

We Invest in the Future

1 July 2017 – 30 June 2018

18

Annual Report 2018

We Invest in the Future

1 July 2017 – 30 June 2018

Brno, 4 March 2019

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KEY DATA

(in thousands of CZK)	30/06/17	30/06/18
SALES	858,090	1,147,429
EBITDA	110,071	120,123
Personnel costs	449,105	591,680
Personnel costs y/y		31.7 %
Profit before tax	37,615	50,210
Profit before tax y/y		33.5 %
Assets	1,109,846	1,265,332
Equity	822,270	847,396
Short-term payables	97,911	185,493
Long-term payables	40,762	50,665
Number of employees	512	614

**YEAR-ON-YEAR GROWTH
IN CLOUD SALES**
(in thousands of CZK)



52%

2017
CZK 73,741

2018
CZK 112,454

COMPANY HISTORY

1946

Founding of the Group's oldest company –
Data Systems Austria, now JET ERP

1988

Founding of Saop.

1990

Martin Cígler founded CÍGLER SOFTWARE,
now Solitea Česká republika.

1991

Miroslav Říha, Vladimír Králíček and Luboš Ježek founded J.K.R.,
now Byznys Software.

1992

Pavel Havránek and Vítězslav Kotrs founded CDL.

1995

Štěpán Pokorný and Miloš Novák founded Altus software.

1996

Founding of Aquasoft, now Solitea Business Solutions.

2013

CÍGLER SOFTWARE acquires Altus software,
forming the foundation of the future holding.



2014

The Solitea holding is created. One month after its founding, it expands its portfolio in the enterprise segment and HR systems solutions by acquiring Aquasoft (now Solitea Business Solutions) and Vema.

2015

Solitea strengthens its position in the Czech ERP systems market by acquiring J.K.R. (now Byznys software), a traditional Czech producer of ERP systems for SMBs.

2016

Solitea enters the Balkan markets by acquiring Saop, the Slovenian SMB market leader. At the same time, it begins to present and strengthen its own brand, and Aquasoft is renamed Solitea Business Solutions.

2017

Solitea continues to strengthen the brand by renaming CÍGLER SOFTWARE Solitea Česká republika and J.K.R. to Byznys software. It acquires CDL SYSTEM, now Solitea CDL, a major partner of Microsoft and a supplier of infrastructure solutions. The company achieves an annual growth of 28 percent, and its turnover exceeds CZK one billion. At the end of 2017, the company has over 640 employees.

2018

Altus software merges with Byznys software. According to Aon Hewitt, we become the best employer in the Czech Republic among medium-sized companies. SAOP and Vema align their fiscal year to Solitea. We found Solitea Pay, a company specialized in placing POS hardware on European markets. Solitea achieves year-on-year growth of 25 percent and exceeds CZK 1 billion in sales. At the end of 2018, the holding has over 600 employees.

01

STABLE GROWTH, A FOCUS ON CLOUD SOLUTIONS AND STRENGTHENING THE SOLITEA BRAND

Today, Solitea serves clients from most of the European Union and beyond; and in 2018, we found our first clients in China. However, the small Central European and Balkan economies where we have our own branches and talented employees continue to be Solitea's home markets.

In a highly competitive environment of small economies, Solitea aims to consolidate the market and thus streamline the development of its software. Through its activities, Solitea promotes competitiveness and contributes to the growth and efficiency of its clients' internal business processes.



In fiscal year 2018, Solitea and its subsidiaries achieved a 25 percent increase in revenue compared to fiscal year 2017. In spite of extensive R&D investment, EBITDA stood at CZK 120,123 thousand. The growth was partly organic and partly through strategic acquisitions. The excellent results are due to the good economic situation in most markets where Solitea operates and the high growth in revenue from new cloud services.

STRONG GROWTH IN ALL SEGMENTS OF OUR SOLUTIONS

As its own software supplier, Solitea has a high market share and brand awareness in the Czech Republic, Slovakia and Slovenia. In this area, Solitea aims to be the national leader in the regions where it operates. Thanks to the acquisition of CDL SYSTEM, we have also strengthened our position as a solution provider on the Microsoft platform.

In the past, Solitea invested heavily in cloud solutions, and, as a result, it is today becoming a market leader in the regions where it operates. Both of our cloud solutions for the target segment of self-employed persons and small businesses have achieved double-digit growth. Minimax, which is distributed in Slovenia, Croatia and Serbia, increased revenues by 16.7 percent to EUR 1.75 million and further strengthened our position as the leader in the Slovenian market. Already in its first year, iDoklad reached revenues of CZK 28 million. We consider it a great success that 31 percent of active users have bought an iDoklad subscription. In addition, the number of clients increased by 40 percent year on year in the Czech Republic and Slovakia – iDoklad had over 150,000 accounts as of 30 June 2018. We also achieved immense growth in the HR cloud solutions provided by Vema. V4 Cloud achieved more than 22 percent growth, and wage outsourcing saw a 28 percent increase.

We were also very successful in the on-premise ERP systems segment, which is still the largest part of Solitea's revenue. Byznys, Money S4, Money S5 and iCenter show double-digit growth, where high sales are driven by the good economic situation and their popularity with clients who recommend them further.

The retail and POS segment grew mainly in the Czech Republic, the reason being the Electronic Registration of Sales Act. Especially thanks to the Profi Účtenka application, we have become number two in the market in terms of the number of POS solution users. Over 20,000 users use Profi Účtenka as their main POS system. Towards the end of the fiscal period, we established Solitea Pay to penetrate European markets with modern POS hardware.

As regards Microsoft products, our great achievement is the digital transformation solution in Lasvit. The company is a leading manufacturer of luxury lighting installations and light collections with many prestigious awards. But Lasvit is primarily a global company with production capacities in Europe, Asia and America. Coordinating business, design, planning, manufacturing and installation is a challenging task. At Lasvit, Solitea launches new, modern IT systems to help manage processes. These primarily include MS Dynamics NAV for economic and production management, MS Dynamics 365 for Sales for business process management, DMS on SharePoint for project management and other MS Office 365 tools for better cooperation of individual company teams. Lasvit is an example of Solitea's strategy to have global solutions in its portfolio to offer to global clients.

Solitea's most visible success in the public administration sector was the completion of the Central Electronic Prescription Repository for the State Institute for Drug Control. The solution fully covers the

prescription of medicines in the Czech Republic. The contract concerned the key user interfaces – primarily web-based and mobile applications. More than 12,000 health care facilities, 2,700 pharmacies and over 25,000 doctors are actively connected to the central repository. The system processes around 200,000 electronic prescriptions every day.

WE INVEST IN THE FUTURE

We believe that the ERP world will undergo major changes in the next few years. Investing in product development and innovation is a key factor for Solitea's success. That is why today we are investing in technologies such as machine learning and artificial intelligence, as we consider them technological catalysts for the further expansion of cloud services.

Small and medium-sized enterprises are the life force of the economy, generating more than 2/3 of new jobs. Therefore, our upcoming ERP cloud system C1 is aimed at this target group. Using state-of-the-art technologies, we want to simplify the work of these companies so that they can manage their enterprise processes more effectively and work better with human resources. At the end of fiscal year 2016, we created decentralized development centres across the holding and started developing this new ERP system. In fiscal year 2017, we developed the system core prepared for extreme loads, which can be expected in the multi-tenant operation of multiple SMBs. In fiscal year 2018, we completed the development of the beta version and Solitea became the first user of the C1 cloud ERP system. We expect that after gaining experience with its real operation, we will begin to implement C1 with the first clients at the end of fiscal year 2019.

Today, investing in the development of new cloud solutions makes up 32 percent of all development costs, and we expect this share to grow further. The

long-term strategy of the company is to gradually introduce the multi-tenant cloud ERP system with a high degree of adaptability to internal processes and client requirements into the European market by 2025. This vision is supported not only by current global IT trends, but also by our own results of our cloud products, which show the highest growth of the entire Solitea portfolio.

ACQUISITIONS

Solitea is growing not only organically, but also through acquisitions. The largest acquisition in fiscal year 2018 was the acquisition of CDL SYSTEM in September 2017. This contributed to Solitea's turnover exceeding CZK 1 billion in fiscal year 2018. Solitea CDL opens the way for marketing Microsoft's key cloud technologies, in particular a collection of products that are marketed under the name Dynamics 365. Solitea's ambition is to become Microsoft's leading Central European partner for Dynamics 365 and Power BI. At the same time, CDL SYSTEM is a supplier of Microsoft SharePoint CMS, which we have had to outsource thus far. New opportunities are being opened up thanks to CDL SYSTEM as an infrastructure supplier, as we will need to provide infrastructure solutions to large clients as part of the upcoming Solitea C1 cloud information system.

We continue to consider acquisition growth as one of the ways to further develop the Solitea Group and actively seek out companies that can give us access to new technologies, complement our portfolio or extend our regional reach.

BUILDING THE SOLITEA BRAND

Already in the autumn of 2015, we started intensive work on the brand strategy in the Solitea Holding. Marketing has become the main driver of the upcoming changes. Many of the companies acquired by Solitea had a poor marketing strategy. In addition, most of them focused on promoting the brands

of their products, while the company's own name was somewhat side-lined, as their marketing budgets did not allow them to promote both at the same time. We, therefore, saw brand strategy as one of the best opportunities for faster growth. The aim was to use the Solitea brand and the brands of the individual products.

Therefore, in the spring of 2016, we started to give precedence to the Solitea brand. The first step in this strategy was to rename Aquasoft to Solitea Business Solutions in June 2016. It was a decisive step in promoting the Solitea brand in the Czech market – in December 2016, the company won a tender for an information system for the Finnish Customs Office (Tulli) worth over CZK 600 million. It was historically the largest export of IT technology by a Czech company, which raised awareness of the Solitea brand in the Czech IT community and beyond.

We continued the rebranding work towards the end of fiscal year 2017. In spring 2017, we renamed J.K.R. to Byznys software, after the name of their main product. In June, we renamed ČÍGLER SOFTWARE to Solitea Česká republika (Solitea Slovensko). In the marketing communication of existing products, we started to use the slogan "by Solitea" and the tag "Solitea member" in the names of companies. This makes us more understandable for our clients; and synergistic marketing helps us to become more visible and gain new business opportunities.

At the end of fiscal year 2018, we renamed CDL SYSTEM to Solitea CDL. At the same time, we founded Solitea d.o.o. in Serbia, which will cover all our activities in this country.

All these steps fulfil their aim. In the markets in which we operate, the Solitea brand is becoming known and respected as a supplier of high-quality IT services and solutions.

This helps us not only to gain new business

opportunities, where our clients see us as a stronger supplier, but also in the search for new talent.

SYNERGIES AND KNOW-HOW SHARING

We are learning to take advantage of the holding's internal synergies. Unified branding or the consolidation of development departments and the joint development of cloud ERP are just the tip of the iceberg. We organize joint training of traders, consultants and developers and share business, legislative and technological know-how. This allows us to develop and gain more business opportunities at a faster rate than other companies in the markets where we operate. It also makes us an interesting strategic partner for acquisitions.

Currently, we consider it counterproductive to merge individual subsidiaries into a larger whole, at least at the country level. However, today Solitea is managed as a single entity with a defined management structure. In 2018, a Czech development team for the C1 cloud ERP was created, and all developers involved in this product were transferred under Solitea Česká republika.

Another transaction to accelerate internal synergies was the sale of Altus software to Byznys software by Solitea Česká republika. Byznys and Altus Vario do not compete in the market; the objective of this operation is to unite the management of both companies and to merge the marketing and business activities of both companies in order to make these processes more efficient.

WORK WITH TALENTS

We believe that finding and retaining the right employees is the key to Solitea's success. We are therefore trying to find talent at universities and working with students through internships, professional supervision of bachelor and master

theses and participation in university conferences. We try to attract more experienced employees by offering them a corporate culture different from that of large international corporations. Working in an informal and friendly environment is better. We always welcome new ideas, and management actually does consider them. We create a pleasant environment for the creative work of our employees, help them with their education and provide them with a number of benefits. The homely environment in our companies allows not only more flexible management, but also greater competitiveness in the labour market. Moreover, this year we also focused on personal development, and provided training to most of our employees.

All of the above investments in our employees pay off in our staff's satisfaction. An example of this is the victory of the subsidiary Byznys software, which (according to a survey by Aon Hewitt) became the best employer among small and medium-sized companies in the Czech Republic in 2017. We are building a general awareness of the Solitea brand, and today, the company is truly seen as an attractive employer.

SECURITY AND PROTECTION OF PERSONAL DATA

We pay great attention and allocate considerable resources to the holding's internal ICT systems. We expect them to ensure the maximum efficiency of internal cooperation while providing high security. We meet the requirements of the ISMS

standard ISO 2700, ensuring operability according to the recommendations of the Uptime Institute. We of course also comply with GDPR requirements.

We are gradually integrating all of the Group's systems and members into a common tenant environment in the Microsoft Azure cloud, which allows us to maximize the synergies of team collaboration in sharing the resources of the holding members in developing new products and supporting the existing ones.

To protect the large volumes of data, we have implemented a state-of-the-art data backup solution that runs several times a day from the Microsoft cloud to our own high-security data centre. This is followed by disaster recovery solutions in case of catastrophic failure. This gives us 100 percent confidence that our data is protected in all possible disruption scenarios.

The data storage as well as the data and e-mail communications we use are encrypted according to current security standards. We can therefore guarantee that the data in our possession is handled only by authorized persons and in an auditable manner.

To ensure the protection of the external perimeter, which has a large number of internet connection points due to the large number of members of the holding and sites, we have implemented comprehensive UTM security for all companies and sites.

To that end, we use cutting edge technology from one of the world's leading suppliers of security systems.

OPPORTUNITIES AHEAD OF US

We cannot foresee how long the current economic growth will last. However, we see great opportunities in the market segments in which we are currently operating. We expect a strong increase in demand for SaaS solutions and will therefore continue to develop and implement innovations leading in this direction as much as possible. We want to further strengthen our position in the market of Microsoft solution suppliers, which we see as our way to gaining global clients. In a changing world with strong competition, it is difficult to anticipate and plan all possible events. However, we believe that a strong, adaptable and competent organization can adapt well to technology changes and market developments.

Therefore, we are massively innovating and using the latest technology. We want to be one of the best employers in the region. Only in this way can we prosper, attract talented employees, and grow faster than our competitors in the coming years.



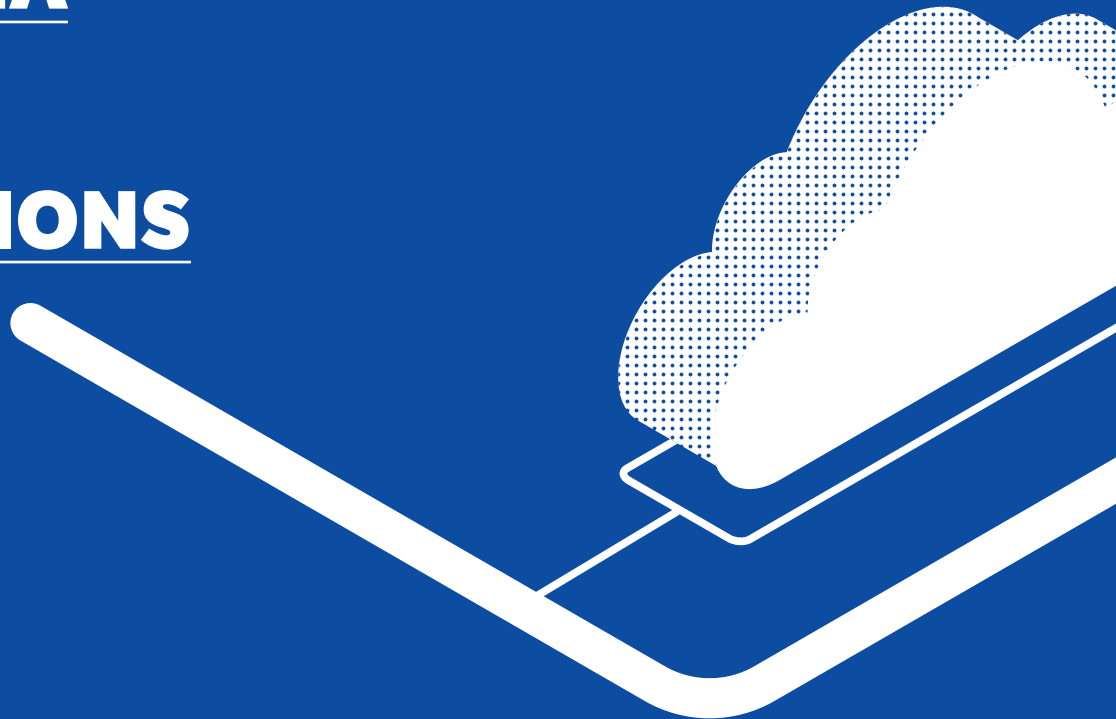
**Martin Cíglér, CEO
Solitea**

STABILITY

**WE DO BUSINESS
IN AN ENVIRONMENT
WHERE THE RULES OF THE
GAME CHANGE CONSTANTLY.
FROM CHANGES IN LAWS
TO NEW TECHNOLOGY.
THANKS TO OUR LONG-TERM
VISION, WE HAVE MANAGED
TO STAY STRONG AND
DEPENDABLE EVEN IN THESE
TURBULENT AREAS.**

02

SOLITEA CLOUD SOLUTIONS



Cloud services are on the rise. Companies and institutions are increasingly aware of their benefits. There is no need for any investment in the necessary infrastructure and platforms or for the cost of managing and maintaining them. Another significant advantage is the transparent costs and access at any time from any place and the user-friendliness and cooperation support.



IDC expects the global business applications segment to grow to USD 201.7 billion by 2019, with an annual growth rate of 6.6 percent.

In the short term, medium-sized and large companies will continue to operate their core applications primarily in-house. However, the trend is in favour of an increasingly strong adoption of the cloud. New advanced applications with an intuitive user interface allow companies to respond to market developments and client preferences in a flexible manner and even introduce new business models.

ONSET OF CLOUD

Today, there is no doubt that cloud-based software applications will be as revolutionary as Microsoft Windows. Historically, technology has in many cases been designed to free human hands and perform some tasks faster and better. Information systems will quickly adopt the capabilities of new technologies such as machine learning, big data, and artificial intelligence to support administrative processes, streamline operation and support decision-making. Companies need to find a way to stay

competitive. They will need to improve and accelerate their internal business processes. This is the reason behind Solitea's vision: we want to provide our clients with a solution that enables them to be world leaders in terms of data processing efficiency and in-house process management, regardless of whether they are a small business or a large corporation.

WELCOME TO THE FUTURE

Software will play an increasingly strategic role in business. Cloud, as the way

in which software is developed, distributed and used, constitutes a paradigm shift and a change in ingrained habits. It allows companies to work with data in a new way, simplifies communication and provides a competitive advantage. Labour costs make up an increasing proportion of companies' costs, and the automation of key business processes can reverse this trend.

