	886	1 065
Purchased intragroup services	38 525	35 636
Other	5 602	5 954
Total	**506 497**	**459 883**

(in thousands EUR, unless stated otherwise)

The most significant year-on-year increase in costs of services comprises an increase in advertising and promotion costs due to ESET brand awareness-raising and an increase in costs of cloud services which increased year-on-year in line with revenues from cloud services.

Costs of contract acquisition comprise compensation for distributors for their distribution activities performed for the Company. Distributors are subsidiaries (see Note 6 Information on Financial Investments in Subsidiaries) and companies that are not members of the Group.

9. PERSONNEL EXPENSES

	2024	*2023*
Wages and salaries	68 214	62 611
Health and social security insurance payments	26 278	23 021
Other personnel and social expenses	4 454	4 143
Total	**98 946**	**89 776**

The increase in wages and salaries is due an increased headcount (2024: 1 427; 2023: 1 367) and employee salary increases in 2024.

10. FINANCE INCOME

	2024	*2023*
Foreign exchange gains, net	2 381	-
Interest income	5 965	2 912
Dividends received from subsidiaries	5 828	4 994
Other	37	23
Total	**14 211**	**7 929**

11. FINANCE COSTS

	2024	*2023*
Bank fees	19	19
Foreign exchange losses, net	-	1 498
Interest expense	456	505
Other	-	-
Total	**475**	**2 022**

The total amount of interest expense amounted to EUR 456 thousand (2023: EUR 505 thousand), of which interest expense from lease liabilities stated in Note 23 Leases amounted to EUR 396 thousand (2023: EUR 438 thousand).

12. INCOME TAX

12.1. Income Tax Recognised in Profit/Loss for the Year

	2024	*2023*
Current income tax	12 560	2 162
Deferred income tax	4 222	13 180
Total income tax for the year	**16 782**	**15 342**

(in thousands EUR, unless stated otherwise)

12.2. Reconciliation of the Effective Income Tax Rate Recognised in Profit/Loss for the Year

	2024	*2023*
Profit before income tax	92 176	79 634
Income tax at statutory tax rate of 21% (2023: 21%)	19 357	16 723
Effect of non-taxable income and tax non-deductible expenses	(1 661)	(1 381)
Effect of change of deferred tax rate	(817)	-
Tax for the previous period recognised in profit or loss	(97)	-
Total income tax for the year	**16 782**	**15 342**

12.3. Income Tax Recognised Through Other Comprehensive Income

	2024	*2023*
Gains (+)/losses (-) on the revaluation of defined benefit plans	(12)	(23)
Deferred income tax recognised through other comprehensive income	**(2)**	**(5)**

13. ADJUSTED EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTISATION (ADJUSTED EBITDA)

Adjusted EBITDA represents earnings before taxes, interest, amortisation and depreciation adjusted for other income and expenses as disclosed in the reconciliation below, primarily dividend income, income/(expenses) from financing operations representing foreign exchange gains/losses and interest income/(expense). Company management uses such adjusted EBITDA to manage Company performance.

The adjusted EBITDA represents an alternative performance measure that is not defined under IFRS.

	2024	*2023*
Profit for the Year	**75 394**	**64 292**
Depreciation of right-of-use assets	3 815	3 459
Amortisation and depreciation of non-current tangible and non-current intangible assets	4 914	4 018
Other operating (expenses)/income, net*	(753)	(502)
Income tax	16 782	15 342
Interest expense and foreign exchange losses, net	456	2 003
Finance income and foreign exchange gains, net	(14 211)	(7 929)
Adjusted EBITDA	**86 397**	**80 683**

**The difference between other operating (expenses) income, net stated in this Note and the "Other operating (expenses) income, net" line presented in the separate statement of comprehensive income primarily results from revenues from insurance costs and other tax expenses (real estate tax, motor vehicle tax, etc), which are not included in the adjusted EBITDA.*

In the immediately-preceding reporting period, the Company presented foreign exchange gains and losses on a gross basis in this Note. In the current reporting period, the Company adjusted the presentation and now presents foreign exchange gains and losses on a net basis in line with the separate statement of comprehensive income. As a result, the Company adjusted the presentation in the immediately-preceding reporting period and presents foreign exchange gains in the amount of EUR 827 thousand under "Interest expense and foreign exchange losses, net".

(in thousands EUR, unless stated otherwise)

14. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings, Structures – Construction Modifications	***Plant, Machinery & Equipment***	***Other Tangible Assets***	***Total***
Cost				
At 1 January 2023	16 103	21 419	27 361	64 884
Additions	2 299	4 718	1 952	8 969
Disposals	(198)	(797)	(3)	(998)
Transfers	103	175	(278)	-
At 31 December 2023	**18 307**	**25 515**	**29 032**	**72 854**
At 1 January 2024	**18 307**	**25 515**	**29 032**	**72 854**
Additions	919	3 521	1 089	5 529
Disposals	-	(1 510)	(3)	(1 513)
Transfers	20 541	339	(20 880)	-
At 31 December 2024	**39 767**	**27 865**	**9 238**	**76 870**
Accumulated Depreciation and Impairment				
At 1 January 2023	5 601	14 458	-	20 059
Additions	869	2 447	-	3 316
Disposals	(198)	(795)	-	(994)
Transfers	-	-	-	-
At 31 December 2023	**6 272**	**16 110**	**-**	**22 382**
At 1 January 2024	**6 272**	**16 110**	**-**	**22 382**
Additions	1 323	3 072	-	4 395
Disposals	-	(1 507)	-	(1 507)
Transfers	-	-	-	-
At 31 December 2024	**7 595**	**17 675**	**-**	**25 270**
Net Book Value	-	-	-	-
At 31 December 2023	12 035	9 406	29 032	50 473
At 31 December 2024	**32 172**	**10 190**	**9 238**	**51 600**

The Company recognises acquisitions of property, plant and equipment placed into service in the same financial year as additions in 2024. The acquisitions of property, plant and equipment from preceding periods, which were placed into service in 2024, are classified as transfers.

In 2024, the Company 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. Compared with 2023, the depreciation period remains unchanged.

As at 31 December 2024, the insurance of property, plant and equipment and non-current intangible assets within the Company totals EUR 34 290 thousand (31 December 2023: EUR 34 557 thousand). Through insurance, the Company also covers other business-related risks, including damage liability insurance. The insurance of other insured risks within the Company totals EUR 46 990 thousand as at 31 December 2024 (31 December 2023: EUR 47 057 thousand).

Land and Buildings, Structures – Construction Modifications primarily comprise land and technical improvements to leased office premises. Movements in this category of assets primarily relate to the placing of land including related demolition works into service and construction modifications of the leased office premises.