Solitea wants to be there and wants to be among the leaders in the cloud enterprise information software market. In the regions where we operate, we are the SOHO market leader and would like to reach this position in the SMB segment as well.

iDOKLAD

iDoklad is the most popular online invoicing service on the Czech market. This is also evidenced by the fact that to date, about 160,000 self-employed persons and small entrepreneurs have opened an account. And although the real number of active users remains lower, iDoklad is rightly considered the market leader in this area.

iDoklad is a progressive cloud service that became a paid service on 1 June 2017, thus becoming a modern SaaS business model. It can be used on a "freemium" basis, allowing free use with some functionality limitations. For users requiring advanced features, iDoklad offers three paid tariff versions. As of today, it is used by more than 48,000 active users, with about 35 percent using one of the paid tariffs.

iDoklad offers many benefits to its potential users. New users have two months to experience the full range of features and find out what they are actually using and are then able to choose the right tariff for them. In addition, every client who buys one of the paid tariffs receives a 30-day money-back guarantee. iDoklad helps

entrepreneurs by automating tasks such as periodic billing, pairing of incoming payments with the bank, automatic reminders, or linkage with the software of accounting companies. The clear record of documents and the rapid preparation of outputs for accounting, whether it be double-entry or single-entry bookkeeping, is also a significant advantage.

Another useful feature of iDoklad is the Xamarin-based mobile app that allows the user to perform the most necessary invoicing tasks in any place with internet access. There is a growing tendency to use the API for communication with other extensions. This allows users to easily integrate iDoklad services into their business ecosystem. For this reason, we published a catalogue last year in which users can find an overview of all the add-ins in one place.

iDoklad monitors market developments and the needs of its existing and potential users.

Its growth is ensured by an experienced team of developers who understand every detail of the product. iDoklad runs on Microsoft Azure, which guarantees data security for users and provides opportunities for service growth in the future.

MINIMAX

Minimax is the most popular cloud accounting software on the Slovenian market. It includes payroll accounting, and its target group contains not only micro-enterprises and small businesses, but also providers of accounting services.

Minimax has a simple user interface with automated processes to simplify routine tasks and communication between the entrepreneur and the accountant. Transferring and processing data is

a simple matter thanks to the cloud solution. Cooperation is further facilitated by a mobile application, which allows you to quickly view documents stored on your system, providing instant access to key business-related company data.

Minimax's popularity is growing not only in Slovenia, but also in Croatia and Serbia. This is evidenced by the more than one-third year-on-year increase in new users, which are often acquired based on personal recommendations.

VEMA V4 CLOUD

Vema has been operating Vema V4 Cloud since 2005. All company products are architecturally adapted to both on-premise and cloud operations. Both solutions are identical in terms of product control, so the client can decide whether to use the products locally or to use Vema V4 Cloud services.

Vema V4 Cloud has over 1,300 clients in the Czech Republic and Slovakia. The cloud users are widely varied businesses, from the smallest ones with just a few employee units to the largest one with 8,000 employees.

ALTUS PORTAL

Altus Portal is an intuitive intranet enterprise system designed to record and organize both internal and external corporate documentation. It enables electronic document approvals and workflow activity management. It is integrated with Altus Vario, Money S4 and Money S5. The system is used by companies in the Czech Republic and Slovakia; and the software comes in Czech, Slovak or English language versions.

Altus Portal provides secure storage of documents in an encrypted database, simple search, an overview of each version, and permission-based access. It can run in any internet browser without the need to install client stations – work with the system and approve documents anywhere with internet access.

The system makes it easy to define the workflow above the individual documents at the user level, thus offering its users an effective tool for approving documents. All workflow steps are confirmed by the electronic signature of the named persons. The electronic signature becomes an integral part of the signed document as encrypted information and remains there even if the signed person is no longer a user of the system.

The Altus Portal provides an overview of whom the document is to be signed by and allows signature reminders to be sent or substitutes to be appointed in case of absence. The document validity and responsible reviewer can be set for each document. When managing controlled documentation, the persons responsible for approval, issue, and the entire distribution list are assigned to the documents.

Altus Portal is most often used by companies to manage controlled documentation in accordance with quality standards, to approve electronic documents, leaves, and requests for the repair or purchase of materials and as a complex enterprise Intranet. Thanks to the integration with Altus Portal, users of the ERP systems Altus Vario, Money S4 and Money S5 can approve documents directly from their ERP systems. Customers most appreciate the intuitive user experience, easy access via the internet browser, the possibility to connect their corporate information system and the security of stored data, which is now used in connection with the GDPR.

MICROSOFT SHAREPOINT ONLINE

SharePoint Online is the ideal platform for sharing content and applications.

As an integral part of Office 365, it is available immediately without the need for the installation and preparation of a complex infrastructure. After a short implementation period, it is possible to offer users an intranet portal, project sites or the possibility to share key documents across the organization and with business partners.

The key element is integration with other Office 365 services, such as PowerApps and Microsoft Flow, which opens up high-quality process applications available from all types of devices. In our projects, we create new portals and applications, migration projects to the cloud, as well as hybrid portal solutions for our clients. Our aim is to always achieve the highest added value for the users of intranet and process portals while maintaining the economic return of the project.

MICROSOFT DYNAMICS 365

Microsoft Dynamics 365 is a combination of a CRM system and an ERP system and other practical applications in an online environment.

Microsoft Dynamics 365 consists of intelligent applications, each covering a particular set of business processes. A new client-oriented model enables the creation of an information system according to the needs of specific clients. The platform routinely works with Office 365, allowing integration with third-party solutions.

DYNAMICS 365 FOR SALES

This application is fully based on original Microsoft Dynamics CRM and a tool for effective business planning and management. It focuses on a 360°

view of the client, the timely spotting of business opportunities, the creation of quotations, and the tracking and evaluation of sales volumes and sales team performance.

DYNAMICS 365 FOR CUSTOMER SERVICE

The application focuses on an agenda related to seamless and proactive client service.

DYNAMICS 365 FOR FIELD SERVICE

This application is designed for the management of field services such as maintenance, repairs, etc. The application creates information service for dispatchers and field workers.

DYNAMICS 365 FOR PROJECT SERVICE AUTOMATION

A supporting tool for creating, planning and managing projects and maximizing the project team's awareness of the state and progress of implementation.

DYNAMICS 365 FOR MARKETING

It is a marketing automation application that enables the creation of graphic e-mail messages and online support of marketing incentives, as well as event management and the creation and management of client surveys.

DYNAMICS 365 BUSINESS CENTRAL

The online version of Microsoft Dynamics NAV, a very successful product, is becoming part of the Microsoft Dynamics 365 cloud application family under the name Microsoft Dynamics 365 Business Central.

DYNAMICS 365 TALENT

The application for supporting HR departments and recruitment agencies helps in the recruitment of new employees, enables complete HR agenda management in companies and connects to LinkedIn.

03

SOLITEA ON-PREMISE SOFTWARE FOR SMBs



With a turnover of CZK 863 million in the SMB segment, Solitea is one of the market leaders in all countries in which it operates. Rapid growth was achieved not only organically, but mainly through the recent acquisitions of CDL SYSTEM (now Solitea CDL), Saop and J.K.R. (now Byznys software).



By automating business processes, we help our clients increase their growth and profitability. Solitea provides both all-in-the-box accounting systems for smaller businesses as well as highly scalable ERP systems for companies that require tailor-made internal process solutions. The entire range of Solitea's portfolio is complemented by DMS, BI and workflow solutions.

ERP SYSTEMS

In the area of ERP systems, we offer solutions for smaller companies mainly

from the business and service segments (MoneyS4, iCenter) as well as solutions for medium-sized companies or manufacturing companies (Altus Vario, Byznys, iCenter, JET ORBIT, MoneyS4, MoneyS5, and Microsoft Dynamics NAV). We also have a strong market position in the design of information systems for state administration and budgetary organizations (iCenter, Vema Ekos). Today, we can leverage our experience of more than 25 years in the development and implementation of ERP systems through the exchange of know-how

across the Solitea Group. Satisfaction with the implementation and measurable savings for our clients are the result.

ACCOUNTING SOFTWARE

With the iCenter, JET REWE, Minimax and Money S3 accounting programmes, we are among the leaders of the accounting software market in the Czech Republic, Slovakia and Slovenia, and have a strong market position in other Balkan countries and in Austria. Our software is used by tens of thousands of small companies. We benefit

from our software's high functionality combined with a friendly user interface.

A significant proportion of our clients are accounting firms and their clients. Very often they work together in a hybrid mode, where the client uses some of our cloud solutions (iDoklad, Minimax) with full accounting software (Money, Vario, Byznys, and Minimax) running on the accounting firm's side. As a result, even the smallest clients can communicate with their accountants online, often through a mobile application, but also have an online overview of their business. This saves time for the accounting office, because there is no need to copy any primary documents.

HUMAN RESOURCES MANAGEMENT SYSTEMS

In the Czech Republic and Slovakia, we have a strong market position in the supply of payroll and human resource management systems.

With its capabilities, Vema HR covers both the requirements of small corporate clients and non-profit clients as well as those of large corporations and the government.

ALTUS VARIO

Altus Vario is an ERP system designed for the comprehensive management of the corporate agendas of small and medium-sized companies, including production management. It is used by 1,600 clients in the Czech Republic. The typical price ranges from CZK 300,000 to CZK 2,000,000.

The Altus Vario system is designed for companies that want to manage and process all company agendas efficiently and in one place, from the purchase and sale of goods, through production and service management, to accounting, to payroll and human resources. It provides clear access to all business and economic information and the ability to display their

interrelationships with just a few clicks of the mouse. It is user-friendly, delivers lower management costs and an efficient way to get information important for the management of processes and the entire company. With the possibility to choose only the system modules that a company needs for its business, along with a wide range of system configurability and a range of specific client solutions, Altus Vario can be adapted to all business processes. At the same time, the system follows the look and control of Microsoft Office, so users work intuitively and efficiently in a familiar environment. At the same time, it maintains compatibility with international standards, as well as data formats and application interfaces to the most widely used standards.

Start-ups with a small number of documents usually want to take advantage of a cost-effective start-up category with comprehensive system functionality. The system then grows with the company after the purchase of a higher licence.

Trading companies appreciate the unlimited number of warehouses, supplier and client price lists, the possibility to connect to any e-shop, shipping solutions and the connection of payment terminals to retail stores, which is a simple but comprehensive solution for over-the-counter sales.

Manufacturing companies find support in Vario for both variant and alternative production and solutions for change management and non-conformity management. Planning, whether capacitive or material, promotes the efficiency of the production process and helps to seamlessly meet the necessary deadlines. With the support of other Vario modules, it is possible to plan the acquisition and dispensing of material, or to ensure the dispensing of specific material for a given production implementation.

The Workshop Management application natively connected to Vario then allows work to be carried out directly from the production plant.

Vario offers industry solutions for service companies focused on maintenance activities or equipment lease and delivers specific solutions for car repair shops. All solutions enable the automation of processes and their regular inspection, bookkeeping, and tools for controlling and evaluating data. The number of entities is not limited, which will be appreciated by corporations and accounting firms. Naturally, there are regular updates, which ensure the compliance of documents and accounting with the current Czech and European legislation.

BYZNYS

A robust ERP system for medium-sized and large companies with a wide range of available modules. The average price is between CZK 1,000,000 and CZK 3,000,000. The software is used by 1,070 clients in the Czech Republic and Slovakia.

Byznys is an enterprise information system for the comprehensive management of businesses that want to integrate the corporate agenda into a single tool. It offers solutions for the tracking, planning and managing all key business processes at all levels of enterprise architecture. Thanks to its variability, it allows for a solution within individual modules or the connection to other specialized systems.

Thanks to the unique solution of the data model and the experience of the implementation teams, Byznys enables an extremely high degree of customization tailored to the client without the need for further programming. The result is a surprising speed of system commissioning. With the range of modules offered and

the high variability in deployment, Byznys is able to meet the needs of organizations with different specialisations – from trading companies, to accounting and logistics/transport companies, to manufacturing companies from different fields. The system can find solutions for companies with extensive requirements for specific functionalities, as well as for those that need to process large amounts of data due to the nature of their operations. By setting up an automated workflow for key processes, businesses can save costs. Byznys is an effective tool for managing production in most industries. Its comprehensive production management solution is a relatively easily modifiable universal system that can be used to automate production management in a variety of industries, such as engineering, electrical engineering, the paper industry, the production of furniture or prefabricated building components, foundry etc. It is suitable for piece and mass production, and supports custom production. It ensures the transparency and automation of all production processes in relation to supporting activities (business, design, technology, etc.).

Byznys is also suitable for the construction segment and for development project management. It covers a wide range of activities in the construction sector – from designing, supplying and implementing companies, through subcontractors, to developers.

Transport service companies use Byznys to plan and subsequently account for transport services. Its Doprava (transport) module has been based on the fundamental needs of these companies and offers them supporting tools aimed at optimizing internal processes in order processing. The system has many features that deal with this area, from the planning of individual trips, to assignments, to comprehensive reporting within the company and among business partners.

The Byznys ERP is a suitable tool not only for in-house bookkeeping and related agendas, but also for outsourced bookkeeping in specialized accounting firms. This agenda can be processed thanks to a system of multi-company versions.

MONEY S3

Money S3 is the second most commonly used on-premise accounting software in the Czech Republic and has a similar position in Slovakia. It has more than 23,000 paying users, including self-employed persons, and small and medium-sized companies. Tens of thousands of other users use the free version of Money S3 Start.

Like iDoklad, MoneyS3 can be used in the freemium mode. The free start version is not limited in time. It has all the features of the paid versions and is always kept in line with applicable legislation. This version is only limited by the maximum possible number of records – warehouse movements or entries in the accounting books. Paid tariffs then remove these quantitative restrictions; and their users also have client support, which is one of the keys to their satisfaction.

The big advantage of Money S3 is user friendliness, based on MS Outlook standards. Another advantage is that the system is comprehensive. Its functions cover the needs of users with single-entry and double-entry bookkeeping, and it includes a chart of accounts, bank and cash on hand, closing operations, home banking and financial statements. The system also offers the functions necessary for keeping property records, warehouse management, orders, basic payroll and HR features, car reports or servicing.

Another important advantage of the system is its modularity. With its optional module layout, the system can adapt to the demands of users with completely

different needs. The modules can be combined into advantageous packages and thus accommodate the even more comprehensive needs of both online and brick-and-mortar shops. In addition, clients can analyse their data and gain a more comprehensive view of their accounting or warehouse management.

MONEY S4 A MONEY S5

Money S4 and Money S5 are advanced ERP systems based on the latest technologies used by almost a thousand companies, mostly SMBs, on the Czech and Slovak markets. It offers solutions to companies that want to fully control their internal processes and effectively manage their resources. The Money ERP systems are particularly beneficial for trading companies, providing them with a wide range of features for modern management.

Money S4 is an enterprise information system suitable in particular for companies that require a comprehensive ERP system at a favourable price. It offers financial, cost and managerial accounting tools, supplier-client relationship management, payment automation, online shop transactions, workflow, payroll, BI, car fleet reports and property records. Accounting can be linked to other company products such as iDoklad or POS systems. The system has a number of functions that are part of the system core, while others can be purchased in the form of various functional modules.

The most interesting ones include Money Portal, a cloud-based enterprise document management and control tool, and Microsoft Power BI, a business data analysis tool. If a company is growing and over time needs to customize some features to fit its internal processes, it can switch to Money S5 at any time by simply changing its licensing conditions to take full advantage of a fully customizable robust ERP system.

Money S5 is an ERP system that is appreciated especially by companies with high demands on its adaptability to their needs. The actual deployment in a company is preceded by the precise analysis of internal requirements and internal company processes. Users can customize all areas of the system and tailor their business processes and management outputs, or integrate it with other company systems. The software is designed for companies that work with more than a hundred thousand documents a year.

ICENTER

iCenter is a high-performance ERP system designed for the efficient management of small and medium-sized companies and public institutions. It is currently used by more than 15,000 clients in Slovenia, Croatia and Serbia.

It is a business solution that provides businesses with the complete overview of their business activities. It offers them a wide range of advanced features, especially in warehouse management, business intelligence and document management, and it enables process automation and simplifies reporting to management. Through automated processes, it supports faster and more efficient work, thus allowing companies to be not only competitive but also innovative.

iCenter is constantly developing based on user needs, knowledge and experience. For client-specific requirements that iCenter itself cannot cover, an API can be used to provide automatic data exchange between different solutions.

JET REWE

Created by JET ERP Betriebsgesellschaft, JET REWE is the solution that has been used the longest. More than 500 clients in

German-speaking countries thus have had a sophisticated solution for accounting, cost accounting and investment and property management. It is used by companies that consolidate more than ten companies, but also by small businesses with a single employee.

Even its basic version serves as an efficient financial tool for all levels of company management. It also offers additional modules that address specific automation and workflow specialization requirements. JET REWE is used by companies in industry, commerce, tourism, hospitals, theatres, community service and the social sector. Solutions for the building sector take account of the specifics of processing partial and billing invoices, which result from the special position of the construction industry in the Austrian legal system.

JET ORBIT A JET BI

JET ORBIT is a robust ERP system used by companies with 50–500 employees in Austria and nine other European countries. The software helps in industries such as the food industry, engineering, woodworking and metalworking, but also in the electrical, waste, and wholesale industries. The system has over 1,000 active users.

JET ORBIT is an extremely flexible solution that also supports complex manufacturing processes, be they serial or custom production processes or productions with demanding production blueprints.

The wide application of ERP is based on four large modules (Production, Warehouse Management System, Purchase and Sales), many interfaces that are typical of production and on the integration of JET ORBIT into other JET ERP Betriebsgesellschaft solutions.

The JET ORBIT system handles many of the proven interfaces for a variety of systems, such as CAD and various storage and logistics software. Through the Qlik-based JET BI solution, users from management through finance to sales and marketing are able to easily, interactively and intuitively gather and analyse a wide range of data, provide relevant responses to various ad hoc queries and share the results effectively with others.

JET DMS

JET DMS, a document management system, can be deployed as a fully integrated solution with JET REWE, JET ORBIT and JET BI or entirely independently through a third-party solution interface. It has already been purchased by more than 300 clients in German-speaking countries, but also by an international group that uses it at all its branches in more than 80 countries.

JET DMS is a centralized system, and in addition to systematic storage and document management, it interconnects individual processes – document creation, processing, or the creation of various versions, etc. The solution is deployed in industry, wholesale, and hospitals, but also in power plants, apartment building companies and social service companies. Due to its flexibility and efficiency, JET DMS is suitable for larger as well as smaller companies.

This year, the product offers an extension of automatic text recognition, which is offered under the name JET ECM (Enterprise Content Management). The software automatically and quickly delivers the documents, such as invoices, delivery notes and customs documents, to the right departments for the responsible processors. At any moment, users have an overview of the current processing status of any document. JET ECM is a modern tool for automating diverse processes in companies.

VEMA EKOS

Vema Ekos is an ERP system that is suitable in particular for budgetary and publicly co-funded organizations. It is used by more than 1,200 clients; its typical price ranges from CZK 10,000 to CZK 50,000.

This information system offers a set of applications for processing a wide range of economic and logistics agendas. It is an integrated ERP software that handles the complete agenda of organizations of all types and sizes, offering a reliable and comprehensive business management solution. Although its development has been under way for almost three decades, one of its main strengths is the continuous development of technology and the regular incorporation of ever-changing legislation. Among other things, Vema Ekos offers tools for financial, cost and managerial accounting, supplier-client documentation, cashless payment automation and property register, including bar code usage.

The system specializes in budgetary and contributory organizations. Therefore, it supports the specificities of this segment, such as the creation of all accounting and financial statements, direct communication with the central system of state accounting information and the state treasury's integrated information system, budget monitoring and grants within multi-source funding. For a comprehensive solution, users can also use conversion modules that provide, for example, electronic communication with banks, outputs required by the state administration, communication with bar code readers for property or in warehouses, or connections with the tax portal of the financial administration of the Czech Republic for the electronic registration of sales and communication with special data boxes for order publishing in the register of contracts.

VEMA HR

Vema HR is suitable for organizations of all types and sizes in the Czech Republic and Slovakia, because it supports all applicable payroll legislation versions. It is currently used by about 6,700 clients; the typical price is CZK 20,000– CZK 350,000.

The Vema HR information system offers a comprehensive solution for the support of human resources management processes. It provides its users with a wide range of payroll processing and HR capabilities ranging from the recruitment process, to a comprehensive employee training agenda, and regular employee performance assessment. Everything is supported by a number of automated functions, such as the monitoring of personnel events, online communication with authorities and electronic approvals within defined processes (workflow).

Great emphasis is placed on high system performance and maximum data security. For this reason, Vema has developed its own proprietary database system, which, combined with an appropriately set security model, meets the highest user demands. Customers can choose from several versions.

Payroll Optimum is a free version of Payroll Complete that has been optimized for smaller organizations. It is available in the cloud and designed for use by the client without any assistance from the provider. If necessary, users can upgrade to Payroll Complete at any time.

Payroll Complete includes comprehensive payroll processing, statistical reports linked to the given area, records of changes in employees in a time series, a solution for multiple parallel labour-law relationships, means for annual tax settlements and many outputs, e.g. into accounting, for pension funds, banks, etc.

Personnel System is a version of Payroll Complete supplemented to include features for personnel management, personnel document management, monitoring and reporting of personnel events. It also includes a Personnel Portal defining the access of all employees to personnel data according to their permission.

Comprehensive HR Management - this top version of Vema HR extends the Personnel System to include tenders, job systemisation with organizational structure creation, education and e-learning, employee evaluation, and annual leave planning and approval.

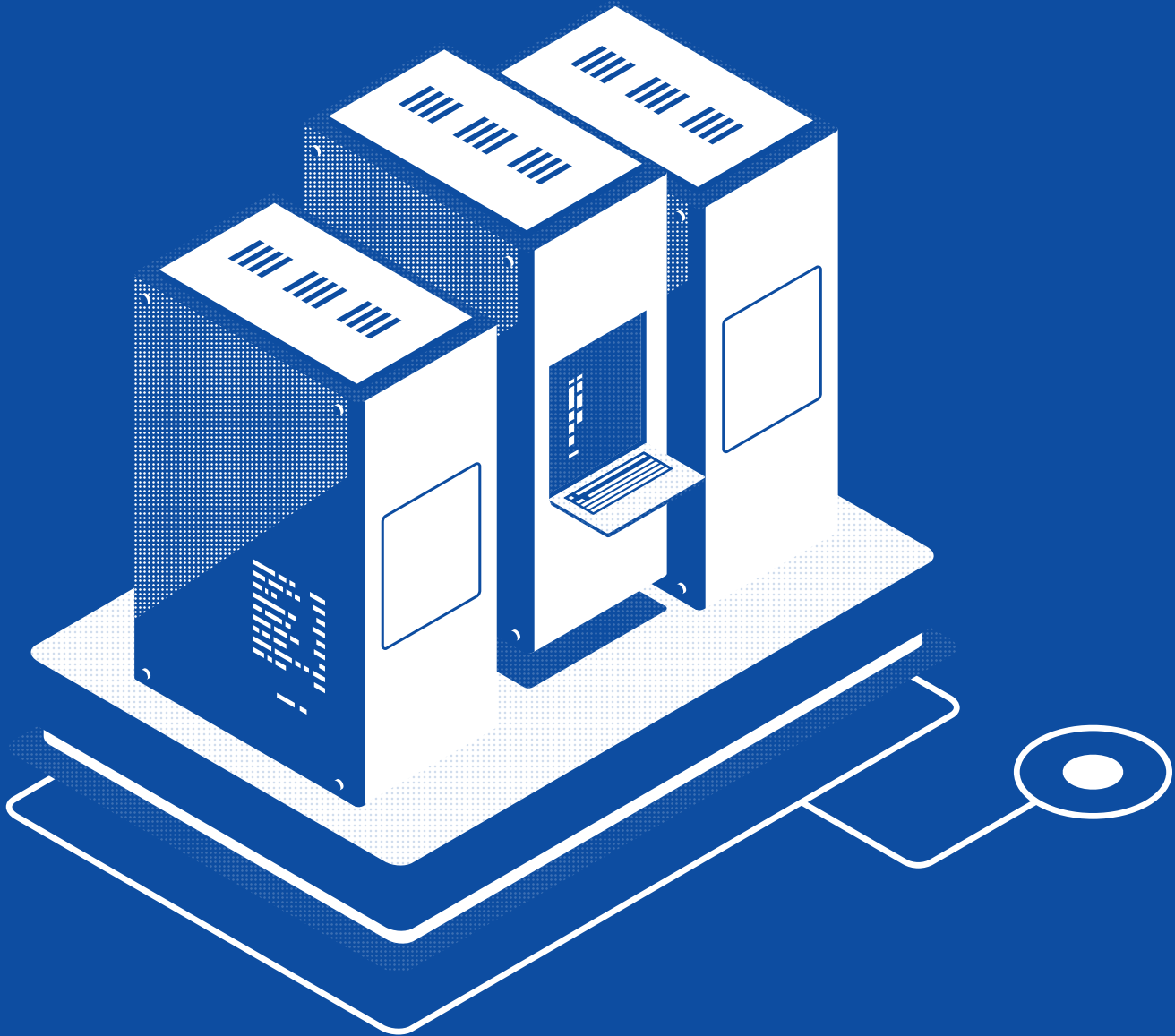
In addition to the basic functionalities contained in one of the four basic packages, Vema adds additional applications and modules from various areas of human resource management, e.g. an attendance system, benefit management, meal allowance records, business trip records, connection to the insolvency register, shift planning and performance record planning. The GDPR module serves to facilitate the fulfilment of the requirements arising from the General Data Protection Regulation.

All applications of the Vema HR information system can be operated on the clients' own IT infrastructure by purchasing the right of use (licence) with regular monthly payments made throughout the use of the products. Another option is to use the Vema V4 Cloud services, which also provide access to all Vema products. A number of clients also use the third-party payroll processing service.

04

SOLITEA SOLUTIONS FOR THE PUBLIC SECTOR AND LARGE CUSTOMERS

Solitea is a partner for large companies and the commercial sector. We have the ambition to develop our position as a preferred partner for solutions that enable the continuous development of digital companies in the countries where we operate. In the area of e-government, Solitea focuses on supporting the performance of specific agendas of public institutions. Today, enterprise clients and the public sector account for 23 percent of Solitea's revenue.



eGOVERNMENT

Our portfolio of solutions for public institutions includes systems for conducting administrative proceedings, dealing with electronic files, and applications supporting compliance with legal procedures or keeping legal registers. Our core competencies include comprehensive solutions for streamlining customs procedures as well as e-health systems.

TAILOR-MADE SOFTWARE SOLUTIONS

Solitea helps public and private companies to design, develop, upgrade and maintain software. As part of this strategy, it develops tailor-made software solutions and implements commercial products.

Our software helps clients increase productivity and digitize, automate and integrate in-house processes. Subsequently, Solitea provides the services necessary to maintain and further develop the entire solution. This helps our clients become more efficient and profitable.

COOPERATION WITH CUSTOMERS

Agile development principles and close collaboration with clients are Solitea's basic pillars in the creation of tailor-made software solutions. Using our professional skills together with the latest technologies, tools, and development methods, we strive to maximize the added value of our software. A number of our solutions has an impact on society

as a whole and affects the competitiveness of businesses.

ERP AND HR SOLUTIONS

All Vema products are tailored to the needs of both business and public sector clients. The personnel system includes all support, for example, for the Civil Service Act or specialized statistics, while Ekos has all the means necessary for monitoring and reporting budgets and their use in accordance with legislative requirements. That is why our clients include organisations such as the Office of the Government, the Ministry of Finance and the General Financial Directorate. Nearly 2,000 schools and most major hospitals are among our clients.

Vema solutions are designed for large clients, whether public or private. Our largest client has 16,000 employees.

BUSINESS INTELLIGENCE

The optimal solution for specialists, teams and companies.

Thanks to a state-of-the-art BI platform from Microsoft, we can create effective solutions, from simple self-service reports, through the tracking of core performance indicators, to building robust data warehouses including predictive analysis systems.

MICROSOFT SHAREPOINT

We are one of the major suppliers of intranet portal solutions on the Microsoft SharePoint platform, even for large companies with thousands of users.

In addition to implementations using our own platform, we offer custom development, which has provided hundreds of clients with very specific solutions to their needs. We have our own application that serves as a solution for controlled documentation, which is often used in ISO management, or project documentation, where processes more comprehensive than the standard SharePoint functionality are needed. It also includes the integration of the SharePoint environment with other applications, where a DMS or workflow is implemented within the intranet.

MICROSOFT DYNAMICS ON PREMISE

Microsoft Dynamics is a worldwide business software suite from Microsoft that includes all the tools for managing medium-sized and large businesses. Solitea focuses on the implementation of Microsoft Dynamics NAV, AX and CRM for larger domestic clients

and clients with a European or global presence.

MICROSOFT DYNAMICS CRM

The Microsoft Dynamics CRM is a client relationship management solution which streamlines business processes and helps reduce the cost of their management. Customer relationship management provides the company with all the necessary information about each client and helps to automate business processes. The resulting effect of client relationship management with Microsoft Dynamics CRM is consolidated client satisfaction and increased client loyalty. Microsoft Dynamics CRM allows comprehensive client relationship management and provides the tools and features needed to create and maintain a complete overview, from the first contact, to the contractual relationship and trading activity, to follow-up care across all core areas (trade, marketing, servicing or service).

MICROSOFT DYNAMICS NAV

Microsoft's ERP system solution used worldwide. In the Czech Republic and Slovakia, Solitea has implemented the solution for more than 120 clients and is one of Microsoft's top three partners in the region.

Microsoft Dynamics NAV is a comprehensive, localized ERP system software solution for medium-sized organizations with functionalities covering logistics, finance, production, and potentially, also human resources. It is quick to implement and easy to configure and use.

The properties of Microsoft Dynamics NAV help managers identify and respond quickly to new profit opportunities. At all times, the system provides up-to-date information about the company so that business and financial information is always linked to all sales and marketing information. Microsoft

Dynamics NAV helps to understand the business numbers and thus better manage business. It lets clients identify new trends and discover new business opportunities. It has been used successfully in international environments.

MICROSOFT DYNAMICS AX

The latest ERP platform from Microsoft. Solitea uses it to implement robust solutions in the banking sector and large corporations with high requirements for customization.

Microsoft Dynamics AX is a comprehensive information system for managing medium-sized and large organizations. By consolidating and standardizing key business processes, it helps increase productivity and competitiveness. It can provide an overview of all financial and accounting data and information on client activities, simplify basic HR administration, and include marketing support tools and many other modern management functionalities.

MICROSOFT DYNAMICS 365

Microsoft Dynamics 365 is a combination of a CRM and an ERP system and other practical applications in an online environment. Microsoft Dynamics 365 consists of intelligent applications, each covering a particular set of business processes. A new client-oriented model enables the creation of an information system according to the needs of specific clients. The platform routinely works with Office 365, allowing integration with third-party solutions.

For more information about Microsoft Dynamics 365, see the chapter on Solitea Cloud Solutions on p. 14 .

COOPERATION

**WE LEARN FROM EACH
OTHER'S SUCCESSES
AND MISTAKES AND KNOW
THAT IT IS THE ONLY
WAY TOWARDS FAST AND
SUSTAINABLE DEVELOPMENT.
WE INSPIRE EACH OTHER
AND OTHERS TO FIND
THE COURAGE TO SET
OUR PLANS IN MOTION.**

05

SOLITEA SOFTWARE **FOR POS AND RETAIL**

The retail world is changing fast as buying and trading are affected by technological developments, trends and the monitoring of changes in client behaviour. Sellers need new tools, know-how, and partners to keep them competitive and ensure trouble-free shopping for their clients.

Artificial intelligence and big data have entered the sales process. Finally, market changes are driven by changes in legislation; for example, a large amendment to the Cash Registers Act is expected in Slovakia in 2019, and new legislation is under preparation in Slovenia as well.



PROFI ÚČTENKA

The multi-platform POS application for iOS, Android and Windows with 20,000 downloads is available for free in the Apple Store, Google Play and Microsoft Store.

The application was Solitea's response to the Electronic Registration of Sales Act, which entered into force in the Czech Republic in November 2016. Profi účtenka allows clients to easily issue a receipt and automatically send it (online or in a batch) to the server of the financial administration. It supports the printing of receipts on Wi-Fi or bluetooth printers and sending them via email or social communicators. Monetization is indirect – iDoklad can be used to archive issued receipts.

The application has basic POS functionality. It allows users to create returns and works with pricelists, discounts and addresses. It features user-friendly controls and a well-designed user interface, making it one of the most popular POS mobile applications in the Czech Republic. It also offers support for the visually impaired – the voice-over feature provides text to speech functionality, making it easier to use the application. Profi Účtenka is now being prepared for the electronic registration of sales in the Slovak legislation to be launched in early 2019. Expansion to other foreign markets is expected in the future.

PRODEJNA SQL

Prodejna SQL is a fast and reliable POS system designed for a wide

range of retail outlets ranging from retail outlets with one POS to networks of retail outlets with many POS. It can be used wherever clients require maximum work ergonomics and above-standard sales support features (discounts, client cards, price lists, sales, and bonuses).

The cash register system is designed and configured to make all sales as easy as possible. Therefore, it offers a pleasant user interface as well as a number of interesting features and modules that accelerate work, such as connection to payment terminals.

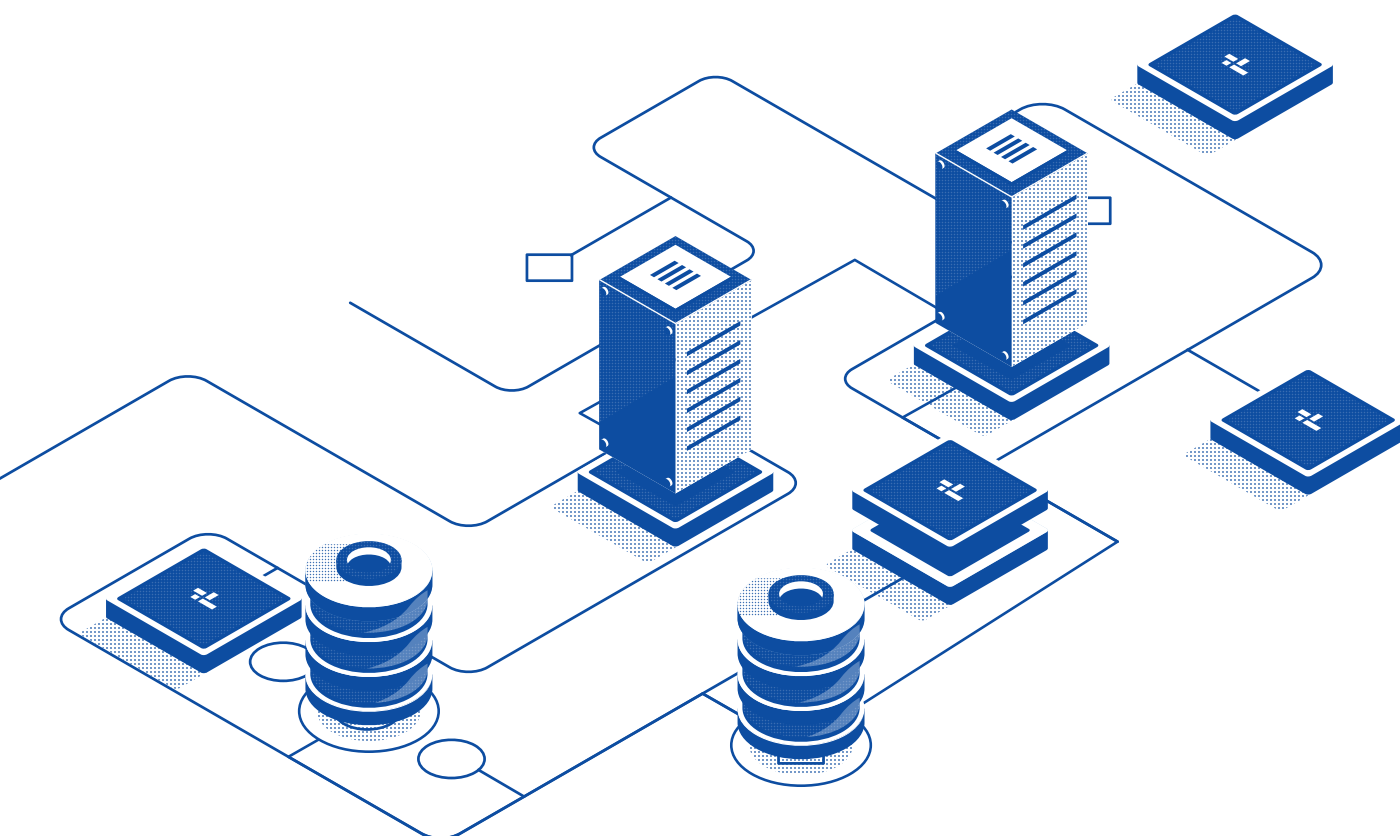
Thanks to the connection with Money S3, Money S4 or Money S5, Prodejna SQL is suitable for operations with central data management.

06

SOLITEA INFRASTRUCTURE SOLUTIONS

The ICT infrastructure, i.e. a collection of information and communication technologies used by entities to ensure the smooth functioning of IT, is one of the most important strategic resources of any organization. Its quality is essential for collecting, analysing and disseminating information across the organization. Solitea's solution aims to deliver (or otherwise provide) and subsequently maintain such an ICT infrastructure so that it is always reliable, available, and operational to ensure that all important applications run smoothly.

Nowadays, this no longer includes just on-premise solutions, as cloud services are becoming increasingly more suitable for selected tasks, allowing for easy performance scalability while maintaining the above-mentioned basic characteristics of a properly designed ICT infrastructure.



ON-PREMISE ICT INFRASTRUCTURE

Every IT solution (even when using the cloud) involves a part that must be on-premise, at least in terms of user workplaces, the fitting of warehouse systems with bar codes, data communications, security, etc. In addition, there may be other reasons why some ICT subsystems should be your own – e.g. applications non-transferable to the cloud, security requirements, technical aspects in connection with production, etc. In this case, the supply and operability of these on-site solutions is irreplaceable.