Land placed into service is intended for the construction of the ESET Science Campus (see Note 33.2. Creation of New Companies). After completing demolition works in 2024, the Company considers the land ready for use (construction of the ESET Science Campus); therefore, it decided to place the land into service.

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

(in thousands EUR, unless stated otherwise)

Other tangible assets primarily include real estate for the Company's new headquarters and campus under preparation.

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

15. INTANGIBLE ASSETS

	Software	*Valuable Rights*	*Goodwill*	*Non-current Intangible Assets in Acquisition*	*Total*
Cost					
At 1 January 2023	7 626	35	338	5	8 004
Additions	-	-	-	-	-
Disposals	(15)	-	-	-	(15)
Transfers	5	-	-	(5)	-
At 31 December 2023	**7 617**	**35**	**338**	**-**	**7 989**
At 1 January 2024	7 617	35	338	-	7 989
Additions	54	-	-	9	63
Disposals	(236)	-	-	-	(236)
Transfers	-	-	-	-	-
At 31 December 2024	**7 435**	**35**	**338**	**8**	**7 816**
Accumulated Amortisation and Impairment					
At 1 January 2023	5 777	34	-	-	5 812
Additions	713	-	-	-	713
Disposals	(15)	-	-	-	(15)
Transfers	-	-	-	-	-
At 31 December 2023	**6 476**	**35**	**-**	**-**	**6 511**
At 1 January 2024	6 476	35	-	-	6 511
Additions	536	-	-	-	536
Disposals	(236)	-	-	-	(236)
Transfers	-	-	-	-	-
At 31 December 2024	**6 776**	**35**	**-**	**-**	**6 811**
Net Book Value	-	-	-	-	-
At 31 December 2023	1 141	-	338	-	1 479
At 31 December 2024	**659**	**-**	**338**	**8**	**1 005**

The Company recognises acquisitions of non-current intangible assets placed into service in the same financial year as additions in 2024. The acquisitions of non-current intangible assets from preceding periods, which were placed into service in 2024, are classified as transfers.

Software primarily comprises the Global E-Store tool for selling products to end customers, and encryption software.

(in thousands EUR, unless stated otherwise)

16. FINANCIAL INVESTMENTS IN SUBSIDIARIES

16.1. Financial Investments in Subsidiaries

Subsidiary	*Ownership Interest in %**	*31 Dec 2024*	*31 Dec 2023*
ESET software spol. s r.o.	100	8	8
ESET, LLC	100	27	27
ESET ASIA PTE. LTD	100	76	76
ESET Canada Recherche Inc.	100	384	384
ESET Polska Sp. z o.o.	100	1 488	1 488
ESET DO BRASIL MARKETING LTDA	100	2	2
ESET LATINOAMERICA, Sociedad de Responsabilidad Limitada	100	110	110
ESET Research Czech Republic s.r.o.	100	1 300	1 300
Nadácia ESET	100	7	7
ESET Deutschland GmbH	100	1 950	1 950
ESET SOFTWARE Australia PTY	100	1	1
ESET Canada Inc.	100	64	64
ESET RESEARCH UK Limited	100	1 348	1 348
ESET SOFTWARE UK Limited	100	13 292	13 292
ESET Romania S.R.L.	100	60	60
ESET Japan Inc.	90	320	320
ESET MÉXICO S. de R.L. de C.V.	100	18	18
ESET ITALIA S.r.l.	100	100	100
Total		**20 554**	**20 554**

** The ownership interest represents a share which the Company owns directly or indirectly through its subsidiaries (see Note 6 Information on Financial Investments in Subsidiaries).*

16.2. Impairment Test of the Financial Investments in ESET SOFTWARE UK Limited a ESET Deutschland GmbH

As at 31 December 2024 and 31 December 2023, the Company tested material financial investments (ESET SOFTWARE UK Limited and ESET Deutschland GmbH) for impairment. As the recoverable amount of both financial investments calculated using the EBITDA multiplier is higher than their carrying amount, the Company concluded that the above financial investments were not impaired as at 31 December 2024 and 31 December 2023.

EBITDA was determined based on the results of subsidiaries' business activities under the applicable financial reporting framework used by these subsidiaries.

The EBITDA multiplier value has a substantial impact on the calculation of the recoverable amount of the given financial investments and on the result of an impairment test; therefore, the Company carried out a sensitivity analysis for the recoverable amount to a change in the EBITDA multiplier as follows:

2024

EBITDA multiplier	*Change*	*Recoverable Amount ESET SOFTWARE UK Limited*	*Recoverable Amount ESET Deutschland GmbH*
12.53x	-25%	13 658	30 514
13.36x	-20%	14 513	32 310
14.20x	-15%	15 368	34 106
15.03x	-10%	16 223	35 902
15.87x	-5%	17 077	37 698
16.70x	0%	17 932	39 494
17.54x	5%	18 787	41 290
18.37x	10%	19 642	43 086
19.21x	15%	20 497	44 881
20.04x	20%	21 352	46 677
20.88x	25%	22 207	48 473

(in thousands EUR, unless stated otherwise)

2023

EBITDA multiplier	***Change***	***Recoverable Amount ESET SOFTWARE UK Limited***	***Recoverable Amount ESET Deutschland GmbH***
14.78x	-25%	14 917	36 254
15.76x	-20%	15 816	38 383
16.75x	-15%	16 715	40 512
17.73x	-10%	17 614	42 641
18.72x	-5%	18 513	44 769
19.70x	0%	19 412	46 898
20.69x	5%	20 311	49 027
21.67x	10%	21 210	51 156
22.66x	15%	22 109	53 284
23.64x	20%	23 008	55 413
24.63x	25%	23 907	57 542

16.3. Impairment Test of the Financial Investment in ESET LATINOAMERICA, Sociedad de Responsabilidad Limitada

In the previous reporting period, ie as at 31 December 2023, the Company recognised a loss allowance for the financial investment in ESET LATINOAMERICA, Sociedad de Responsabilidad Limitada (hereinafter "ESET LATAM") in the amount of EUR 47 thousand due to external impairment indicators, primarily hyperinflation (211.4% in the previous reporting period; 117.8% in the current reporting period) and macroeconomic instability in Argentina.

In the previous reporting period, the Company assessed the materiality of the financial investment in ESET LATAM (EUR 157 thousand gross), and evaluated it as immaterial. Based on this evaluation, rather than calculating the recoverable amount of the financial investment in ESET LATAM in the previous reporting period, the Company created a loss allowance in accordance with a loss allowance for trade and other receivables.

In the current reporting period, the Company reassessed the amount of the loss allowance and given that there were no significant changes compared to the preceding reporting period, the loss allowance remained at its original amount.

17. CAPITALISED CONTRACT COSTS

	2024	***2023***
Balance as at 1 January	345 956	330 507
Capitalised contract costs	435 097	401 591
Amortised contract costs in expenses of the current year	(419 234)	(386 142)
Balance as at 31 December	**361 819**	**345 956**
Of which:		
Current capitalised costs of obtaining a contract	*249 974*	*234 146*
Non-current capitalised costs of obtaining a contract	*108 053*	*109 599*
Current capitalised costs to fulfil a contract	*2 375*	*1 425*
Non-current capitalised costs to fulfil a contract	*1 417*	*786*

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 revenues from the provision of end-user licences.

The costs to fulfil a contract relate to technical support provided to customers by third-party distributors (distributors which are not part of the Group) and related-party distributors (subsidiaries).

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

(in thousands EUR, unless stated otherwise)

18. TRADE AND OTHER RECEIVABLES

18.1. Trade and Other Receivables

	2024	*2023*
Trade receivables	3 818	5 564
Other financial receivables	2 124	4 276
Other non-financial receivables and other assets	5 514	8 665
Less: loss allowance for doubtful receivables	(2 377)	(7 019)
Trade and other receivables, net	**9 079**	**11 486**

The Company 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. Contingent receivables are disclosed in Note 26 Contingent Assets and Liabilities.

Other financial receivables primarily comprise receivables from costs reinvoiced within the Group. Other non-financial receivables comprise tax assets (primarily tax assets from VAT and withholding tax). Other assets primarily comprise deferred expenses.

A summary of the ageing structure of the Company's trade and other receivables:

	2024	*2023*
Overdue trade and other receivables	**3 399**	**8 280**
of which:		
Overdue by up to 30 days	*97*	*555*
Overdue between 30 – 90 days	*219*	*64*
Overdue by more than 90 days	*3 083*	*7 661*

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

The Company 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.

The average maturity period for receivables from software sales is 30 days. In the current reporting period, as in the previous reporting period, the major items recognised by the Company primarily included a loss allowance for a receivable from I-SET Software LLC in the amount of EUR 1 625 thousand.

In 2024, the Company wrote off trade and other financial receivables from Future Time S.r.l. in the amount of EUR 4 577 thousand due to their irrecoverability. The Company created a 100% loss allowance for these receivables in the previous reporting periods (as at 31 December 2023, the loss allowance for trade and other financial receivables from Future Time S.r.l. amounted to EUR 4 602 thousand).

The carrying amount of receivables approximates their fair value.

(in thousands EUR, unless stated otherwise)

18.2. Expected Credit Losses

The categorisation of financial instruments into stages in accordance with IFRS 9 "Financial Instruments" is presented in the table below:

		2024	
	Stage 1	***Stage 2***	***Stage 3***
Trade receivables and other financial receivables	**1 587**	**1 593**	**2 762**
		General Loss Allowance	***Specific Loss Allowance***
Within maturity		0%	38%
Overdue by up to 30 days		0%	1%
Overdue between 30 – 90 days		0%	51%
Overdue by more than 90 days		99%	76%

		2023	
	Stage 1	***Stage 2***	***Stage 3***
Trade receivables, other financial receivables and contract assets	**1 586**	**658**	**7 594**
		General Loss Allowance	***Specific Loss Allowance***
Expected credit losses			
Within maturity		0%	0%
Overdue by up to 30 days		0%	49%
Overdue between 30 – 90 days		0%	56%
Overdue by more than 90 days		83%	92%

Movements in loss allowances for receivables and contract assets due to ECL in the current and previous reporting periods were as follows:

	2024	***2023***
Balance as at 1 January	7 019	5 926
Change in the ECL model	(80)	1 095
Write-off of trade and other receivables	(4 577)	-
Effect of FX differences	15	2
Balance as at 31 December	**2 377**	**7 019**

The Company assesses the expected credit losses (ECL model) from trade and other receivables as follows:

Type of Loss Allowance	***Stage***	***Within Maturity***	***0 – 30***	***31 – 60***	***61 – 90***	***91 – 180***	***181 – 270***	***271 – 365***	***365+***
General	2					30%	50%	80%	100%
Specific*	2			Receivable amount over EUR 150 000 **					
Specific*	3					Receivable amount over EUR 50 000 ***			
Specific*	2	Litigation, military conflict, etc.							
Specific*	3	Litigation, military conflict, etc.							

* *The amount of the specific loss allowance is determined based on an individual assessment of the respective receivables.*
** *The assessment of a specific loss allowance relates to all trade and other receivables from a business partner, where at least EUR 150 000 is overdue by more than 30 days.*
*** *The assessment of a specific loss allowance relates to all trade and other receivables from a business partner, where at least EUR 50 000 is overdue by more than 90 days.*

(in thousands EUR, unless stated otherwise)

The Company assesses input parameters for expected credit losses (ECL model) from trade and other receivables, which primarily include the historical credit loss rate and a forecast of future economic conditions. For trade receivables and contract assets, the Company considers lifetime expected credit losses. For other receivables classified as Stage 1, the following 12-month period is considered. As regards other receivables classified as Stage 2 and Stage 3, the Company considers lifetime expected credit losses. When determining the historical credit loss rate in 2024, the Company took into account a 3-year period (2021 – 2023), for which the amount of written-off trade and other receivables was immaterial.

Stage 1

The Company considered expected credit losses from other receivables to be immaterial in the current and immediately preceding reporting periods and thus no expected credit losses were recognised.

Stage 2

The trade and other receivables specified above are categorised in Stage 2.

The bulk of receivables categorised in this Stage are trade receivables, for which the Company takes into consideration lifetime expected credit losses.

Stage 3

The trade and other receivables specified above are categorised in Stage 3. The bulk of receivables categorised in this Stage are trade and other receivables from I-SET Software LLC.

As at 31 December 2023, the Company categorised the trade and other receivables from Future Time S.r.l. and I-SET Software LLC in this Stage.

19. CONTRACT ASSETS AND OFFSETTING FINANCIAL ASSETS AND LIABILITIES

When the Company 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.

	2024	***2023***
Balance as at 1 January	23 845	22 752
Additions of contract assets	21 714	23 845
Disposals of contract assets*	(23 845)	(22 752)
Balance as at 31 December	**21 714**	**23 845**

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

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

Offset financial assets and financial liabilities are presented in the table below:

	2024	***2023***
Contract assets	21 714	23 845
Trade receivables	536	397
Trade payables	22 249	24 243

Details regarding financial assets not subject to offsetting are presented below:

	2024	***2023***
Contract assets, gross	21 714	23 845
Offsetting of contract assets	(21 714)	(23 845)
Contract assets not offset	**-**	**-**

(in thousands EUR, unless stated otherwise)

Contract assets not offset as at 31 December 2022 were classified as trade receivables as at 31 December 2023, as the contractual right to consideration became unconditional.