DATA CENTRES

The comprehensive construction and operation of enterprise data centres in both standard and high availability design (geographic clusters) includes a set of cutting-edge technologies: servers and disk arrays (HPE), backbone ToR and SAN switches (HPE and Cisco), virtualisation platforms (VMware and Microsoft), as well as a number of operating technologies (power supplies, surge protectors, UPS and power generators, electronic security and electronic fire alarms, air-conditioning and self-extinguishing solutions). We have

extensive experience with the in-service renovation of data centres, which we deliver along with project preparation and including risk analysis.

DATA STORAGE

Data storage includes a full range of primary data repositories of up to several MIOPS, downstream replication and high availability solutions, secondary D2D backup repositories, and finally, tape libraries for offline backup and archiving on WORM media. We have experience with backing up very large solutions in full

operation so that user comfort is not affected. Technically, this primarily includes HPE subsystems and the Veeam platform for software.

SOFTWARE FOR INFRASTRUCTURE SERVICES

This area covers server operating systems and the database environment (especially Microsoft), the virtualisation of applications (RDS) and desktops (VDI), and operational and configuration management. Team collaboration solutions based on MS Exchange and Skype for Business and their integration with the components of other producers (of videoconferencing solutions and telephone exchanges) are important as well.

CORPORATE LICENSING OF SOFTWARE AND PURCHASE OF CLOUD SERVICES

Choosing the right purchasing model for software and cloud services in large companies is a rather complicated issue. Thorough knowledge of the issue and experience with third-party licensing programs can result in significant cost savings while complying with licence terms. We help our clients find the optimal purchasing model and optimize costs and financial flows. We also arrange for the deployment of applications for the inventory of the installed base. We advise clients on the optimization of cloud service purchases, so that they only pay and consume what the company actually will use.

DATA COMMUNICATIONS

We have decades of experience with building very large LAN networks,

especially in industrial campuses and metropolitan networks over long distances. We are able to provide the complete construction of cable routes, active elements (especially HPE and Cisco), diagnostics and operational management. We also offer extensive wireless networking solutions for both the interconnection of sites and area coverage, including complex industrial environments and mobile warehouse logistics centres. As regards WAN networks, we mostly create a client interface with selected operators in design, involving the negotiation of conditions, configuration and operational provision of connections between sites on dedicated and packet routes (usually MPLS).

SECURITY SOLUTIONS

With the increasing risk of security breaches, security has become an indispensable part of the IT infrastructure. Our offer covers all standard areas such as identity verification (directory systems, multi-factor authentication, certificates, etc.), network health protection according to 802.IX, interface protection via NGFW/UTM gateway solutions and, of course, malware protection. Our main partners in this area are McAfee, WatchGuard and Cisco.

END WORKPLACES

We supply complete end-user equipment in both office and industrial environments – PC working stations, laptops, thin clients and a variety of mobile and printer devices, including high-performance MFC business systems. Industry-specific solutions include,

for example, multi-screen dispatching systems and barcode solutions, from readers and tablets, to printers and the necessary consumables. We also provide camera systems for our clients. Our main partners in this area are HP, Zebra, XEROX, and AXIS.

OUTSOURCING OF INFRASTRUCTURE SERVICES

An important activity is the outsourcing of infrastructure services, in which we ensure the operability of ICT systems, including support for production environments with continuous operation. On the basis of the agreed SLA, we then provide substantial guarantees for compliance with the operating parameters and the solution of planned and unplanned events. We act as the primary interface both when the company has no local IT at all (we then often work with the central IT department in the foreign headquarters) and as second-level support, providing for specialized services or covering ad hoc needs.

STUDIES AND PROJECTS

We carry out studies for our clients to assess the status of their IT technologies in relation to the business needs of their organization. For a comprehensive assessment, we have developed a methodology that makes the analysis outputs a suitable tool for long-term IT development planning. We also provide consultancy services on IT sub-components, such as high availability solutions, cloud preparation, and hybrid scenarios.

RESPECT

**A RESPONSIBLE APPROACH
TOWARDS PEOPLE, SOCIETY,
AND THE ENVIRONMENT
WE LIVE IN IS THE ESSENCE
OF OUR APPROACH TO BUSINESS.
WITHOUT RESPECT TOWARDS
CUSTOMERS, BUSINESS PARTNERS
AND EMPLOYEES, WE WOULD NOT
BE WHERE WE ARE NOW.**

07

SOLITEA

MANAGEMENT



BOARD OF DIRECTORS

MARTIN CÍGLER **CHAIRMAN OF THE BOARD** **and CHIEF EXECUTICE OFFICER**

In January 1990, Martin founded Cígler software (now Solitea Česká republika), which under his leadership became one of the most respected and innovative information systems producers in the Czech Republic and Slovakia.

In 2007, he became the IT personality of the year. In 2013, he was one of the founders of Solitea Holding, participated in all acquisitions, and under his management, Solitea's turnover exceeded CZK 1 billion.



MICHAL RYBOVIČ
VICE-CHAIRMAN

Michal benefits from his M&A manager experience as a partner in Sandberg Capital. He participated in the establishment of Solitea and in all major acquisitions, and is involved in all decisions affecting the holding's financial results.



SUPERVISORY BOARD

MICHAL MÁČEL

Chairman of the Supervisory Board

In July 1990, Michal co-founded Vema, which under his leadership became the leader of the Czech HR information systems market. Today, he works in Solitea as a member of the new Solitea C1 ERP system team, where he is responsible for developing a definition and manipulation language to support rapid implementation.



TOMÁŠ LOUKOTA

Member of Supervisory Board, Chief Operating Officer, Solitea Česká republika

Tomáš began his career in technical support for an ERP system specializing in wholesalers and distributors. Since 1999, he has worked at Solitea Česká republika (formerly Cigler software), where he has worked his way up from a technical support worker to CSO and then COO. He is behind the successful marketing strategy for launching the new ERP system Money S5, and today, he is leveraging his highly client-oriented approach.



PETR FRANČ

Member of Supervisory Board, Chief Executive Officer, Solitea Business Solutions

Petr is a manager with over 20 years of ICT experience. Since 2002, he has been with Solitea Business Solutions (formerly Aquasoft), where he is the CEO and responsible for the effective operation of the company and the definition and achievement of key strategic objectives.



TOP MANAGEMENT

MIROSLAV ŘÍHA

Chief Technology Officer

Miroslav started his career as the head of a software development group for engineering production. He was one of the founders of J.K.R. (now Byznys software), which has gradually become one of the leading ERP systems producers in the Czech Republic. In this company, he was in charge of the product strategy and the development of the Byznys system.

In the products he helped to create, the user's perspective was always a priority and an emphasis was placed on the progressive methods and processes used in the industry. Since July 2017, he has been Solitea's CTO and is responsible, among other things, for the synergies between the holding's ERP systems.



DAGMAR NOVOTNÁ

Chief Financial Officer

Dagmar has been involved in the development of Solitea Česká republika (formerly Cíglér software) since its inception. She leverages many years of experience in the economic management of not only Solitea Česká republika, but also the entire holding Solitea, a.s. She enjoys managerial and financial statements, enabling her to effectively predict financial threats and opportunities. Despite her many years of experience, she does not approach her job as a routine and is able to successfully face the challenges that come from stakeholders.



PAVEL HAVRÁNEK
Chief Information Officer

Pavel has 30 years of experience in ICT, while for more than 25 years, he has worked as the head of the ICT division in CDL SYSTEM (now Solitea CDL), which he co-founded. His experience and ability to bring things to their successful fruition are now focused on internal ICT support in the holding and its member companies. He mainly deals with the holding's central systems, perimeter protection, and teamwork environment.



LUKÁŠ KRIFTA
Chief Marketing Officer

Lukáš started his career as an account manager with a focus on retail in an online marketing agency. In 2011, he crossed over to the other side and became a marketing manager at Solitea Česká republika (formerly Cígler software). Since 2016, he has been responsible for all marketing activities of the entire Solitea holding. He is responsible for preparing a unified brand and on the unification of the promotional activities of all the holding members.

MANAGEMENT OF SUBSIDIARIES



KLÁRA CEROVSKÁ | Chief Operating Officer
Altus software

Klára joined Altus software in 2009. Since 2013, she held the position of CSO, and since 2017, she has been working as the COO. She formerly worked as the head of the TechData Distribution team responsible for the sale of peripherals and consumables. She graduated from the Faculty of Mathematics and Physics at Charles University in Prague.



MARTIN KUDRNA | Chief Executive Officer
Byznys software

Martin gained professional experience during his almost twenty years abroad, both in Europe and overseas. After returning to the Czech Republic, he started to do business in Czech IT, and for seven years, he successfully led a major manufacturer of telematics systems. As of January 2017, he became the CEO of Byznys software (formerly J.K.R. and currently mostly focuses on substantially accelerating its development.



JÜRGEN DONAUBAUER | Chief Operating Officer
JET ERP

Jürgen has extensive experience in ERP solutions, process optimization and expert advisory activities in financial and tax matters. In JET ERP, he is responsible for the finance section, technical infrastructure and the expansion of the logistics and business consulting services portfolio in Austria, Germany, Switzerland and the Czech Republic.



PETRA ŠINIGOJ | Chief Executive Officer
Saop

Although leading the company only since 2017, Petra has been working at Saop since she was a student. She has been developing her skills here as an employee in various departments for over 20 years. Among other things, she participated in the development of Minimax, which under her leadership became the most popular cloud accounting software in Slovenia. Over the years, she has come to know all her colleagues very well and knows she can rely on them. This allows her to lead Saop towards new successful goals.



VÍTĚZSLAV KOTRS | Chief Executive Officer
Solitea CDL

Vítězslav started doing business in IT 25 years ago, when he co-founded CDL SYSTEM. In 1997, he was involved in the founding of the ERP division, which offers information systems from Microsoft. Under his leadership, CDL SYSTEM has grown into an IT company with a turnover of over CZK 200 million and many interesting clients, not only in ERP and CRM, but also in ICT and SharePoint.



VIKTOR PIEŠ | Chief Operating Officer
Solitea Slovensko

After graduating from the University of Economics in Bratislava, Viktor gained experience in the advertising and pharmaceutical industry. He joined Solitea Slovensko in 2015 as a division manager of ERP systems. In April 2017, he became the COO. At Solitea, he continues to use his managerial education and business and management experience to develop the company. His current task is to strengthen the company's position in the Slovak market.



JAN TOMÍŠEK | Chief Executive Officer
Vema

Jan gained his technological experience at the Department of Computer Science at the Brno University of Technology, and in 1995, co-founded Vema Computers and Systems. From 2000, he worked as the head of the Vema Services Division, and in 2006, he was the driving force behind its entry into the cloud world. Since 2016, he has been leveraging his experience as Vema's CEO, and his goal is to strengthen the company's position in the Czech and Slovak markets.



PETER VILEM | Chief Operating Officer
Vema Slovensko

Peter gained his first experience in the field while implementing a CAD system in Tesla, Bratislava. He has been working in IT for 26 years, in particular in information systems implementation. Since 2009, he has been with Vema Slovensko as the COO and is responsible for the company's activities in the Slovak market.

08

MANAGEMENT
REPORT

STATEMENTS

**NOTES TO THE NON-CONSOLIDATED
FINANCIAL STATEMENTS**

**RELATIONSHIP REPORT OF SOLITEA
A.S. AS OF 30 JUNE 2018**

AUDITOR'S REPORT

Fiscal year 2018 (1 July 2017 to 30 June 2018) was another strong year for Solitea. By purchasing CDL SYSTEM (now Solitea CDL), the holding completed one of its largest acquisitions. Its organic and acquisition-based growth resulted in turnover of CZK 1.147 billion, a 34 percent increase compared to fiscal year 2017.

In spite of extensive R&D investment, EBITDA stood at CZK 120,123 thousand. The excellent results are due to the good economic situation in most markets where Solitea operates and the high growth in revenue from cloud services. In line with Solitea's strategy, they have become the engine of the holding's organic growth – a qualified estimate puts their growth at 52 percent from CZK 74 million to CZK 112 million.

ECONOMIC SITUATION

2017 was a very favourable year for the European Union, with most countries having a positive annual GDP growth. Unemployment dropped virtually everywhere, and in all regions where we operate, labour costs in the IT sector rose sharply.

CZECH REPUBLIC AND SLOVAKIA

The economy of the Czech Republic and Slovakia has been experiencing its best times in recent quarters, and together with the euro area, it is currently close, if not already at the peak of the current economic cycle. Thanks to the openness and pro-export orientation of

both countries, strong global growth is positively reflected in their prosperity. The Czech and Slovak labour and property markets even suggest that the economies of both countries are slightly overheating. Therefore, many experts are concerned that economic growth in both countries could decrease slightly in the near future. These concerns are also confirmed by the PMI (purchasing managers' indexes), which are almost perfectly correlated with EU economic performance and have been slowing down for several months now. They also indicate weaker economic growth in the future. The rising GDP curve in the last four quarters confirms that the Slovak economy is in a stable growth phase. If we adjust the results for seasonal effects,

GDP increased by 3.9 percent compared to Q2 2017 and by 1 percent compared to Q1 this year. Although the Czech economic growth slowed down in Q2 2018 from 4.2 percent to 2.3 percent year-on-year, it is still among the best in Europe.

The slowdown in the growth of the Czech economy may be affected by rising CNB interest rates and the end of its interventions in the foreign exchange market. This is reflected in the gradual strengthening of the Czech crown, which is exacerbating the position of Czech exporters. Interest rates are also expected to rise in the euro area, and the ECB is expected to start this process in the first half of 2019.

The unemployment rate and annual GDP growth exceeded the pre-crisis levels a long time ago. Unemployment in particular is at an all-time low, causing constant upward pressure on wages. After seasonal adjustments, the Czech Republic's unemployment rate of 2.4 percent is currently the lowest in the EU. The Slovak unemployment rate of 6.9 percent is also at its long-term lows, and the overall unemployment rate in the euro area is at its lowest since December 2008.

AUSTRIA

The Austrian economy experienced strong growth in 2017, resulting in significant growth in exports, the development of internal trade and construction, as well as a strong demand for skilled labour. Austrian private consumption grew steeply. According to the central bank of Austria (OeNB), the gross domestic product amounted to EUR 369.218 billion, an increase of 3.1 percent from 2016 and 10th place within the EU. The State Budget deficit decreased by 0.7 percent with the budget expected to be balanced in 2018. Indebtedness fell by EUR 5.7 billion to EUR 289.49 billion, and unemployment fell by 0.5 percent to 5.5 percent.

In addition to sustainable development, the priority of the new Austrian government, which took office after the 2017 elections, is further digitization to promote Austria's position as a country with a high level of innovative and economic potential.

SLOVENIA

The strength of Slovenia's economy is also steadily growing, as evidenced by growth in the GDP, slowly reaching pre-crisis levels, for the third consecutive year. Economic growth has been affected by rising foreign demand as well as measures taken at home. However, the speed of catching up with the more advanced European countries has been hampered by slower productivity gains.

Between 2012 and 2014, 45.9 percent of domestic companies focused on modernization. Among service providers, IT companies were the most active, already approaching the EU standard.

In 2016, the minimum gross wage remained at the same level as in 2015, i.e. EUR 791, while the average gross wage increased to EUR 1585. At the same time, Slovenia remains a country whose citizens feel safe – in a 2015 survey, almost 93 percent of respondents characterized their country as a safe place to live.

CROATIA

The Croatian economy saw a steady rate of return on investment in the first three quarters of 2017. The average annual growth rate was 4 percent, while growth in the last quarter of 2017 fell to 1.7 percent (year-on-year) and even to 0.3 percent (compared to Q3 2017).

Currently, the Croatian National Bank, supported by the Croatian Government, has prepared a strategy to adopt the euro as the official currency of Croatia and presented it to the general public for discussion. Compared to the relatively

low and short-term direct costs of adopting the euro, long-term and greater benefits are expected from its adoption. The euro should have a positive impact on both tourism and trade in goods, given the significant reduction in transaction costs, increased transparency and price convergence.

In 2017, the unemployment rate in Croatia reached 12.4 percent, and in 2018, it is expected to fall to 11.5 percent. In January 2018, the average monthly gross wage reached EUR 803, while the minimum monthly wage was EUR 462.30.

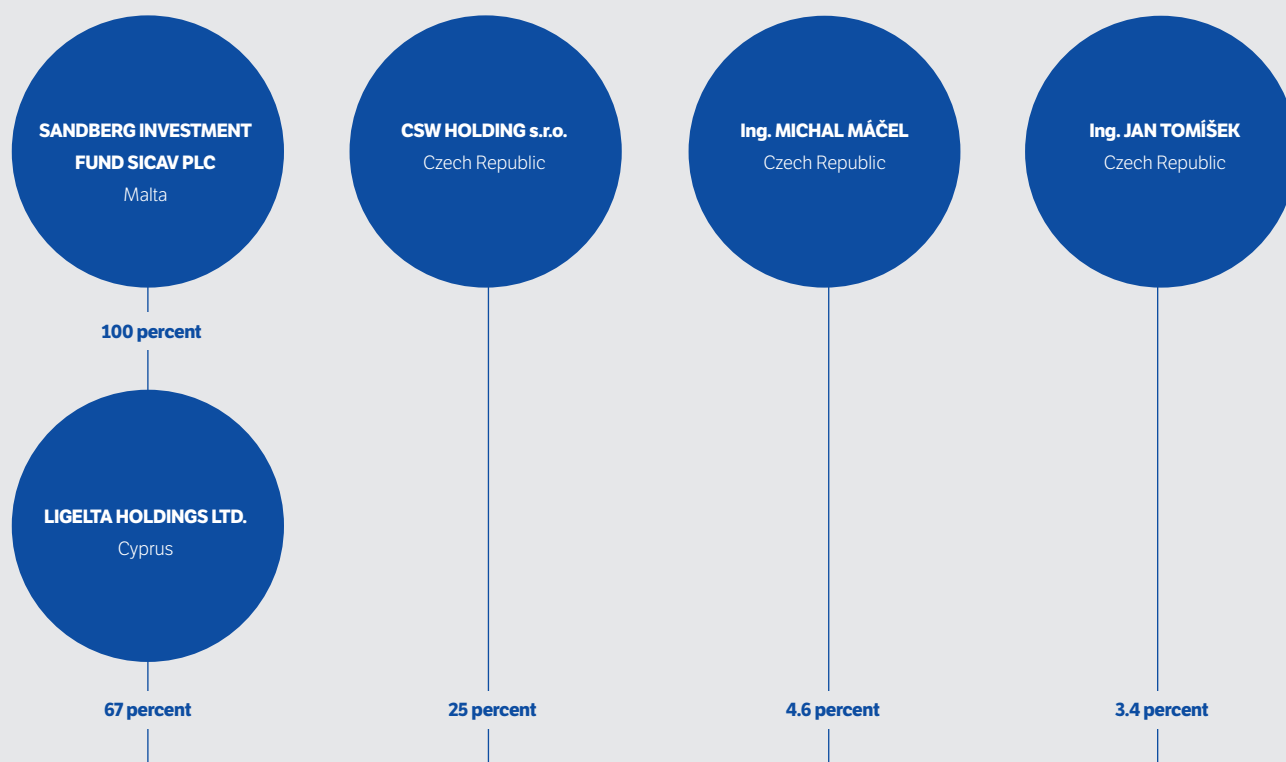
SERBIA

In 2017, the Serbian economy made a significant move towards macroeconomic stability. Unfortunately, this economic growth was very modest, and major reforms were not introduced.