20. CASH, CASH EQUIVALENTS AND TERM DEPOSITS

20.1. Cash and Cash Equivalents

	2024	***2023***
Bank accounts	19 862	17 708
Bank deposits and other cash equivalents	16 558	27 220
Total	**36 420**	**44 928**

The Company invests free cash in bank term deposits (overnights, money market funds). The carrying amounts of these financial assets approximate their fair value. The Company classifies bank deposits as cash and cash equivalents, provided their maturity period does not exceed 3 months.

20.2. Term Deposits

The Company presents term deposits with a maturity of 3 to 12 months as current financial assets, separately from cash and cash equivalents:

	2024	***2023***
Term deposits	180 615	134 000
Total	**180 615**	**134 000**

21. DEFERRED TAX ASSET AND DEFERRED TAX LIABILITY

21.1. Deferred Tax Balances

	2024	***2023***
Deferred tax asset, gross	9 811	17 832
Deferred tax liability, gross	(3 274)	(7 075)
Deferred tax asset, net	**6 537**	**10 757**

Deferred tax assets/(liabilities) broken down by temporary differences:

	Deferred Tax Asset (+)/Deferred Tax Liability (-) as at 1 Jan 2024	***Charged to Profits/ Losses***	***Recognised in Other Comprehensive Income***	***Deferred Tax Asset (+)/Deferred Tax Liability (-) as at 31 Dec 2024***
Deferred income	7 424	(5 721)	-	1 703
Capitalised costs of obtaining a contract	(4 208)	3 421	-	(788)
Right-of-use assets	(2 867)	380	-	(2 486)
Lease liabilities	3 051	(368)	-	2 683
Non-current tangible and intangible assets	670	21	-	691
Provisions	2 654	1 034	2	3 691
Tax loss	2 379	(2 379)	-	-
Other	1 652	(610)	-	1 043
Total	**10 757**	**(4 222)**	**2**	**6 537**

(in thousands EUR, unless stated otherwise)

	Deferred Tax Asset (+)/Deferred Tax Liability (-) as at 1 Jan 2023	***Charged to Profits/ Losses***	***Recognised in Other Comprehensive Income***	***Deferred Tax Asset (+)/Deferred Tax Liability (-) as at 31 Dec 2023***
Deferred income	30 162	(22 737)	-	7 424
Capitalised costs of obtaining a contract	(18 487)	14 279	-	(4 208)
Right-of-use assets	(3 031)	164	-	(2 867)
Lease liabilities	3 154	(103)	-	3 051
Non-current tangible and intangible assets	982	(312)	-	670
Provisions	2 264	385	5	2 654
Tax loss	6 351	(3 972)	-	2 379
Deduction of R&D expenses	879	(879)	-	-
Other	1 657	(5)	-	1 652
Total	**23 932**	**(13 180)**	**5**	**10 757**

As at 31 December 2024 and 31 December 2023, the Company did not record unrecognised deferred tax assets.

22. TRADE AND OTHER PAYABLES

	2024	***2023***
Trade payables	9 711	11 861
Distribution liabilities	47 923	47 743
Employee benefits liabilities	5 229	5 130
Social security liabilities	3 196	2 979
Other tax liabilities	1 042	1 625
Other payables	6 659	6 906
Total	**73 759**	**76 245**
Of which:		
Liabilities within maturity	*73 678*	*76 219*
Overdue liabilities	*81*	*26*

	2024	***2023***
Overdue liabilities	**81**	**26**
Of which:		
Overdue by up to 30 days	*59*	*25*
Overdue between 30 – 90 days	*22*	*1*
Overdue by more than 90 days	-	-

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

23. LEASES

The Company 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.

(in thousands EUR, unless stated otherwise)

Right-of-use assets in EUR '000

	2024	***2023***
At 1 January	13 689	14 448
Additions	516	2 700
Disposals	-	-
Depreciation	(3 815)	(3 459)
At 31 December	**10 390**	**13 689**

Recognised right-of-use assets apply to the buildings in which the Company operates.

Lease liabilities in EUR '000

	2024	***2023***
At 1 January	14 534	15 024
Additions	516	2 671
Disposals	-	-
Accrued interest expense	396	438
Lease payments	(4 262)	(3 598)
At 31 December	**11 184**	**14 534**
Of which:		
Current lease liabilities	*4 124*	*3 826*
Non-current lease liabilities	*7 060*	*10 708*
Of which:		
Non-current lease liabilities falling due in 1-5 years	*6 941*	*10 380*
Non-current lease liabilities falling due in over 5 years	*119*	*328*

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

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 31 December 2023: 3.03%
- At 31 December 2024: 3.10%

Lease liabilities under IFRS 16 in EUR '000 and discount

	2024	***2023***
Lease liabilities net of discount	11 721	15 432
Discount	(537)	(897)
Lease liabilities after discounting	**11 184**	**14 534**
Weighted average interest rate	3.10%	3.03%

The Company leases primarily business premises and data centres under an operating lease. 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 some 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 amount of the finance lease liability.

Estimated future variable lease payments arising from lease contracts capitalised under IFRS 16 total EUR 3 417 thousand and have the following maturity structure:

	2024	***2023***
Falling due in up to 1 year	1 268	1 602
Falling due in 1-5 years	2 108	4 126
Falling due in over 5 years	41	120
	3 417	**5 848**

(in thousands EUR, unless stated otherwise)

Profit/(loss) as at 31 December 2024 and 31 December 2023 in respect of IFRS 16 in EUR '000

	2024	***2023***
Depreciation of right-of-use buildings	3 815	3 459
Interest expense from lease liabilities	396	438
Expenses relating to low-value assets	17	11
Expenses relating to short-term leases	356	314
Expenses relating to variable lease payments	1 268	1 577

The breakdown of the total amount of variable lease payments recognised in the separate statement of comprehensive income for the year ended 31 December 2024 and 31 December 2023 is as follows:

	2024	***2023***
Rent	1 268	1 577

The Company 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 December 2024 amount to EUR 3 thousand (2023: EUR 2 thousand), total lease liabilities from short-term leases amount to EUR 75 thousand (2023: EUR 78 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. 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.

A summary of future lease payments to which IFRS 16 was not applied (leased low-value assets, short-term leases, other assets):

	2024	***2023***
Falling due in up to 1 year	75	78
Falling due in 1 to 5 years	-	-
Falling due in over 5 years	-	-
	75	**78**

24. PROVISIONS

Employee benefits are recognised in the statement of financial position as follows:

	2024	***2023***
Current provisions	1 688	1 434
Non-current provisions	10 425	8 751
Of which:		
Maturity up to 5 years	*4 380*	*3 682*
Maturity over 5 years	*6 045*	*5 069*
Total	**12 113**	**10 185**

(in thousands EUR, unless stated otherwise)

	2024	***2023***
Provision for management and key personnel bonuses	2 833	2 006
Of which:		
Current provisions	*1 022*	*638*
Non-current provisions	*1 811*	*1 368*
Provision for retirement payments	334	275
Of which:		
Current provisions	*10*	*19*
Non-current provisions	*324*	*256*
Provision for loyalty bonus	3 250	2 563
Of which:		
Current provisions	*218*	*165*
Non-current provisions	*3 031*	*2 398*
Provision for loyalty vacation days	5 696	4 898
Of which:		
Current provisions	*438*	*380*
Non-current provisions	*5 258*	*4 518*
Other provisions	-	443
Of which:		
Current provisions	-	*233*
Non-current provisions	-	*210*
Total	**12 113**	**10 185**

The provisions include a provision for employee benefits and other provisions. The provision for employee benefits was created in connection with employee loyalty benefits and employee loyalty vacation days, a provision for bonuses to the Company's management and key personnel and a provision for retirement payments.

(in thousands EUR, unless stated otherwise)

The change in the present value of the employee benefit obligation is presented in the table below:

	Post-employment Benefits		***Other Long-term Benefits***	
	2024	***2023***	***2024***	***2023***
Present value of obligations as at 1 January	**275**	**216**	**9 467**	**8 540**
Changes in provided benefits	-	-	-	-
Current service cost	38	37	1 872	1 539
Interest expense	9	7	306	265
Benefit plan contributions – employees	-	-	-	-
Actuarial (gains) losses due to other changes	3	15	683	(39)
Actuarial (gains) losses due to changes in assumptions	12	17	92	719
Of which:	-	-	-	-
Actuarial (gains) losses due to changes in demographic assumptions	19	26	249	290
Actuarial (gains) losses due to changes in financial assumptions	(6)	(10)	(157)	429
Benefits paid	(3)	(17)	(641)	(1 556)
Income on benefit plan assets	-	-	-	-
Past service cost	-	-	-	-
Other	-	-	-	-
Amounts recognised in the statement of profit or loss	**47**	**35**	**2 311**	**927**
Amounts recognised in other comprehensive income	**12**	**23**	**-**	**-**
Present value of obligations as at 31 December	**334**	**275**	**11 779**	**9 467**

The following actuarial assumptions were used when calculating provisions for long-term employee benefits:

	2024	***2023***
Weighted average turnover rate	7.07%	7.45%
Weighted average increase in wages and salaries	3.00%*	3% - 5%
Weighted average discount rate	2.90% - 3.39%	3.39% - 4.31%

**Anticipated annual wage growth in 2025 and in subsequent years is 3.00%.*

The sensitivity analysis of the provisions to a change in material assumptions is presented below:

	Present Value of the Provision	***Sensitivity to Change in Discount Rate***		***Sensitivity to Change in Average Wages and Salaries***		***Sensitivity to Change in Turnover***	
	31 Dec 2024	***+100 Basis Points***	***-100 Basis Points***	***+100 Basis Points***	***-100 Basis Points***	***+10%***	***-10%***
Work anniversary - Loyalty vacation days	5 696	5 275	6 179	6 210	5 240	5 357	6 069
Retirement payments	334	284	396	396	283	293	382
Loyalty bonus	3 250	2 999	3 537	x	x	3 048	3 471
Management and key personnel bonuses	2 833	2 770	2 898	x	x	x	x

(in thousands EUR, unless stated otherwise)

	Present Value of the Provision	***Sensitivity to Change in Discount Rate***		***Sensitivity to Change in Average Wages and Salaries***		***Sensitivity to Change in Turnover***	
	31 Dec 2023	***+100 Basis Points***	***-100 Basis Points***	***+100 Basis Points***	***-100 Basis Points***	***+10%***	***-10%***
Work anniversary - Loyalty vacation days	4 898	4 541	5 307	5 335	4 510	4 595	5 233
Retirement payments	275	236	323	322	235	241	314
Loyalty bonus	2 563	2 365	2 790	x	x	2 394	2 749
Management and key personnel bonuses	2 006	1 957	2 057	x	x	x	x

As at 31 December 2024 and 31 December 2023, the Company carried out a sensitivity analysis of the actuarial assumptions which were used in the calculation of the present value of a liability related to different types of provisions and also had a material impact on the amount of these liabilities.

25. DEFERRED INCOME

	2024	***2023***
Balance as at 1 January	473 097	446 673
Consideration for services to be provided in the future	716 744	653 716
Released to revenues for the current year	(691 593)	(627 293)
Of which: released deferred income included in the opening balance	*(323 502)*	*(297 872)*
Balance as at 31 December	**498 248**	**473 097**
Of which:		
Current deferred income	*350 110*	*323 355*
Non-current deferred income	*148 138*	*149 742*

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

The difference between the current portion of deferred income as at 31 December 2023 and the deferred income released in 2024 and included in the opening balance is represented by customer contract modifications.

In the immediately-preceding reporting period, the Company originally presented a decrease in non-current and current deferred income due to the reclassification of receivables not deemed enforceable or due under "Released to revenues for the current year" in the amount of EUR 12 450 thousand. In the current reporting period, the Company discloses the impact of the reclassification under "Consideration for services to be provided in the future". For the purposes of comparability, information for the previous reporting period was restated.

26. CONTINGENT ASSETS AND LIABILITIES

26.1. Contingent Assets

The Company only recognises as assets on the balance sheet receivables which represent an unconditional right to a consideration. Receivables are recognised when an unconditional amount of the consideration is enforceable or falls due.

As at 31 December 2024, the Company records contingent receivables from the sale of licences and services amounting to EUR 99 622 thousand (31 December 2023: EUR 98 105 thousand). These receivables are not enforceable and due at the end of the reporting period, but the Company expects them to fall due on average within 30 days after 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.

26.2. Contingent Liabilities

The Company's tax returns remain open and may be subject to review over a five-year period, or a ten-year period in the event of the application of international tax treaties, following the filing of a tax return. The fact that a certain period or a tax return related to that period was subject to review does not exclude this period from any other review during the period of five or ten years. Accordingly, as at 31 December 2024, the Parent Company's tax returns for 2019 (or 2014 if a ten-year period applies) to 2024 remain open and may be subject to review.

On 22 February 2024, the Company's Management Board approved the provision of a financial contribution of EUR 3 000 thousand to the Kempelen Institute of Intelligent Technologies to have an option to apply for a grant from the European Commission (EC).