In 2017, the Serbian economy grew by less than 2 percent, i.e. twice as slow as the central and eastern European average. This confirms that while macroeconomic stability is indispensable, it does not in itself ensure economic growth to the point of being strong and sustainable in the long term.

What is encouraging is that Serbia has remained a regional leader in attracting foreign direct investment, which amounted to EUR 2.4 billion (up 27.1 percent) in 2017.

The average gross wage in December 2017 was RSD 67,901 (EUR 578.74), while the average net wage was RSD 49,117 (EUR 418.64). According to a labour market survey at the end of 2017, the unemployment rate was 14.8 percent.



SOLITEA'S OWNERSHIP STRUCTURE

Solitea is not a publicly traded company. It is directly or indirectly owned by Czech and Slovak natural persons; 67 percent is owned by Sandberg Capital through Ligelta Holdings Ltd., 25 percent is owned by CSW Holding, s.r.o. and 8 percent is owned by two former owners of Vema, a.s. (data as of 30 June 2018).

LIGELTA HOLDINGS LTD

with its registered office at Kyriakou Matsi, 16, Eagle House, 8th floor, Agjoi Omologites, 1082, Nicosia, Republic of Cyprus, 67 percent share.

CSW HOLDING, S.R.O.

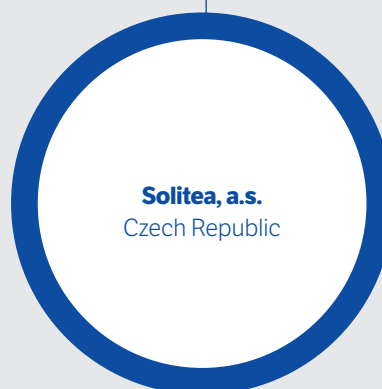
with its registered office at Drobného 555/49, 602 00, Brno, Czech Republic, 25 percent share. CSW Holding is an investment company that is 100 percent owned by Martin Cígler, the former owner of CÍGLER SOFTWARE and founder and CEO of Solitea (see chapter Solitea Management on p. 34). In addition to investing in the IT sector, the holding also invests in real estate through its subsidiary Office Buildings s.r.o.

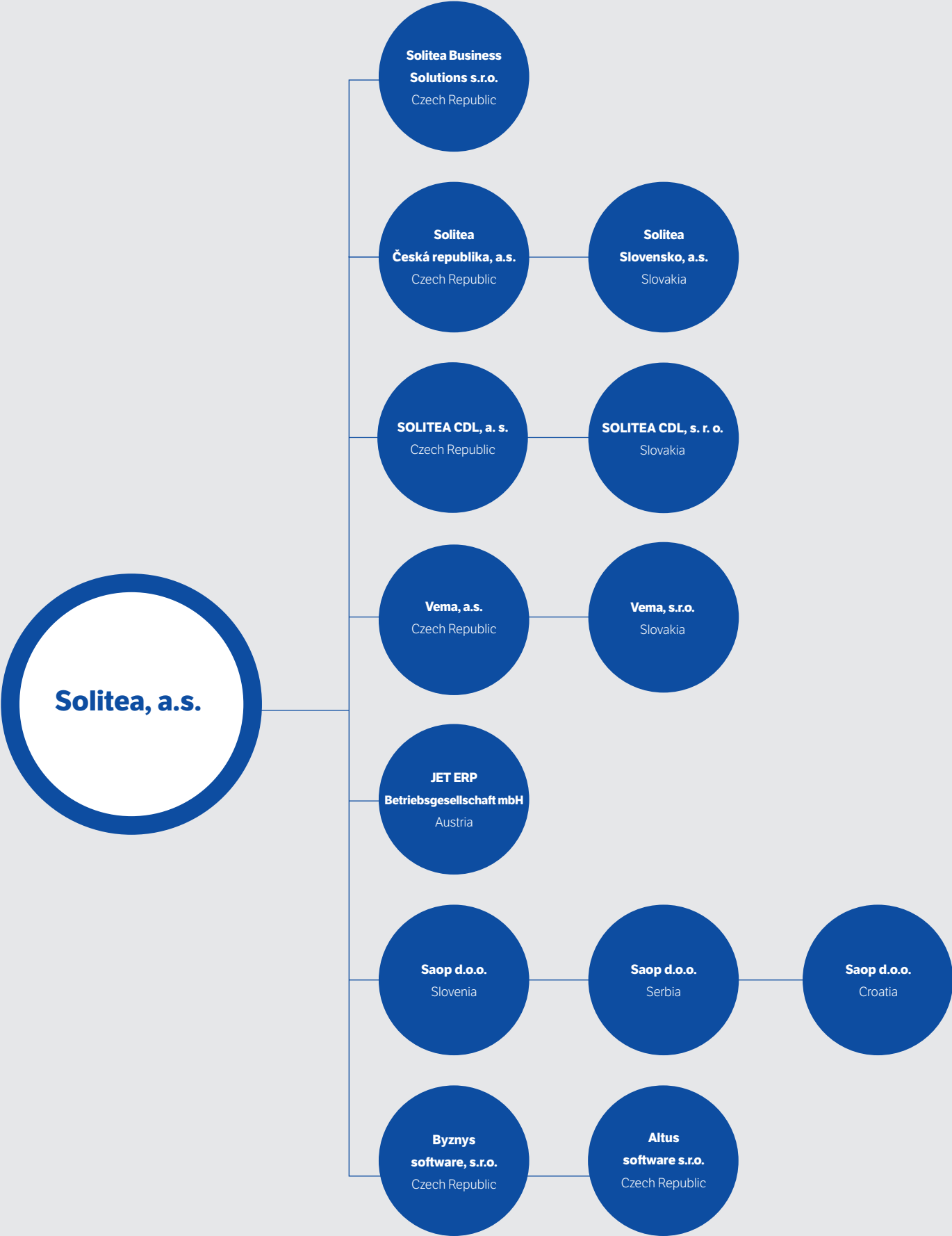
ING. MICHAL MÁČEL AND ING. JAN TOMÍŠEK

Private investors, founders of Vema. For more information, see the chapter on Solitea Management on p. 34.

SANDBERG INVESTMENT FUND SICAV PLC

The 100 percent owner of Ligelta Holdings Ltd. is Sandberg Investment Fund SICAV PLC, Brewery Street, Suite 2, Level 3, TG Complex, Imriehel, Birkirkara, BKR 3000, Republic of Malta; a management company authorized by the National Bank of Slovakia to create and manage domestic and foreign alternative investment funds. Sandberg Capital's portfolio currently includes investments in IT, agriculture, telecommunications, education and retail. The value of managed assets exceeds EUR 200 million. The company is in 99 percent owned by Martin Fedor and manages the assets of both institutional and individual investors, including Martin Fedor.





FINANCIAL STATEMENTS

BALANCE SHEET – FULL AS AT 30 JUNE 2018

Identification number

015 72 377

Business name and registered office

Solitea, a.s.

Drobného 555/49, Ponava, 602 00 Brno

Czech Republic

The numbers are in CZK thousands.

Code	ASSETS	line	Current accounting period			Previous period
			Gross	Adjustment	Net	Net
a	b	c	1	2	3	4
	TOTAL ASSETS	1	1,314,642	- 2,605	1,312,037	1,164,387
B.	Fixed assets	2	1,223,149	-2,605	1,220,544	1,115,514
B.I.	Intangible fixed assets	3	214	- 207	7	86
B.I.2.	Valuable rights	4	214	- 207	7	86
B.I.2.1.	Software	5	214	- 207	7	86
B.II.	Tangible fixed assets	6	4,927	-2,398	2,529	3,329
B.II.2.	Tangible fixed assets and their groups.	7	4,927	-2,398	2,529	3,329
B.III.	Non-current financial assets	8	1,218,008		1,218,008	1,112,099
B.III.1.	Shares – controlled or controlling entity	9	1,218,008		1,218,008	1,112,099
C.	Current assets	10	90,754		90,754	48,829
C.II.	Receivables	11	8,132		8,132	40,301
C.II.2.	Short-term receivables	12	8,132		8,132	40,301
C.II.2.1.	Trade receivables	13	5,626		5,626	13,255
C.II.2.2.	Receivables – controlled or controlling entity	14	2,500		2,500	
C.II.2.4.	Receivables – others	15	6		6	27,046
C.II.2.4.4.	Short-term advances paid	16	6		6	5
C.II.2.4.6.	Other receivables	17				27,041
C.III.	Current financial assets	18	68,202		68,202	
C.III.2.	Other current financial assets	19	68,202		68,202	
C.IV.	Cash	20	14,420		14,420	8,528
C.IV.1.	Cash on hand	21	3		3	4
C.IV.2.	Cash on accounts	22	14,417		14,417	8,524
D.	Accruals (assets)	23	739		739	44
D.3	Prepaid expenses	24	739		739	44

**BALANCE SHEET –
FULL AS OF 30 JUNE 2018**

Identification number

015 72 377**Business name and registered office**

Solitea, a.s.

Drobného 555/49, Ponava, 602 00 Brno

Czech Republic

The numbers are in CZK thousands.

Code	LIABILITIES	line	Current accounting period	Previous accounting period
a	b	c	5	6
	TOTAL LIABILITIES	25	1,312,037	1,164,387
A.	Equity	26	1,312,037	1,164,387
A.I.	Share capital	27	1,028,060	975,132
A.I.1.	Share capital	28	814,000	814,000
A.II.	Share premium and capital funds	29	814,000	814,000
A.II.1.	Premium	30	-6,748	-4,698
A.II.2.	Capital funds	31	6,128	6,128
A.II.2.2.	Valuation differences from the revaluation of assets and liabilities (+/-).	32	-12,876	-10,826
A.IV.	Profit/loss brought forward (+/-)	33	-12,876	-10,826
A.IV.1.	Retained profits brought forward	34	165,830	134,743
A.V.	Profit/loss of the current accounting period (+/-)	35	165,830	134,743
B.+C.	Liabilities	36	54,978	31,087
C.	Payables	37	279,701	185,190
C.I.	Long-term payables	38	279,701	185,190
C.I.6.	Payables – controlled or controlling entity.	39	44,827	35,697
C.I.8.	Deferred tax liability	40		3,018
C.I.9.	Payables – others	41	327	179
C.I.9.3.	Other payables	42	47,500	32,500
C.II.	Short-term payables	43	47,500	32,500
C.II.4.	Trade payables	44	231,874	149,493
C.II.6.	Payables – controlled or controlling entity.	45	3,474	3,538
C.II.8.	Payables – others	46	192,921	140,672
C.II.8.3.	Payroll payables	47	35,479	5,283
C.II.8.4.	Payables under social security and health insurance	48	340	142
C.II.8.5.	State – tax liabilities and subsidies	49	220	91
C.II.8.6.	Accrued liabilities (estimated accounts)	50	541	1046
C.II.8.7.	Other payables	51	939	
D.	Accruals (liabilities)	52	33,439	4,004
D.1.	Accrued expenses	53	4,276	4,065

PROFIT AND LOSS ACCOUNT
CLASSIFICATION FOR THE YEAR
ENDING ON 30 JUNE 2018

Business name and registered office

Solitea, a.s.

Drobného 555/49, Ponava, 602 00 Brno

Czech Republic

The numbers are in CZK thousands.

Identification number

015 72 377

Code	PROFIT AND LOSS ACCOUNT	line	Current accounting period	Previous accounting period
a	b	c	1	2
I.	Revenues from the sale of goods and services	1	20,987	18,401
II.	Revenues from the sale of goods	2	94	71
A.	Consumption	3	12,816	12,889
A.1.	Cost of goods sold	4	94	72
A.2.	Material and energy consumed	5	114	57
A.3.	Services	6	12,608	12,760
D.	Personnel costs	7	6,571	3,245
D.1.	Wage costs	8	4895	2,422
D.2.	Cost of soc. security, health insurance and other costs	9	1,676	823
D.2.1.	Social security and health insurance.	10	1,664	823
D.2.2.	Other costs	11	12	
E	Adjustment of operating values	12	1,030	927
E.1.	Adjustments to intangible and tangible fixed assets	13	1,030	927
E.1.1	Adjustments to intangible and tangible fixed assets – permanent	14	1,030	927
III.	Other operating revenues	15		2
III.3.	Other operating revenues	16		2
F.	Other operating costs	17	49	15
F.5.	Other operating costs	18	49	15
*	Operating profit/loss (+/-)	19	615	1,398

Code	PROFIT AND LOSS ACCOUNT	Line	Current accounting period	Previous accounting period
a	b	c	1	2
IV.	Revenues from long-term financial assets – shares	20	56,689	29,201
IV.1.	Revenues from shares – controlled or controlling entity	21	56,689	29,201
VI.	Interest revenue and similar revenue	22	290	44
VI.2.	Other interest revenue and similar revenue	23	290	44
J.	Interest expenses and similar costs	24	3,836	2,217

J.1.	Interest costs and similar costs – controlled or controlling entity	25	3,836	1,277
J.2.	Other interest expenses and similar costs	26		940
VII.	Other financial revenue	27	2,639	3,062
K.	Other financial costs	28	1,271	265
*	Financial profit/loss	29	54,511	29,825
**	Profit/loss before tax (+/-)	30	55,126	31,223
L.	Income tax	31	148	136
L.2.	Income tax deferred (+/-)	32	148	136
**	Profit/loss after tax (+/-)	33	54,978	31,087
***	Profit/loss for the accounting period (+/-)	34	54,978	31,087
*	Net turnover for accounting period = 1 + II. + III. + IV. + V. + VI. + VII.	35	80,699	50,781

**CASH FLOW STATEMENT
FOR THE YEAR ENDING
ON 30 JUNE 2018**

Identification number
015 72 377

Business name and registered office

Solítea, a.s.
Drobného 555/49, Ponava, 602 00 Brno
Czech Republic
The numbers are in CZK thousands.

Code	CASH FLOW STATEMENT	Current accounting period	Previous accounting period
P.	Cash and cash equivalents at the beginning of the accounting period	8,528	34,045
CASH FLOWS FROM MAIN GAINFUL ACTIVITY			
Z:	Accounting profit or loss from ordinary activities before tax	55,126	31,223
A.1.	Adjustments for non-monetary operations	-52,113	-26,101
A.1.1.	Depreciation of fixed assets	1,030	927
A.1.4.	Revenues from profit shares	-56,689	-29,201
A.1.5.	Cost and revenue interest accounted for	3,546	2,173
A*.	Net operating cash flow before tax, changes in working capital, financial and extraordinary items	3,013	5,122
A.2.	Change in working capital needs	-33,320	-32,713
A.2.1.	Change in operating receivables, estimated receivables and accruals	33,974	-36,429
A.2.2.	Change in short-term operating payables, estimated payables and accruals	908	3,716
A.2.4.	Change in financial assets not included in cash	-68,202	
A.**	Net cash flow from operating activities before tax, financial and extraordinary items	-30,307	-27,591
A.3.	Interest paid, excluding capitalized interest	-3,836	-2,434
A.4.	Interest received	290	
A.6.	Profit shares received	56,689	29,201
A.***	Net operating cash flow	22,836	-824

CASH FLOWS FROM INVESTMENT ACTIVITIES

B.1.	Acquisition of fixed assets	-63,675	-25,065
B.1.1.	Acquisition of tangible fixed assets	-150	
B.1.2.	Acquisition of intangible fixed assets	-1	
B.1.3.	Acquisition of non-current financial assets	-63,524	-25,065
B.3.	Loans and credits to related persons	-2,500	
B.***	Net cash flow from investing activities	-66,175	-25,065

CASH FLOWS FROM FINANCIAL ACTIVITIES

C.1.	Change of long-term or short-term financial liabilities	49,231	372
C.***	Net cash flow from financial activities	49,231	372
F.	Net increase or decrease in cash	5,892	-25,517
R.	Cash and cash equivalents at the end of the accounting period	14,420	8,528

**OVERVIEW OF CHANGES
IN EQUITY FOR THE YEAR
ENDING ON 30 JUNE 2018**

Identification number

015 72 377

Business name and registered office

Solitea, a.s.

Drobného 555/49, Ponava, 602 00 Brno

Czech Republic

The numbers are in CZK thousands.

STATEMENT OF CHANGES IN EQUITY

	Capital	Premium	Valuation differences from property revaluation and liabilities	Retained profit from previous years	Profit/loss current accounting period	Total
Balance as at 1 July 2017	814,000	6,128	-10,826	134,743	31,087	975,132
Transfer of profit/loss	-	-	-	31,087	-31,087	-
Allocation to funds	-	-	-2,050	-	-	-2,050
Profit/loss for the current year	-	-	-	-	54,978	54,978
Balance as at 30 June 2018	814,000	6,128	-12,876	165,830	54,978	1,028,060
Balance as at 1 July 2016	814,000	6,128	624	80,325	54,419	955,496
Transfer of profit/loss	-	-	-	54,419	-54,419	-
Allocation to funds	-	-	-11,450	-	-	-11,450
Rounded to	-	-	-	-1	-	-1
Profit/loss for the current year	-	-	-	-	31,087	31,087
Balance as at 30 June 2017	814,000	6,128	-10,826	134,743	31,087	975,132

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

1. COMPANY DESCRIPTION

Solitea, a.s. (the “Company”) is a joint stock company with registered office at Drobného 555/49, Brno, Czech Republic, ID No 015 72 377. The Company was registered in the Commercial Register of the Regional Court in Brno under section B, file number 7072.

Its subject of business is:

- manufacture, trade and services not listed in Annexes 1 to 3 of the Licensed Trades Act
- management of own assets
- lease of real estate, apartments and non-residential premises.

The Company is the parent company of the Solitea Group, and the accompanying financial statements are compiled as non-consolidated.

The consolidated financial statements of the largest group of entities to which the Company belongs as a consolidated entity are prepared by Ligelta Ltd., with its registered office in the Republic of Cyprus.

The consolidated financial statements of the narrowest group of entities are prepared by Solitea, a.s. with its registered office at Drobného 555/49, Brno, Czech Republic. These consolidated financial statements are available at the registered office of the consolidating company.

No changes were made to the entry in the Commercial Register in the year

ending on 30 June 2018. Shareholders with more than 20 percent of the share capital:

LIGELTA HOLDINGS LTD

with its registered office at Kyriakou Matsi, 16, Eagle House, 8th floor, Agioi Omologites, 1082, Nicosia, Republic of Cyprus, 67 percent share.

CSW Holding s.r.o.

with its registered office at Drobného 555/49, 602 00, Brno, Czech Republic, 25 percent share..