As at 31 December 2024, the Company classified the provision of the financial contribution as a contingent liability as its provision is subject to obtaining the EC grant. The grant agreement between the EC and the Kempelen Institute of Intelligent Technologies was signed in March 2025. Based on the signed grant agreement, the Company will recognise the expense for the provided financial contribution and the related liability in the financial statements prepared for 2025.

27. LITIGATION

FINJAN Inc.

In the preceding period, the Company and its subsidiaries were a party to three litigations with FINJAN Inc. In 2024, the remaining two legal disputes ended:

1. 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.
2. Litigation for patent invalidity (the original litigation ended in 2022) involving ESET spol. s r.o. as the plaintiff and FINJAN Inc. as the defendant. FINJAN Inc. took legal action with regard to an alleged breach of this patent in the above litigation.

In January 2024, the court dismissed the action under paragraph 1 and ordered FINJAN Inc. to reimburse ESET, spol. s r.o. for its legal representation costs. FINJAN Inc. failed to lodge an appeal by the statutory deadline, and therefore the litigation is finally concluded.

Due to the termination of the litigation under paragraph 1, the Company withdrew the action under paragraph 2 on 28 February 2024.

Future Time S.r.l.

In February 2022, the Arbitration Court of the Slovak Chamber of Commerce and Industry issued an award dismissing the action of Future Time S.r.l. in its entirety, partially acknowledged the Company's counterclaims, and ordered both parties to pay certain costs of the proceedings.

Future Time S.r.l. entered into liquidation on 11 November 2022. In April 2023, an Italian court recognised the arbitral award of the Slovak Chamber of Commerce and Industry and it thus became automatically enforceable. The Company is the sole creditor, as a result of which it was paid assets totalling EUR 275 thousand as part of the liquidation, of which EUR 250 thousand was paid at the end of 2023. The Company partially reversed the loss allowance created for the receivable in an amount equalling the received asset.

In December 2024, the Company decided to write off an irrecoverable portion of the receivable from Future Time S.r.l. and released the created loss allowance in that amount (see Note 18. Trade and Other Receivables).

28. COMMITMENTS

As at 31 December 2024, the Company had concluded no significant contracts for the purchase of non-current tangible and intangible assets.

(in thousands EUR, unless stated otherwise)

29. COSTS OF AUDIT SERVICES

	2024	*2023*
Costs of auditing financial statements	228	229
Tax services	5	8
Other non-audit services	1	1

Tax services in the current reporting period, as in the immediately-preceding reporting period, primarily comprised advisory on withholding tax in India and the tax return preparation in relation to an equalization levy in India.

30. RELATED PARTIES

Identification of Related Parties

As stated in the following overview, in accordance with IAS 24 Related Party Disclosures, the Company identified that it is a related party to the following entities:

1. Members of Senior Management of the Company, shareholders of the Company and members of the Supervisory Board (Note 1.1);
2. Subsidiaries (a list of subsidiaries is presented in Note 6);
3. Other related parties in terms of personnel.

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

30.1. Transactions with Company Shareholders, Members of Senior Management and Supervisory Board

Transactions with natural persons under point 1 above are presented below:

	2024	*2023*
Short-term employee benefits	4 059	4 256
Other long-term employee benefits	1 206	416
Employment termination benefits	42	51
Total	**5 307**	**4 722**

(in thousands EUR, unless stated otherwise)

30.2. Transactions with Other Related Parties

Transactions with related parties under points 2 and 3 above applicable to the separate statement of comprehensive income are presented below:

2024 Company Name	***Revenues from the Provision of End-user Licences and Services****	***Costs of Obtaining a Contract***	***Other Income***	***Other Expenses***	***Dividends Received***
Subsidiaries	353 303	220 583	554	42 078	5 828
Other related parties	-	-	-	1 000	-
Total	**353 303**	**220 583**	**554**	**43 078**	**5 828**

* *Revenues from the provision of end-user licences and services from sales made via subsidiaries.*

2023 Company Name	***Revenues from the Provision of End-user Licences and Services****	***Costs of Obtaining a Contract***	***Other Income***	***Other Expenses***	***Dividends Received***
Subsidiaries	322 436	203 857	5 167	41 021	4 994
Other related parties	-	-	-	1 000	-
Total	**322 436**	**203 857**	**5 167**	**42 021**	**4 994**

**Revenues from the provision of end-user licences and services from sales made via subsidiaries.*

Other expenses primarily comprise costs reinvoiced from subsidiaries. Reinvoiced costs primarily comprise R&D expenses, costs of technical support provided to customers, costs of global staff, etc.

(in thousands EUR, unless stated otherwise)

Transactions with related parties under points 2 and 3 above applicable to the separate statement of financial position are presented below:

2024 ***Company Name***	***Receivables***	***Payables***	***Current Deferred Income****	***Non-current Deferred Income****	***Current Capitalised Contract Costs***	***Non-current Capitalised Contract Costs***
Subsidiaries	2 597	32 757	176 147	76 019	134 747	61 110
Other related parties	-	-	-	-	-	-
Total	**2 597**	**32 757**	**176 147**	**76 019**	**134 747**	**61 110**

* *Deferred income from the provision of end-user licences and services from sales made via subsidiaries*

2023 ***Company Name***	***Receivables***	***Payables***	***Current Deferred Income****	***Non-current Deferred Income****	***Current Capitalised Contract Costs***	***Non-current Capitalised Contract Costs***
Subsidiaries	1 698	33 795	160 788	75 364	124 597	60 752
Other related parties	-	600	-	-	-	-
Total	**1 698**	**34 395**	**160 788**	**75 364**	**124 597**	**60 752**

* *Deferred income from the provision of end-user licences and services from sales made via subsidiaries*

(in thousands EUR, unless stated otherwise)

31. FINANCIAL RISK MANAGEMENT

The difference between the net book value and fair value of cash and cash equivalents, trade receivables and payables and other current receivables and payables is not material.

31.1. Risk Management

The Company is exposed to various financial risks such as market risk (mainly, foreign exchange risk), liquidity risk and credit risk. As the Company did not draw any loans, it is not exposed to interest rate risk or credit risk. The Company 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 separate statement of financial position. The Company has set rules to manage these exposures; risk management is performed by the Company's finance department.

The Company maintains cash balances and short-term investments with a number of financial institutions. The Company invests with highly-rated financial institutions. The Company has no significant interest-bearing assets with a floating interest rate, other than cash balances in bank accounts.

31.2. Foreign Exchange Risk

The Company 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 Company. The Company does not use any special financial instruments to hedge against foreign exchange risk. The Company 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 Company (in EUR '000):

	2024					
	USD	***CZK***	***PLN***	***CAD***	***GBP***	***JPY***
Cash and cash equivalents	7 188	1 791	487	270	1 423	3 090
Term deposits	25 315	-	-	-	-	-
Trade and other payables	15 235	5 505	1 114	1 929	1 238	3 324

	2023					
	USD	***CZK***	***PLN***	***CAD***	***GBP***	***JPY***
Cash and cash equivalents	6 657	1 748	217	473	2 213	3 235
Trade and other payables	14 826	4 787	1 260	1 987	3 691	2 868

The Company also has assets and liabilities denominated in Brazilian real, Romanian leu, Argentinian peso and Australian dollar, which are immaterial to the Company.

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.

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

	Exchange Rate as at 31 Dec 2024	***Exchange Rate Appreciation by 10%***	***Exchange Rate Depreciation by 10%***
EUR/USD	1.0389	1.1428	0.9350
EUR/CZK	25.1850	27.7035	22.6665
EUR/JPY	163.0600	179.3660	146.7540
EUR/GBP	0.8292	0.9121	0.7463
EUR/PLN	4.2750	4.7025	3.8475
EUR/AUD	1.6772	1.8449	1.5095
EUR/BRL	6.4253	7.0678	5.7828
EUR/CAD	1.4948	1.6443	1.3453
EUR/RON	4.9743	5.4717	4.4769

(in thousands EUR, unless stated otherwise)

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 from the translation of assets and liabilities on the profit/loss recognised in the separate statement of comprehensive income would be as follows:

31 Dec 2024	***Exchange Rate Appreciation by 10%***	***Exchange Rate Depreciation by 10%***
EUR/USD	(1 728)	2 112
EUR/CZK	336	(411)
EUR/PLN	57	(70)
EUR/CAD	148	(181)
EUR/GBP	(17)	21
EUR/JPY	19	(24)
EUR/ARS	-	-
EUR/AUD	32	(40)
EUR/RON	9	(11)
EUR/BRL	34	(41)

31 Dec 2023	***Exchange Rate Appreciation by 10%***	***Exchange Rate Depreciation by 10%***
EUR/USD	666	(815)
EUR/CZK	276	(338)
EUR/PLN	95	(116)
EUR/CAD	137	(167)
EUR/GBP	134	(164)
EUR/JPY	(42)	51
EUR/ARS	-	-
EUR/AUD	37	(46)
EUR/RON	14	(17)
EUR/BRL	42	(52)

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.

31.3. Exchange Rates

Currency	***Average Exchange Rate for 2024***	***Exchange Rate as at 31 Dec 2024***	***Average Exchange Rate for 2023***	***Exchange Rate as at 31 Dec 2023***
EUR/USD	1.0824	1.0389	1.0813	1.1050
EUR/CZK	25.1198	25.1850	24.0043	24.7240
EUR/JPY	163.8519	163.0600	151.9903	156.3300
EUR/GBP	0.8466	0.8292	0.8698	0.86905
EUR/PLN	4.3058	4.2750	4.5420	4.3395
EUR/AUD	1.6397	1.6772	1.6288	1.6263
EUR/BRL	5.8283	6.4253	5.4010	5.3618
EUR/CAD	1.4821	1.4948	1.4595	1.4642
EUR/RON	4.9746	4.9743	4.9467	4.9756

31.4. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to settle its financial liabilities when due. The Company manages the liquidity risk by ensuring sufficient liquidity to settle its liabilities when due.

The Company keeps a sufficient volume of cash primarily from its own funds. The management monitors the sufficiency of liquid reserves based on the forecasted cash flows. At the end of the reporting period, the Company had demand deposits in the amount of EUR 36 420 thousand (2023: EUR 44 928 thousand) and 3-month to 12-month term deposits in the amount of EUR 180 615 thousand (2023: EUR 134 000 thousand), which are expected to rapidly generate cash flows to manage the liquidity risk.

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

The Company's deposits are not covered by any special insurance. The management believes that the non-insured portion is placed in financial institutions where no concern regarding their insolvency exists at present.

(in thousands EUR, unless stated otherwise)

The following tables present the maturity of financial liabilities and assets based on contractual non-discounted payments:

2024

Financial Assets	***Net Book Value***	***Expected Cash Flows***				
		Total	***On Demand***	***Up to 1 Year***	***Up to 5 Years***	***Over 5 Years***
Cash and cash equivalents	36 420	36 420	36 420	-	-	-
Bank deposits	180 615	180 615	-	180 615	-	-
Trade and other financial receivables*	3 565	3 565	484	3 081	-	-
Contingent assets*	99 622	99 622	-	99 622	-	-
Other non-current assets**	1 554	1 627	-	-	1 549	78

**The On Demand category represents overdue receivables. For more information on contingent receivables, see Note 26.1 Contingent Assets.*
***The difference between the net book value of other non-current assets and the related expected cash flows represents non-current receivables discounted to their present value. The Company only includes other non-current assets that are part of financial assets in other non-current assets.*

2023

Financial Assets	***Net Book Value***	***Expected Cash Flows***				
		Total	***On Demand***	***Up to 1 Year***	***Up to 5 Years***	***Over 5 Years***
Cash and cash equivalents	44 928	44 928	44 928	-	-	-
Term deposits	134 000	134 000	-	134 000	-	-
Trade and other receivables*	2 821	2 821	1 242	1 578	-	-
Contingent assets*	98 105	98 105	-	98 105	-	-
Other non-current assets**	1 462	1 575	-	-	1 498	78

**The On Demand category represents overdue receivables. For more information on contingent receivables, see Note 26.1 Contingent Assets.*
***The difference between the net book value of other non-current assets and the related expected cash flows represents non-current receivables discounted to their present value. The Company only includes other non-current assets that are part of financial assets in other non-current assets.*

2024

Financial Liabilities	***Net Book Value***	***Expected Cash Flows***				
		Total	***On Demand****	***Up to 1 year***	***Up to 5 years***	***More than 5 Years***
Trade and other payables	70 563	70 563	82	70 481	-	-
Lease liabilities**	11 184	11 721	-	4 411	7 189	120
Other non-current liabilities	992	992	-	-	992	-

**Liabilities payable on demand represent overdue liabilities.*
***The difference between the net book value of lease liabilities and the related expected cash flows represents a future interest expense included in lease instalments.*

2023

Financial Liabilities	***Net Book Value***	***Expected Cash Flows***				
		Total	***On Demand****	***Up to 1 year***	***Up to 5 years***	***More than 5 Years***
Trade and other payables	73 266	73 266	26	73 240	-	-
Lease liabilities**	14 534	15 432	-	4 214	10 877	341
Other non-current liabilities	782	782	-	-	782	-

**Liabilities payable on demand represent overdue liabilities.*
***The difference between the net book value of lease liabilities and the related expected cash flows represents a future interest expense included in lease instalments.*

31.5. Credit Risk

Credit risk is a risk arising from the possible inability or unwillingness of a debtor to settle its payables. The Company manages credit risk appropriately, primarily by applying an individual approach to its major business partners. The Company regularly monitors the payment discipline of its business partners.