2. UNDERLYING CONSIDERATIONS FOR THE FINANCIAL STATEMENTS

The (non-consolidated) financial statements were prepared in accordance with Act No 563/1991 on accounting, as amended (the “Accounting Act”), and Decree No 500/2002, implementing some provisions of Act No 563/1991 on accounting, as amended, for entities that are entrepreneurs using the double-entry bookkeeping system, as amended and in the wording valid for 2017 (the “Decree Implementing the Accounting Act”).

Under the Accounting Act, the Company is required to prepare consolidated financial statements, which must be prepared in accordance with the accounting regulations applicable in the Czech Republic.

The financial statements have been prepared on a going concern basis.

The financial statements have been prepared for the period from 1 July 2017 to 30 June 2018 (the “year 2018” or the “year ending on 30 June 2018”). The data for the previous period are for the period from 1 July 2016 to 30 June 2017.

3. GENERAL ACCOUNTING PRINCIPLES, ACCOUNTING METHODS AND THEIR CHANGES AND DEROGATIONS

The valuation methods used by the Company to prepare the financial statements for the year ending on 30 June 2018 are as follows:

INTANGIBLE FIXED ASSETS

Intangible fixed assets are valued at cost, which includes the purchase price and costs related to their purchase. Intangible fixed assets with a purchase price of up to CZK 60 thousand are not reported in the balance sheet and are recognized in the year of purchase.

Intangible fixed assets produced in the Company are valued at cost, which includes direct material and labour costs and production overheads.

Depreciation:

Depreciation is calculated based on the acquisition cost and the estimated useful life of the asset. In the course of the use of intangible fixed assets, the depreciation plan is updated based on the expected useful life. The estimated useful life is determined as follows:

Intangible fixed assets – software is depreciated over 36 months.

The costs of technical improvement of intangible fixed assets increase their cost. Repairs and maintenance are accounted for as costs.

TANGIBLE FIXED ASSETS

Tangible fixed assets are valued at cost, which includes the purchase price, transport costs, customs duties and other costs related to their purchase.

Tangible fixed assets over CZK 10 thousand are depreciated over a period of 24 months. Tangible fixed assets with a purchase price of up to CZK 10 thousand are not reported in the balance sheet and are recognized in the year of purchase.

The cost of technical improvements to tangible fixed assets increases their purchase price. Repairs and maintenance are accounted for as costs.

Depreciation:

Depreciation is calculated based on the acquisition cost and the estimated useful life of the asset. In the course of the use of tangible fixed assets, the depreciation plan is updated based on the expected useful life. The estimated useful life is determined as follows:

Hardware (server, projector, etc.)
36 months

Disk array 84 months

Low-value fixed assets are depreciated over 24 months from the date of their inclusion.

FINANCIAL ASSETS

Non-current financial assets comprise ownership interests in controlled persons and persons under significant influence.

Shares and securities are valued at cost, which includes the purchase price and direct costs.

Non-current financial assets are valued at cost. Shares in controlled persons acquired in foreign currencies have been converted to CZK as at the balance sheet date using the CNB exchange rate, and the exchange rate difference is reported under equity – valuation differences from the revaluation of assets and liabilities.

CASH

Cash comprises stamps and vouchers, cash and cash on bank accounts.

INVENTORY

The Company does not account for inventories.

RECEIVABLES

Receivables are valued at their nominal value upon creation. The valuation of doubtful receivables is reduced by allowances under costs of their realizable value based on an individual assessment of individual debtors and the age structure of receivables.

Estimated receivables are valued on the basis of expert estimates and calculations.

Receivables and estimated receivables are divided into short-term (maturity of up to and including 12 months) and long-term (maturity of over 12 months); short-term receivables are payable within one year after the balance sheet date.

DERIVATIVES

The Company has not concluded any derivative transactions in the current or previous accounting period.

EQUITY

The Company's share capital is reported in the amount recorded in the Commercial Register kept by the Regional Court. Any increase or decrease in the share capital based on the decision of the general meeting and not registered as of the financial statements date is recorded as a change in the share capital.

Contributions exceeding the share capital are reported as premiums.

According to the Company's articles of association, the Company does not create a reserve fund from profit or from the additional payments of shareholders above the value of their contributions.

LIABILITIES

The Company creates provisions for losses and risks in cases where the title, amount and date of performance can be determined with a high degree of probability and according to the substantive and temporal context.

Long-term and short-term liabilities are reported at nominal values.

Long-term and short-term liabilities to credit institutions are reported at nominal value. Short-term liabilities to credit institutions are also considered to include a part of long-term liabilities to credit institutions, which are due within one year from the balance sheet date.

Estimated payables are valued on the basis of expert estimates and calculations. They are divided into short-term and long-term payables.

LEASING

The Company has no concluded any lease contracts.

FOREIGN EXCHANGE OPERATIONS

Assets and liabilities denominated in foreign currencies are valued in Czech crowns at the exchange rates valid on the date of their creation; on the balance sheet date, financial items were valued at the Czech National Bank exchange rates valid on 30 June 2018. Realized and unrealized foreign exchange gains and losses are recognized under the financial revenues or financial costs of the current year.

USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as at the balance sheet date and the reported amounts of revenues and costs during the reporting period. The Company's management has determined these estimates and assumptions on the basis of all relevant information available to it. However, as follows from the nature of the estimate, the actual values in the future may differ from these estimates.

REVENUE AND COST ACCOUNTING

Revenues and costs are recognized on an accrual basis, i.e. in the period to which they relate in terms of substance and time.

INCOME TAX

Income tax cost is calculated using the applicable tax rate on accounting profit increased or decreased by permanently or temporarily non-tax deductible costs and non-taxable revenues (e.g. share of profit in controlled entities, the creation and recognition of other provisions and allowances, representation costs, the difference between accounting and tax depreciation, etc.). Account is also taken of items reducing the tax base (gifts), deductible items (tax loss, R&D projects) and income tax allowances.

Deferred tax liability reflects the tax effects of temporary differences between the carrying amounts of assets and liabilities in terms of financial accounting and the determination of the income tax base, taking into account the period of implementation.

A deferred tax receivable is recognized only when it is probable that it will be claimed in the following accounting periods.

SUBSIDY / INVESTMENT INCENTIVES

The company did not accept any investment incentives or subsidies.

EMISSION ALLOWANCES

The company does not own or trade in emission allowances.

SUBSEQUENT EVENTS

The impact of events that occurred between the balance sheet date and the financial statements date is recognised if these events provided further information about the facts that existed at the balance sheet date.

If, between the balance sheet date and the financial statements date, significant events occurred which take account of facts that occurred after the balance sheet date, the effects of these events are described in the notes to the financial statements but are not recognised.

NETTING

The Company did not make any significant netting in the current or previous accounting period.

CHANGES IN ACCOUNTING METHODS

In the current accounting period, there has been a change in the recognition of trade receivables from related persons from the position "Receivables – controlled or controlling person" to the position "Trade receivables", which better reflects the

nature of the transactions. In addition to this change, there were no other changes in accounting policies in the current and prior accounting periods.

DEROGATION FROM ACCOUNTING METHODS

There were no derogations from accounting methods in the current or previous accounting period.

CORRECTIONS OF ERRORS FROM PAST YEARS

No correction of errors from past years has been made in the current or previous accounting period.

4. FIXED ASSETS

Financial information about JET ERP was obtained from non-audited financial statements. SAOP Računalništvo d.o.o, Cesta Goriške fronte 46, 5290 Sempeter pri Gorici, registration number 5383129000. 24.074 percent share. The remaining share capital of 75.926 percent is held by the Company as its own shares. Solitea, a.s. is the controlling person and the sole owner of SAOP Računalništvo d.o.o. No other person is involved in the capital of this company.

INTANGIBLE FIXED ASSETS (CZK THOUSANDS)

PURCHASE PRICE	Initial balance	Additions	Disposals	Transfers	Final balance
Intangible R&D results					
Software	214	-	-	-	214
Other valuable rights					
Goodwill					
Other intangible fixed assets					
Advances paid for intangible fixed assets					
Fixed assets under construction fixed assets					
TOTAL 2018	214	-	-	-	214
TOTAL 2017	181	33	-	-	214

ALLOWANCES AND ACCUMULATED DEPRECIATION	Initial balance	Depre- ciation	Sales Liquidation	Disposals	Transfers	Final balance	Allowances	Accounting value
Intangible R&D results	127	80				207		7
Software								
Other valuable rights								
Goodwill								
Other intangible fixed assets								
Advances paid for intangible fixed assets								
Fixed assets under construction fixed assets								
TOTAL 2018	127	80	-	-	-	207	-	7
TOTAL 2017	55	72	-	-	-	127	-	87

The Company did not receive any assets free of charge and did not include interest in the valuation of intangible fixed assets.

TANGIBLE FIXED ASSETS (CZK THOUSANDS)

PURCHASE PRICE	Initial balance	Increments	Disposals	Transfers	Final balance
Land					
Structures					
Tangible movable assets and their groups, machinery, devices and equipment, means of transport	4,777 4,777	150 150		4,927 4,927	
Other tangible fixed assets					
Advances paid for tangible fixed assets					
Tangible fixed assets under construction					
TOTAL 2018	4,777	150		4,927	
TOTAL 2017	4,099	678		4,777	

ALLOWANCES AND ACCUMULATED DEPRECIATION	Initial balance	Depreciation	Sales, liquidation	Elimination	Transfers	Final balance	Adjustments	Book value
Land								
Structures								
Tangible movable assets and their groups, machinery, devices and equipment, means of transport	1,448 1,448	950 950				2,398 2,398		2,529 2,529
Other tangible fixed assets								
Advances paid for tangible fixed assets								
Tangible fixed assets under construction								
Tangible fixed assets under construction fixed assets								
TOTAL 2018	1,448	950				2,398		2,529
TOTAL 2017	592	856				1,448		3,329

The Company did not adjust the valuation of tangible fixed assets and did not receive any assets free of charge. It also has no tangible fixed assets under a pledge and did not include interest in the valuation of tangible fixed assets.

**LONG-TERM FINANCIAL ASSETS (CZK THOUSANDS)
OVERVIEW OF THE MOVEMENT OF LONG-TERM FINANCIAL ASSETS:**

FINANCIAL ASSETS	Balance as at 30/06/2016	Additions	Decreases	Revaluation	Balance as at 30/06/2017	Additions	Decreases	Revaluation	Balance as at 30/06/2018
Shares – controlled or controlling entity	1,102,505	21,045	-625	-10,826	1,112,099	108	-633	-2,050	1,218,008
TOTAL	592	-633	-2,050	1,218,008	1,112,099	108 592	-633	-2,050	1,218,008

**CONTROLLED AND CONTROLLING PERSONS AND ENTITIES UNDER
SIGNIFICANT INFLUENCE AS AT 30 JUNE 2018 (CZK THOUSAND):**

Name and legal form of	Solitea Business Solutions s.r.o.	Solitea Česká republika, a.s.	Vema, a.s	JET ERP Betriebs-gesellschaft mbH	Saop d.o.o.	Byznys software, s.r.o.	Solitea CDL, a. s.
Registered office:	Rubeška 215/1, Prague	Drobného 49, Brno	Okružní 871/3a, Brno	Lemböckgasse 49 A62, Wien	Cesta Goriške fronte 46, Šempeter pri Gorici	Žižkova 708, Příbram	Klišská 1810/31, Ústí nad. Labem
Date of financial statements	30.06.2018	30.06.2018	30.06.2018	30.06.2018	30.06.2018	30.06.2018	30.06.2018
Share in %	100	99	100	100	100	100	100
Total assets	90,128	118,393	94,097	41,736	176,706	61,130	75,605
Equity	57,078	55,267	36,289	3,305	140,880	26,886	22,790
Share capital and cap. funds	5,000	16,759	-5,893	27,269	12,978	2,100	10,076
Revenue reserves	0				1,298		
Retained profit/loss brought forward	43,660	19,840	32,269	-19,827	113,914	18,602	8,410
Current year profit/loss	8,418	18,668	11,376	-4,137	12,690	-2,346	4,304
Nominal value of share*)							
Intrinsic value of shares*)							
Dividends	7,493	19,750	18,306				11,140

CONTROLLED AND CONTROLLING PERSONS AND ENTITIES UNDER SUBSTANTIAL INFLUENCE AS OF 30 JUNE 2017 (CZK THOUSAND):

Name and legal form	Solitea Business Solutions s.r.o.	Solitea Česká republika, a.s.	Vema, a.s	JET ERP Betriebs-gesellschaft mbH	Saop d.o.o.	Byznys software, s.r.o.
Registered office:	Rubeška 215/1, Prague	Drobného 49, Brno	Okružní 871/3a, Brno	Lemböckgasse 49 A62, Wien	Cesta Goriške fronte 46, Šempeter pri Gorici	Žižkova 708, Příbram
Date of financial statements	30.06.2017	30.06.2017	31.01.2017	31.12.2016	31.12.2016	30.06.2017
Share in %	100	99.99	100	100	100	100
Total assets	91,797	109,597	78,168	30,067	145,361	65,880
Equity	56,160	56,397	17,592	7,183	124,750	29,233
Share capital and cap. funds	5,000	16,794	-5,663	22,448	13,477	2,100
Revenue reserves	0			0	1,348	8,530
Retained profit/loss brought forward	43,490	16,689	12,949	-9,146	85,329	24,329
Current year profit/loss	7,670	22,914	18,306	-6,119	24,596	-5,726
Nominal value of share						
Intrinsic value of shares*)						
Dividends	4,500	14,701	10,000			

5. INVENTORY

The Company has no inventories.

6. RECEIVABLES

The Company has no receivables with a due date of more than 5 years.

The Company created allowances for outstanding receivables whose enforceability is at risk based on an individual assessment (see Note 7).

As at 30 June 2017, other short-term receivables included loans provided to SANAGRO, a.s. in the amount of CZK 27,041 thousand. (CZK 0 thousand as of 30 June 2018), which were repaid this year.

Receivables from related persons, see Note 23.

7. ALLOWANCES

Allowances reflect a temporary decrease in the value of assets (see Notes 4, 5 and 6).

The Company does not have assets with an identified temporary value decrease – no allowances were created.

8. CURRENT FINANCIAL ASSETS + CASH

As of 30 June 2018 and 30 June 2017, the Company had no account balances with limited disposal.

Other current financial assets consist of promissory notes due by 12 September 2018 from J&T Private Equity B.V. in the amount of CZK 68,202 thousand (CZK 0 as of 30 June 2017). They were

repaid as at the date of the financial statements.

9. ACCRUALS (ASSETS)

The Company does not record any deferred costs. The Company does not record any comprehensive deferred costs.

Accrued income includes interest on the loan and is recognized under revenues for the period to which it relates in terms of substance and time (2018: CZK 739 thousand, 2017: CZK 44 thousand).

10. EQUITY

The statement of changes in equity is a separate part of the financial statements of the company. The Company's share capital consists of:

- one unit of registered ordinary share, in paper form, in the nominal value of CZK 170.180.000 (in words: one hundred and seventy million one hundred and eighty thousand Czech crowns),
- one unit of registered ordinary share, in paper form, in the nominal value of CZK 63,500,000 (in words: sixty-three million five hundred thousand Czech crowns);
- one unit of registered ordinary share, in paper form, in the nominal value of CZK 5,276.000 (in words: five million two hundred and seventy-six thousand Czech crowns);
- one unit of registered ordinary share, in paper form, in the nominal value of CZK 4,884,000 (in words: four million eight hundred and eighty-four thousand Czech crowns);
- one unit of registered ordinary share, in paper form, in the nominal value of CZK 10,160,000 (in words: ten million one hundred and sixty thousand Czech crowns);
- 20 units of registered ordinary shares, in paper form, in the nominal value of CZK 100,000 per share (in words: one hundred thousand Czech crowns);
- 1 unit of registered ordinary share, in paper form, with a nominal value of CZK 99,424,809 (in words: ninety-nine million four hundred and twenty-four thousand eight hundred and nine Czech crowns);
- 1 unit of registered ordinary share, in paper form, with a nominal value of CZK 103,678,648 (in words: one hundred and three million six hundred and seventy-eight thousand six hundred and forty-eight Czech crowns);
- 8 units of registered ordinary shares, in paper form, in the nominal value of CZK 28,000,000 per share (in words: twenty-eight million Czech crowns);
- 22 units of registered ordinary shares, in paper form, in the nominal value of CZK 5,600,000 per share (in words: five million six hundred thousand Czech crowns);

- 1 unit of registered ordinary share, in paper form, with a nominal value of CZK 2,121,352 (in words: two million one hundred and eleven thousand three hundred and fifty-two Czech crowns)
- 1 unit of registered ordinary share in paper form, with a nominal value of CZK 5,575,191 (in words: five million five hundred and seventy-five thousand one hundred and ninety-one Czech crowns) with the nature of participating securities that were not admitted to trading on a European regulated market or on a foreign market similar to a regulated market according to a special regulation. The valuation adjustments from the revaluation of assets and liabilities arose due to the revaluation of the value of shares in controlled persons acquired in a foreign currency at the CNB rate as at 30. June 2018.

The General Meeting of 28 December 2017 decided on the profit for the year ending on 30 June 2017, so that the total profit of CZK 31,087 thousand will be transferred to the retained earnings of previous years.

The General Meeting of 28/12/2016 decided on the profit for the year ending on 30.6. 2016 in the amount of CZK 54,419 thousand. It was transferred to the retained earnings of previous years.

11. PROVISIONS

The company does not record any provisions.

12. LONG-TERM PAYABLES

Other long-term payables are non-interest-bearing liabilities payable after 1 July 2019. In particular, they are the outstanding parts of the purchase price of investments in non-current financial assets under the contracts for the sale and purchase of shares in Vema a.s., Byznys software, s.r.o. (formerly J.K.R. spol. s r.o.) and Solitea CDL, a.s. (formerly CDL SYSTEM a.s.) in the total

value of 47,500 thousand as of 30 June 2018 (2017: CZK 32,500 thousand).

13. SHORT-TERM PAYABLES

As at 30 June 2018 and 30 June 2017, the Company had no overdue short-term payables. Short-term payables – controlled or controlling person – mainly short-term loans from subsidiaries (CZK 192,921 thousand as at 30 June 2018; 2017: CZK 143,690 thousand).

Payables to related persons (see Note 23).

Other short-term payables in the amount of CZK 33,439 thousand (2017: CZK 4,000 thousand) CZK) represent the outstanding part of the purchase price of investments, see Note 12 Long-term payables.

14. PAYABLES TO CREDIT INSTITUTIONS

The Company has no payables to credit institutions.

15. ACCRUALS (LIABILITIES)

Accrued expenses mainly include services for which an invoice was received after the end of the accounting period but belong to the current period and interest. They are recognised in the period to which they belong in terms of substance and time (2018: CZK 4,276 thousand; 2017: CZK 4,065 thousand).

The Company does not record any deferred revenue.

16. DERIVATIVES

The Company has no derivative contracts.