Most of the Company's revenues are generated from cooperation with long-term foreign partners that have an excellent record as regards long-term payment discipline. As regards credit risk, the Company categorises its customers as follows:

1. Foreign business partners – their payment discipline is monitored on a weekly basis. To date, the payment discipline of this group of partners has been excellent, except for partners with whom cooperation has been terminated.

2. Subsidiaries – at the level of subsidiaries, management monitors their relationships with business partners and regularly evaluates induced insolvency of the subsidiaries.

3. Slovak end customers – credit risk is mitigated automatically. If a customer fails to pay an issued invoice within 14 days of purchasing a licence, a credit note is automatically issued and the licence is deactivated.

4. Slovak resellers – credit risk is managed using a short maturity period of issued invoices. If an invoice is unpaid when due, a reminder is sent automatically and non-cooperating partners are suspended from ordering licences. The access of such a partner is restored after documenting the settlement of all overdue invoices.

The expected percentage of credit losses and the loss allowance for receivables are described in Note 18 Trade and Other Receivables.

32. CAPITAL MANAGEMENT

The Company 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. The Company takes into consideration future investment needs when managing its own capital.

33. OTHER INFORMATION

33.1. Military Conflict in Ukraine

In 2022, the Company decided to end the sale of products to new customers in Russia and Belarus to make clear its position and support for Ukraine and its people.

This issue had an impact on the carrying amount of the Company's receivables as at 31 December 2024. In the immediately-preceding reporting periods, in the light of the above situation and sanctions against the Russian Federation, the Company created a loss allowance for trade receivables from I-SET Software LLC equalling the total receivable amount of EUR 1 625 thousand.

In 2024, the Company provided humanitarian aid in the amount of EUR 142 thousand via the ESET Foundation. This amount was used to support non-profit humanitarian organisations working in Ukraine, and to set up a system of financial assistance for Ukrainian refugees and ESET employees providing them with accommodation.

33.2. Creation of New Companies

In March 2023, Company shareholders approved a plan for creating two new companies which will not be part of the Group:
- ESET Science Campus company;
- A holding company via which shareholders will hold their shares in the newly-created ESET Science Campus company.

Both newly-created companies will be linked with the Company in terms of personnel (via the shareholders of the Company). The future transactions between the Company and the newly-created companies above will represent transactions with related parties.

After creating the above companies, the Company plans to transfer the ESET Science Campus project in the amount of EUR 45 158 thousand to a new entity, ESET Science Campus.

In March 2023, Company shareholders also approved a change to the legal form of the Company from a limited liability company to a joint-stock company.

Based on the evaluation of the current status and development of the analyses and preparation work for the project, the Company does not expect the formation of the new companies stated above and the transfer of the ESET Science Campus project will take place in 2025.

The Group concluded that the plan for transferring the ESET Science Campus project to a new company did not meet the requirements of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations for presentation as a separate line item in the separate statement of financial position as at 31 December 2024.

33.3. Environmental, Social and Governance as Part of Responsible Business Conduct

ESET considers environmental, social and governance (ESG) as part of responsible business conduct. In 2024, ESET approved and continued implementing the Global ESG Strategy and aligning internal processes related to ESG strategy implementation, monitoring and reporting in line with ESRS (European Sustainability Reporting Standards). As of 2022, in accordance with EU Regulation 2080/852 of 18 June 2020 ("Taxonomy Regulation") and Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021, on behalf of the Group, ESET examines all economic activities eligible under the Taxonomy that are typical professional IT services activities. In 2024, the Company prepared an impact, risk and opportunity assessment (IRO) related to sustainability. In 2025, the Company is preparing an additional assessment of physical and transition climate risks.

As part of the environmental aspects, the Company has begun assessing the impact of climate change on the financial statements. For the financial statement items, the Company will assess the potential impairment of recognised assets and the origin of liabilities due to climate change. At this stage, no significant impact of climate change on the Company's financial statements has been identified.

34. EVENTS AFTER THE DATE OF THE STATEMENT OF FINANCIAL POSITION

The inheritance proceedings for the deceased shareholder Rudolf Hrubý ended on 7 March 2024. Elena Hrubá and Ján Hrubý became equal heirs to the business share. On 28 March 2024, the heirs were entered in the Business Register of the Slovak Republic as the shareholders.

Mr Ján Hrubý became the sole owner of the business share on 15 February 2025 based on the donation of a portion of the business share held by Ms Elena Hrubá and the settlement of the original co-ownership of the business share.

On 22 February 2024, the Company's Management Board approved the provision of a financial contribution of EUR 3 000 thousand to the Kempelen Institute of Intelligent Technologies to have an option to apply for a grant from the European Commission (EC).

(in thousands EUR, unless stated otherwise)

As at 31 December 2024, the Company classified the provision of the financial contribution as a contingent liability as its provision is subject to obtaining the EC grant. The grant agreement between the EC and the Kempelen Institute of Intelligent Technologies was signed in March 2025. Based on the signed grant agreement, the Company will recognise the expense for the provided financial contribution and the related liability in the financial statements prepared for 2025.

In March 2025, the Company made a commitment to continue providing support to its subsidiary, ESET RESEARCH UK Limited, in connection with software development and other activities related to software development up to EUR 2 000 thousand. The Company made the commitment to this support to demonstrate the ability of the subsidiary, ESET RESEARCH UK Limited, to continue as a going concern for a period of 12 months following the approval of its separate financial statements prepared as at 31 December 2024.

The details of the current status of the Company's ongoing litigations are provided in Note 27 Litigations.

In addition to the above, no other events occurred after 31 December 2024 that would have a material impact on the Company's financial position or operations.

35. OTHER SUPPLEMENTARY INFORMATION REQUIRED PURSUANT TO SLOVAK LEGISLATION

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

R&D expenses

In 2024, the Company recognised research and development expenses and applied a tax credit pursuant to the Income Tax Act. Information on the amount of expenses eligible for tax credit is presented in the table below:

	2024	*2023*
R&D expenses	9 859	8 877

Social fund payables, opening balance, creation, drawing, balance at the end of the reporting period for the Company

	2024	*2023*
Balance at 1 January	354	252
+ Creation debited to expenses	984	942
- Drawing	(811)	(840)
- Transfer to funds from profit	-	-
Balance at 31 December	**527**	**354**

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 Separate Financial Statements:***	***Signature of the Person Responsible for Bookkeeping:***
7 May 2025			
Approved on:			
7 May 2025			

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