17. INCOME TAX

Calculation of the effective tax rate for 2018 and 2017 (in CZK thousands):

INCOME TAX

	2018	2017
Profit before tax	55,126	31,224
Income tax payable	0	0
Income tax deferred	148	136

THE COMPANY DETERMINED THE DEFERRED TAX AS OF 30 JUNE 2018 (CZK THOUSAND):

	2018
Total residual book value	2,528
Total residual tax value	806
Difference	1,722 liability
Total after rounding	1,722
Tax rate	19 %
Deferred tax receivable	327

THE COMPANY DETERMINED THE DEFERRED TAX AS OF 30 JUNE 2017 (CZK THOUSAND):

	2017
Total residual book value	3,329
Total residual tax value	2,383
Difference	945 liability
Total after rounding	945
Tax rate	19 %
Deferred tax receivable	179

18. LEASING

The Company has no assets hired through a leasing company.

19. CONTINGENT LIABILITIES

On the basis of a contract for the sale and purchase of 100 percent of the shares of Vema, a.s., points 3.3. and 3.5. of the contract stipulate that the purchase price may be increased.

These increases depend on certain future conditions and will be quantified depending on future data.

In subsequent periods, the Company may thus incur a liability as a result.

20. ITEMS NOT SPECIFIED IN THE BALANCE SHEET

As at 30 June 2018 and 30 June 2017, the Company had no assets or liabilities that are not on the balance sheet,

with the exception of the contingent liabilities described in Note 19.

21. REVENUES

Breakdown of Company revenues from the sale of goods, products and services from ordinary activities (in CZK thousands):

The Company does not have payables to former members of management or of supervisory or administrative bodies.

REVENUES BY PRODUCT

	2018	2017
Consulting	15,474	11,731
Advertising	752	3,883
Disk array	2,827	2,715
Other	1,934	72
Revenues from the sale of goods	94	71
Revenues, total	21,081	18,472

REVENUES BY TERRITORY

	2018	2017
Domestic	14,637	13,788
Foreign	6,444	4,684
total	21,081	18,472

PERSONNEL COSTS BREAKDOWN OF PERSONNEL COSTS (IN CZK THOUSAND).

	2018		2017	
	Total number of employees	Of which members of managerial, supervisory and administrative bodies	Total number of employees	Of which members of managerial, supervisory and administrative bodies
Average number of employees	5	1	5	1
Wages	4,895	1,200	2,422	1,200
Social security and health insurance	1,664	408	823	408
Other costs total	6,559	1,608*	3,245	1,608

* includes remuneration to members of the business corporation

23. INFORMATION ON TRANSACTIONS WITH RELATED PARTIES

In the current and previous accounting periods, members of the managerial, supervisory and administrative bodies did not receive any advances, charges, loans, credits, guarantees, or other benefits.

Short-term trade receivables from related parties as at 30 June 2018 were CZK 5,626 thousand (as of 30 June 2017: CZK 13,255 thousand).

Short-term receivables – controlled or controlling person in the amount

of CZK 2,500 thousand (2017: CZK 0 thousand) are receivables from the loan to VEMA a.s.

Short-term payables – controlled or controlling person – this item mainly includes payables to controlled entities as a result of loans totalling CZK 192,921 thousand (2017: CZK 143,690 thousand) The loans are subject to interest.

The Company frequently provides services to controlled persons. In the current period, their volume reached CZK 21,070 thousand. (CZK 18,472 thousand in the previous period).

The Company received profit shares from controlled persons amounting to CZK 56,689 thousand (amounting to CZK 29,201 thousand as at 30 June 2017).

The Company uses the services of controlled and controlling persons in the ordinary course of the Company's business. In the current period, purchases amounted to CZK 5,734 thousand (as of 30 June 2017: CZK 4,409 thousand).

24. R&D EXPENDITURE

The Company does not record any R&D expenditures expenditure.

25. SIGNIFICANT ITEMS FROM THE PROFIT AND LOSS ACCOUNT

SERVICE COSTS	2018	2017
Consultancy and related services	5,326	5,708
Advertising and promotion costs	5,119	5,882
Other services	2,163	1,170
Total	12,608	12,760
OTHER OPERATING REVENUES AND COSTS	2018	2017
Other operating revenues	0	0
Other operating costs	49	15
FINANCIAL INCOME	2018	2017
Interest income	290	44
Foreign exchange gains	1,976	3,062
Other financial revenue	663	0
Total	2,929	3,106
FINANCIAL COSTS	2018	2017
cost interest	3,836	2,217
Exchange rate losses	1,217	245
Other financial costs	54	20
Total	5,107	2,482

26. SIGNIFICANT EVENTS THAT OCCURRED AFTER BALANCE SHEET DAY

After the balance sheet date there were no significant events with an impact on the financial statements.

27. STATEMENT OF CASH FLOWS

The cash flow statement has been prepared by the indirect method. As a separate statement, it is part of financial statements.

Compiled on: 5 December 2018

Name and signature of governing body:



Martin Cigler

Předseda představenstva

REPORT ON RELATIONS

OF SOLITEA a.s.

AS AT 30 JUNE 2018

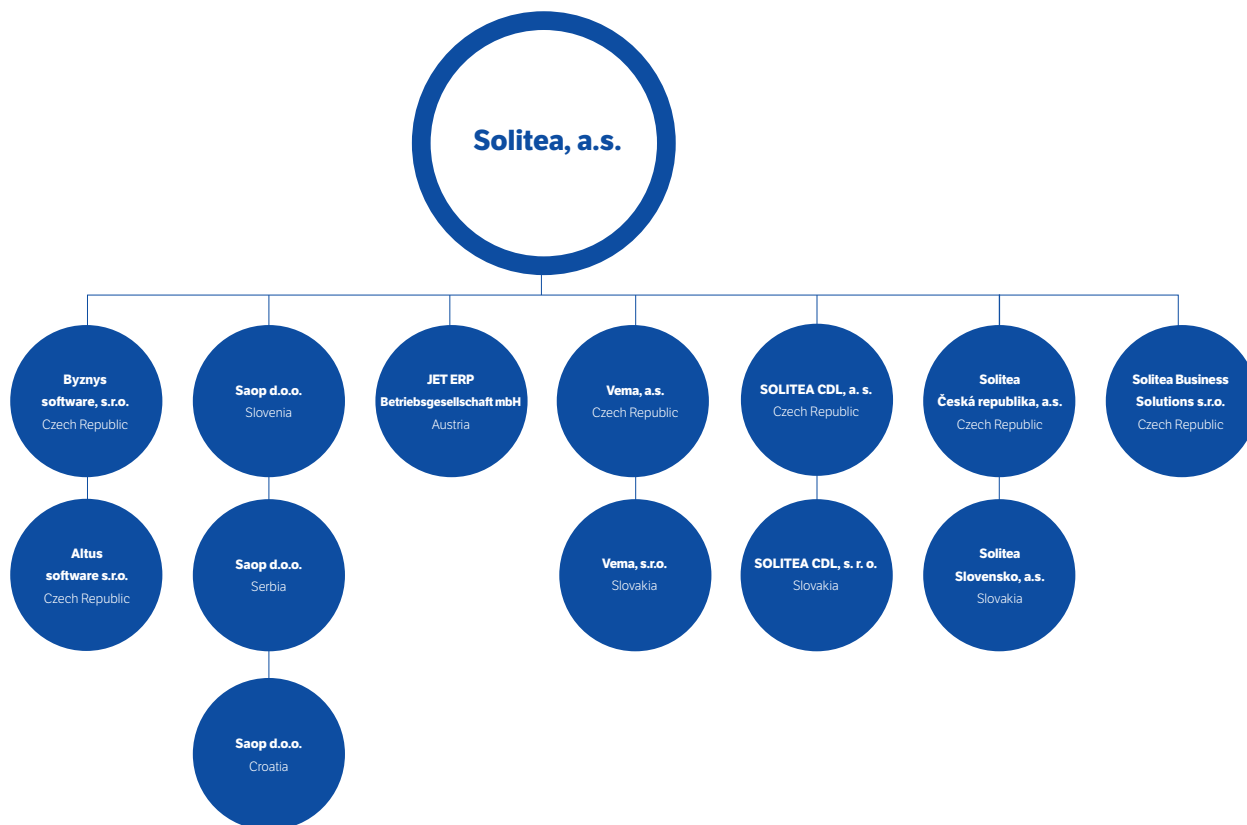
Report on Relations between the controlling person and the controlled person and between the controlled persons and persons controlled by the same controlling person in accordance with Section 82 of Act No 90/2012, on business corporations, as amended.

SOLITEA HOLDING STRUCTURE

As at the end of fiscal year 2018 (1 July 2017 to 30 June 2018), Solitea Holding included seven major companies. Some of them have their regional subsidiaries.

- Altus software s.r.o.: ERP, workflow and CMS systems. Czech Republic
- Byznys software, s.r.o. (J.K.R. spol. s r.o. until June 2017): ERP systems. Czech Republic and Slovakia.
- CDL SYSTÉM a.s. (Solitea CDL, a.s. from 1 September 2018): ERP systems, Microsoft CRM and Sharepoint, infrastructure. International.
- JET ERP Betriebsgesellschaft mbH: accounting and ERP systems, production management, BI and DMS. International.
- Solitea Česká republika, a.s., Solitea

- Slovensko, a.s. (CÍGLER SOFTWARE, a.s. until 30 September 2017): accounting, ERP and POS solutions, both on-premise and cloud, Czech Republic and Slovakia
- S.A.O.P. d o.o.: accounting and ERP systems, Slovenia, Serbia and Croatia
- Solitea Business Solutions s.r.o.: Enterprise segment, large customized IT projects, Microsoft Power BI, Sharepoint and CRM. International.

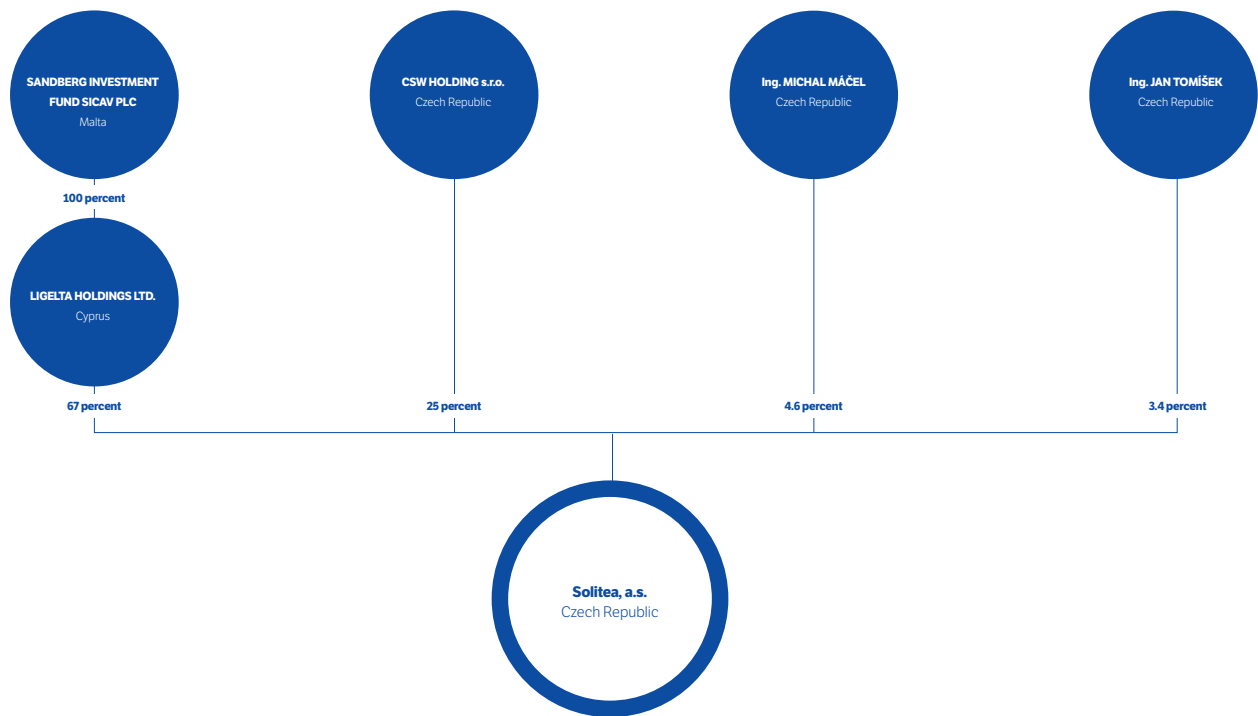


SOLITEA'S OWNERSHIP STRUCTURE

Solitea is owned by Czech and Slovak natural and legal persons. Sandberg Capital owns 67 percent through Ligelta

Holdings Ltd., 25 percent is owned by CSW Holding and 8 percent is owned by two former owners of Vema. The Company acts independently

in relation to third parties. It is controlled through the direct exercise of voting rights at the general meeting of the controlled person.



Sandberg Capital is a management company authorized by the National Bank of Slovakia to create and manage domestic and foreign alternative investment funds. Sandberg Capital's portfolio currently includes investments in IT, agriculture, telecommunications, education and retail. The value

of managed assets is more than EUR 200 million. Sandberg Capital is owned by Martin Fedor and manages the assets of both institutional and individual investors, including Martin Fedor.

Cígler, the former owner of CÍGLER SOFTWARE and founder and CEO of Solitea. In addition to investing in the IT sector, the holding also invests in real estate through its Office Buildings subsidiary.

CSW Holding is an investment company that is 100 percent owned by Martin

CONTROLLED PERSON

Business name:
Solitea, a.s.
Date of registration:
10 April 2013
Identification number:
015 72 377
Registered office:
Brno, Drobného 555/49, PSČ 602 00
Czech Republic

CONTROLLING PERSON

Business name:
LIGELTA HOLDINGS LTD
Date of registration:

Identification number:
HE 315086
Registered office:
Kyriakou Matsi, 16, EAGLE HOUSE 8.
posch., Agioi Omologites, 1082, Nikósie,
Republic of Cyprus

OTHER RELATED PERSONS WITHIN THE SOLITEA GROUP

Solitea Česká republika, a. s.
 Solitea Business Solution spol. s r.o.
 Vema, a.s., registered office at Okružní 871/3a, 638 00, Brno, 100 percent share.
 JET ERP Betriebsgesellschaft mbH (Data Systems Austria) (Austria)
 Byznys software s r.o.
 SAOP Računalništvo d o.o. (Slovenia)
 CDL SYSTEM a.s. (Solitea CDL, a.s. from 1 September 2018):
 Solitea Slovensko, a.s. (Slovakia)
 CÍGLER SOFTWARE - IPL, s.r.o.
 Solitea West, s.r.o.
 Altus Software s.r.o.
 Solitea Pay, s.r.o.
 CDL SYSTEM s.r.o.
 Vema s.r.o. (Slovakia)
 Saop d.o.o. (Serbia)
 Saop d.o.o. (Croatia)

No control agreement or profit transfer agreement has been concluded with these companies.

MUTUAL RELATIONS AND CONTRACTS

The controlled person Solitea, a.s., concluded loan agreements at arm's length with the following related persons:

Compiled on: 28. 09. 2018
Name and signature of governing body:

Solitea Česká republika, a. s.,
 Solitea Business Solution spol. s r.o.,
 Vema, a.s.,
 Byznys software s r.o.,
 Saop d.o.o. (Croatia)
 CDL SYSTEM a.s.,
 Solitea Slovensko, a.s.
 Altus Software s.r.o.
 Vema s.r.o.

The controlled person Solitea, a.s. did not conclude other contracts with controlling persons during the previous period. During the accounting period, performances and considerations were effected between the controlled person and related persons in the group. All transactions were executed on the basis of valid contracts or partial orders under usual pricing and trading conditions.

The controlled person provides related persons and their subsidiaries with consultancy services and marketing support and ensures hardware purchasing. These transactions were executed on the basis of valid contracts under the usual pricing and trading conditions.

No other legal acts were carried out. It follows from the above relation that the related parties did not suffer any harm.

Martin Cígler
Chairperson of the Board of Directors

TRANSACTIONS ABOVE 10 PERCENT OF EQUITY

In the accounting period, the controlled person acquired a 100 percent interest in CDL SYSTEM a.s.

The related person Solitea, a.s. received dividends of CZK 56,684 thousand from other related persons.

ADVANTAGES AND DISADVANTAGES OF MUTUAL RELATIONS

The controlled person also states that on the basis of the evaluation carried out, the benefits from the relations between the above persons prevail.

At the same time, the controlled person states that there are no significant risks arising from the above relations except for the usual business risks.

DECLARATION OF THE GOVERNING BODY

The controlled person did not incur any harm as a result of the conclusion of the above-mentioned contracts, other legal acts, other measures and performances provided or considerations received. The amount of performances received and provided corresponds to the considerations provided and received.





KPMG Česká republika Audit, s.r.o.

Pobřežní 1a
186 00 Prague 8
Czech Republic
+420 222 123 111
www.kpmg.cz

This document is an English translation of the Czech auditor's report.
Only the Czech version of the report is legally binding.

Independent Auditor's Report to the Shareholders of Solitea, a.s.

Opinion

We have audited the accompanying financial statements of Solitea, a.s. ("the Company"), prepared in accordance with Czech accounting legislation, which comprise the balance sheet as at 30 June 2018 and the income statement, the statement of changes in equity and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes. Information about the Company is set out in Note 1 to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Czech accounting legislation.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors, and Auditing Standards of the Chamber of Auditors of the Czech Republic, consisting of International Standards on Auditing (ISAs) as amended by relevant application guidelines. Our responsibilities under those regulations are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic, 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.

Other Matter

The financial statements as at 30 June 2017 were audited by another auditor who, in his report of 1 December 2017, issued an unqualified opinion on these financial statements.

Responsibilities of the Statutory Body and Supervisory Board for the Financial Statements

The statutory body is responsible for the preparation and fair presentation of the financial statements in accordance with Czech accounting legislation and for such internal control as the statutory body determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the statutory body 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 the statutory body either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for the oversight of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with the above regulations, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statutory Auditor Responsible for the Engagement

Martin Kocík is the statutory auditor responsible for the audit of the financial statements of Solitea, a.s. as at 30 June 2018, based on which this independent auditor's report has been prepared.

In Prague on 5 December 2018
KPMG Česká republika Audit, s.r.o.
Registration number 71

Ing. Martin Kocík
Director
Registration number 2335



COURAGE

**HAVE THE COURAGE TO TAKE
THE FIRST STEP. TAKE A PATH
NO ONE HAS TAKEN BEFORE.
BRING SOLUTIONS THAT WILL
SIMPLIFY PROCESSES AND
REDUCE THE COSTS OF OUR
CLIENTS. THE CUSTOM-MADE
PROJECTS WE BUILD FOR
COMPANIES ARE CHALLENGES
FOR US AND WE GLADLY
ACCEPT THEM, BECAUSE THEY
PUSH OUR PRODUCTS AND
SERVICES FORWARD.**

09

SOLITEA,
CONSOLIDATED
FINANCIAL
STATEMENTS

STATEMENTS

**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS**

AUDITOR'S REPORT

FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET – FULL AS AT 30 JUNE 2018

Identification number

015 72 377

Business name and registered office

Solitea, a.s.

Drobného 555/49, Ponava, 602 00 Brno

Czech Republic

The numbers are in CZK thousands.

Code	ASSETS	line	Current accounting period			Previous period
			Gross	Adjustment	Net	Net
a	b	c	1	2	3	4
	TOTAL ASSETS	1	1,724,854	- 459,521	1,265,332	1,109,846
B.	Fixed assets	2	1,291,890	- 456,487	835,403	783,311
B.I.	Intangible fixed assets	3	239,927	- 222,110	17,817	24,616
B.II.	Tangible fixed assets	13	183,856	- 114,196	69,659	55,624
B.III.	Non-current financial assets	24	13,729		13,729	9,491
B.IV.	Consolidation difference	28	854,378	- 120,181	734,197	693,580
C.	Current assets	28	421,535	- 3,034	418,501	314,779
C.I.	Inventories	29	38,746	- 177	38,569	39,062
C.II.	Receivables	36	158,228	- 2,857	155,371	144,984
C.II.1.	Long-term receivables	37	5,703		5,703	2,417
C.II.2.	Short-term receivables	43	152,526	- 2,857	149,669	142,567
C.III.	Current financial assets	53	68,330		68,330	132
C.IV.	Cash	55	156,231		156,231	130,601
D.	Accruals (assets)	58	11,428		11,428	11,756

CONSOLIDATED BALANCE SHEET
AS OF 30 JUNE 2018

Identification number
015 72 377

Business name and registered office

Solitea, a.s.
 Drobného 555/49, Ponava, 602 00 Brno
 Czech Republic
 The numbers are in CZK thousands.

Code	LIABILITIES	line	Current accounting period	Previous period
			Net	Net
a	b	c	5	6
	TOTAL LIABILITIES	61	1,265,332	1,109,846
A.	Equity	62	847,396	822,270
A.I.	Share capital	63	814,000	814,000
A.II.	Premium, Other capital funds and revenue reserves	66	- 1,133	871
A.IV.	Profit/loss brought forward (+/-)	75	2,995	- 17,519
A.V.	Profit/loss of current accounting period without minority shares (+/-)	79	31,487	21,231
A.VI.	Consolidation difference (negative)	80		3,641
A.VII.	Minority equity	108	47	46
B. + C.	Liabilities	81	265,180	148,831
B.	Provisions	82	29,022	10,158
B.II.	Provision for income tax	84	2,773	
B.IV.	Other provisions	85	26,249	10,158
C.	Payables	86	236,158	138,673
C.I.	Long-term payables	87	50,665	40,762
C.II.	Short-term payables	92	185,493	97,911
D.	Accruals (liabilities)	105	152,756	138,745

**CONSOLIDATED PROFIT AND LOSS
ACCOUNT CLASSIFICATION FOR THE YEAR
ENDING ON 30 JUNE 2018**

Business name and registered office

Solitea, a.s.

Drobného 555/49, Ponava, 602 00 Brno

Czech Republic

The numbers are in CZK thousands.

Identification number

015 72 377

Code	CONSOLIDATED PROFIT AND LOSS ACCOUNT	line	Current accounting period	Previous period
a	b	c	1	2
I.	Revenues from the sale of goods and services	1	998,412	786,009
II.	Revenues from the sale of goods	2	137,005	56,745
A.	Consumption	3	411,899	315,646
B.	Change in inventory of own production (+/-)	7	215	-27,598
D.	Personnel costs	9	591,680	449,105
E.	Adjustment of operating values	14	70,030	73,617
III.	Other operating revenues	21	5,939	8,454
F.	Other operating costs	25	17,439	3,984
*	Operating profit/loss (+/-)	31	50,093	36,454
V.	Revenues from other non-current financial assets	34	354	
H.	Costs related to other non-current financial assets	36	3	
VI.	Interest revenue and similar revenue	37	2,403	1,246
J.	Interest expenses and similar costs	40	2,018	1,442
VII.	Other financial revenue	43	3,317	5,636
K.	Other financial costs	44	3,935	4,279
*	Financial profit/loss	45	117	1,161
**	Profit/loss before tax (+/-)	46	50,210	37,615
L.	Income tax	47	18,722	16,370
**	Profit/loss after tax (+/-)	50	31,487	21,245
	Minority shares in profit or loss	51	1	14
***	Profit/loss for the accounting period (+/-)	52	31,488	21,231
*	Net turnover for accounting period = 1 + II. + III. + IV. + V. + VI. + VII.	53	1,147,429	858,090

**CONSOLIDATED CASH
FLOW STATEMENT FOR THE YEAR
ENDING ON 30 JUNE 2018**

Identification number

015 72 377**Business name and registered office**

Solitea, a.s.

Drobného 555/49, Ponava, 602 00 Brno

Czech Republic

The numbers are in CZK thousands.

CASH FLOWS FROM MAIN GAINFUL ACTIVITY		Current accounting period	Previous period
P.	Cash and cash equivalents at the beginning of the accounting period	130,733	193,431
Z:	Accounting profit or loss from ordinary activities before tax	50,210	37,615
A.1.	Adjustments for non-monetary operations	72,140	35,533
A.1.1.	Depreciation of fixed assets with the exception of the net book value of fixed assets sold and the depreciation of consolidation differences	69,057	38,813
A.1.2.	State change:	17,064	- 3,175
A.1.2.2.	provisions and allowances	17,064	- 3,175
A.1.3.	Profit (-) loss (+) from the sale of fixed assets	- 2,154	- 301
A.1.7.	Potential adjustments for other non-cash transactions	- 11,827	196
A*	Net cash flow from operating activities before tax, changes in working capital, financial and extraordinary items	122,350	73,148
A.2.	Change in working capital needs	- 17,209	- 97,667
A.2.1.	Change in operating receivables, estimated receivables and accruals	21,938	- 23,268
A.2.2.	Change in short-term operating payables, estimated payables and accruals	27,494	- 52,548
A.2.3.	Change in inventory	2,587	- 21,851
A.2.4.	Change in financial assets not included in cash	- 69,228	
A.**	Net cash flow from operating activities before tax, financial and extraordinary items	105,141	- 24,519
A.3.	Interest received / (paid), excluding capitalized interest	241	- 1,442
A.5.	Income tax paid on ordinary activities and additional tax assessments for previous periods	- 18,603	- 13,647
A.***	Net operating cash flow	86,779	- 39,608
CASH FLOWS FROM INVESTMENT ACTIVITIES			
B.1.	Acquisition of fixed assets	- 27,693	- 34,761
B.2.	Revenues from the sale of fixed assets	3,176	10,425
B.2.1.	Revenues from the sale of tangible and intangible fixed assets	3,176	10,425
B.4.	Net cash flows from the purchase of a subsidiary, enterprise or part thereof	- 41,624	1,246
B.***	Net cash flow from investing activities	- 66,141	- 23,090

CASH FLOWS FROM FINANCIAL ACTIVITIES

C.1.	Change of long-term or short-term financial liabilities	4,900	
C.2	Profit shares paid, including withholding tax and royalties paid	- 40	
C.***	Net cash flow from financial activities	4,860	
F.	Net increase or decrease in cash	25,498	- 62,698
R.	Cash and cash equivalents at the end of the reporting period	156,231	130,733

**CONSOLIDATED OVERVIEW
OF CHANGES IN EQUITY
FOR THE YEAR ENDING
ON 30 JUNE 2018**

Business name and registered office

Solitea, a.s.

Drobného 555/49, Ponava, 602 00 Brno

Czech Republic

The numbers are in CZK thousands.

Identification number

015 72 377

	Basic capital	Premium, Other capital funds and Revenue reserves	Profit/loss brought forward	Profit/loss of the current accounting period
Balance as at 1 July 2017	814,000	871	-17,519	21,231
Profit or loss for the period	-	-	-	31,487
Valuation differences	-	-2,004	786	-
Corrections of errors from past years	-	-	-1,463	-
P/L brought forward	-	-	21,231	-21,231
Royalties	-	-	-40	-
Balance as at 30/06/2018	814,000	-1,133	2,995	31,487

	Negative consolidation difference	Total equity attributable to shareholders	Minority	Total equity capital
Balance as at 1 July 2017	3,641	822,224	46	822,270
Profit or loss for the period	-	31,487	1	31,488
Valuation differences	-	-1,218	-	-1,218
Corrections of errors from past years	-3,641	-5,104	-	-5,104
P/L brought forward	-	-	-	-
Royalties	-	-40	-	-40
Balance as at 30/06/2018	-	847,349	47	847,396

INNOVATION

**WE ARE A GROUP
OF FORWARD-LOOKING
IT COMPANIES WITH
PROGRESS ENCODED
IN OUR DNA. WE INVEST
A SIGNIFICANT PART OF OUR
PROFITS IN DEVELOPMENT,
WHICH ALLOWS US TO OFFER
OUR CUSTOMERS WHAT
OTHERS ONLY DREAM OF.**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CHARACTERISTICS AND MAIN ACTIVITIES

ESTABLISHMENT AND CHARACTERISTICS OF THE COMPANY

Solitea, a.s. (the “Company” or “Parent Company”) was incorporated on 10 April 2013 by entry in the Commercial Register kept by the Municipal Court in Prague under file number 19061, section B. On 14 May 2014, the Company was deleted from the Commercial Register kept by the Municipal Court in Prague and registered in the Commercial Register kept by the Regional Court in Brno under file number 7072, section B.

The principal subjects of the Company's:

- activities are:
- provision of software
- manufacture and services not listed in Annexes 1 to 3 of the Licensed Trades Act
- management of own assets
- lease of real estate, apartments and non-residential premises

COMPANY'S OWNERS

The shareholders as at 30 June 2018 are:

Ligelta Holdings, LTD	67.0 percent
CSW Holding s.r.o.	25.0 percent
Other	8.0 percent

REGISTERED OFFICE

Solitea, a.s.
Drobného 555/49 Brno
Czech Republic

Identification number 015 72 377

MEMBERS OF THE BOARD OF DIRECTORS AND SUPERVISORY BOARD AS AT 30 JUNE 2018

Members of the Board of Directors	Martin Cígler (Chairman) Michal Rybovič (Vice-Chairman)
Members of the Supervisory Board	Ing. Michal Máčel (Chairman) Tomáš Loukota Petr Franc

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statement of the company as at 30 June 2018 has been prepared for the parent company and its subsidiaries (hereinafter the “Group”) – see Note 5. The consolidated financial statement has been prepared for the period from 1 July 2017 to 30 June 2018 (hereinafter “the year 2018”).

CHANGES IN THE COMMERCIAL REGISTER

In 2018, no changes were made to the business register of the parent company.

2. POLICIES AND METHOD OF CONSOLIDATION

CONSOLIDATION POLICY

A direct consolidation policy was used to prepare the consolidated financial statements.

CONSOLIDATION METHODS

The financial statements of the consolidated group are consolidated according to consolidation methods with respect to the Parent Company's influence. The financial statements of companies over which the Parent Company has significant influence are consolidated using the full consolidation method.

The full consolidation method includes items in the balance sheet, profit and loss account, cash flow statement and statement of changes in equity from the consolidated entities' financial statements in full, excluding any significant cross-transactions between entities within the consolidation group, their reclassification and adjustment in the balance sheet, profit and loss account, cash flow statement and statement of changes in the equity of the consolidating entity.

CONSOLIDATION PROCEDURE

Consolidation was carried out at the level of the Parent Company without the creation of individual sub-units, and all consolidated entities were included using the full consolidation method.

In the financial statements of the consolidated entities, items have been reclassified and adjusted according to the principles set out in the consolidation rules.

When compiling the consolidated balance sheet, consolidated profit and loss account and consolidated cash flow statement, mutual transactions relating to the sale of inventories, fixed assets and services within the consolidation group

are excluded in the case of significant amounts.

The consolidation difference from a new acquisition is depreciated on a straight-line basis over a period of up to 20 years. The consolidation difference is recognised as the recognition of positive consolidation difference or the negative consolidation difference under costs or revenues from ordinary activities.

Goodwill was created as the difference between the valuation of the establishment (or its part) acquired through a transfer or passage for remuneration or a deposit or valuation of assets and liabilities within a change in a business corporation, with the exception of a change in legal form and the sum of individually revalued components of assets less debts assumed.

Goodwill depreciation is charged under costs if positive and under revenues if negative.

During consolidation, the effect of dividends received and paid or profit shares between the parent and controlled and managed companies is excluded.

Items included in the consolidated financial statements that are or were originally expressed in a foreign currency were converted into Czech crowns (the currency in which the consolidated financial statements are compiled) at the exchange rate valid on the consolidated financial statements date.

Consolidated entities that do not compile their annual financial statements as at 30 June 2018 provided the required information in the form of interim financial statements and other information required by the consolidating entity.

The notes to the consolidated financial

statements do not contain some comparative data, because the costs necessary to determine these figures would outweigh their benefits.

3. GENERAL ACCOUNTING PRINCIPLES, ACCOUNTING METHODS AND THEIR CHANGES AND DEROGATIONS

These consolidated financial statements have been prepared in accordance with Act No 563/1991 on accounting, as amended (the "Accounting Act"), and Decree No 500/2002 implementing some provisions of the Accounting Act, as amended, for entities that are entrepreneurs using the double-entry bookkeeping system (the "Decree").

The consolidated financial statements are prepared on a going concern basis.

The figures in these financial statements are expressed in thousands of Czech crowns (CZK), unless specified otherwise.

TANGIBLE AND INTANGIBLE FIXED ASSETS

Tangible and intangible fixed assets are recorded at cost. Tangible fixed assets with a purchase price of up to CZK 20 thousand are not reported in the balance sheet and are recognized in the year of purchase.

The valuation of own production fixed assets includes direct material, direct wages and overheads directly related to its production until its activation.

NON-CURRENT FINANCIAL ASSETS

Non-current financial assets comprise ownership interests in controlled persons and persons with significant influence and debt securities for which the group has the intention and ability to hold them to maturity, and other long-term securities for which the Group's intent is not known at the time of acquisition. Non-current financial assets also include long-term loans and borrowings between controlled and controlling persons

THE FOLLOWING TABLE SHOWS METHODS AND TIME OF DEPRECIATION BY ASSET GROUPS:

Asset	Method	Depreciation period
Structures	Linear	40–50 years
Hardware (servers, projectors, etc.)	Linear	3–5 years
Furniture	Linear	5 years
Cars (up to CZK 1,500 thousand)	Linear	4 years
Cars (over CZK 1,500 thousand)	Linear	6 years
Security device	Linear	5 years
Patents and other intangible assets (know-how)	Linear	6 years
Software	Linear	3 years
Petty tangible fixed assets (CZK 20–40 thousand)	Linear	2 years
Petty intangible fixed assets (CZK 0–60 thousand)	Linear	2 years

Depreciation is recognized in the profit and loss account under “Operating adjustments”.

and entities under significant influence and other long-term loans provided.

Non-current financial assets are recognised at cost. Cost includes direct costs related to acquisition, such as fees and commissions brokers, advisors, and stock exchanges.

CURRENT FINANCIAL ASSETS

Trading and debt securities with a maturity of up to one year held to maturity are valued at cost upon acquisition.

INVENTORY

Material is valued at cost.

The cost includes the price of acquisition, customs fees, and storage charges during transport and freight charges for delivery. Decrease of material is valued by the weighted arithmetic average method.

Work in progress and finished products are valued at the actual cost, which involve direct costs incurred on production, and possibly also assignable indirect costs related to production. Direct costs also include acquisition costs, the price of material

and other consumed performances and other costs incurred in direct connection with the given production. Decrease of work in progress and finished products is valued at standard prices.

Goods are valued at cost. Cost includes purchase price, customs fees, storage shipping charges and freight charges for delivery to the warehouse. Decreases of goods are valued by the weighted arithmetic average method.

DETERMINATION OF ALLOWANCES AND PROVISIONS

Tangible fixed assets:

The group creates allowances for tangible fixed assets on the basis of the comparison of the residual value of buildings and land with their recoverable value. The creation and accounting of allowances are recognized in the profit and loss account under “Adjustment of operating values”.

Receivables:

The group shall create allowances for doubtful receivables based on its own analysis of the solvency of

its clients and the age structure of claims. The creation and accounting of allowances are recognized in the profit and loss account under “Adjustments to receivable values”.

Inventories:

Allowances are created when when the valuation used in accounting is temporarily higher than the selling price of inventories less the cost of sales. Allowance to slow-moving and obsolete inventories or otherwise temporarily depreciated inventories is created on the basis of the goods turnover rate analysis and on the basis of an individual inventory assessment. The creation and accounting of allowances are recognized in the profit and loss account under “Adjustments to inventory values”.

Provisions:

The provision for unused annual leave is created as at the balance sheet date based on an unused annual leave analysis for the past calendar year (i.e. as of 31 December) and average labour cost, including the social security costs and health insurance costs by individual employees.

If employees are entitled to annual or other annually paid bonuses, as at the balance sheet date it is necessary to recognize the provision for staff remuneration in the full amount of the payroll cost, including social security and health insurance costs.

The group creates a provision for income tax, because the financial statements date precedes the time when the tax liability amount is determined. In the subsequent accounting period, the group shall reverse the provision and account for the ascertained tax liability.

In the balance sheet, the income tax provision is reduced by paid income tax advances, and any resulting receivable is recognized under "State - tax receivables".

FOREIGN CURRENCY CONVERSION

Assets and liabilities acquired in foreign currency are valued in Czech crowns at the exchange rate valid on the date of their creation.

As at the balance sheet date, foreign currency assets and liabilities are converted at the CNB exchange rate. Unrealized foreign exchange gains and losses are recognized in profit or loss in financial expenses or financial income.

DERIVATIVES

A derivative is a financial instrument that meets the following conditions:

- its real value changes depending on a change of the interest rate, security price, commodity price, exchange rate, price index, credit rating or index, or depending on another variable ("underlying asset"),
- compared to other types of contracts where a similar response to changes in market conditions is based, it requires little or no initial investment;

- will be settled in the future, where the time from the trade to its settlement is longer than in the case of spot operations.

Derivatives are recognized in the balance sheet at fair value. Positive fair values of derivatives are recognized in assets under "Other receivables". Negative fair values of derivatives are recognized in liabilities under "Other payables". The fair value of derivative financial instruments is determined as the present value of the expected cash flows from these transactions.

Fair value hedging:

Changes in the fair value of derivatives that are classified as fair value hedging are recognised as financial cost/revenue together with the relevant change in the fair value of the hedged asset or liability related to the risk being hedged.

Cash flow hedging:

Changes in the fair value of derivatives that are classified as cash flow hedging are recognized as equity and reported in the balance sheet through valuation adjustments on the revaluation of assets and liabilities. The ineffective part of the hedge is charged directly as a financial cost/revenue.

Derivatives held for trading:

Derivatives held for trading are recognized in the balance sheet at fair value. Profits and losses from changes in fair values are recognized in the profit and loss account under "Other financial revenue" or "Other financial cost".

LEASED ASSETS

The group accounts for leased assets by including the lease payments in costs on a straight-line basis over the term of the lease. When the lease is terminated and the buy-back option is exercised, the leased item is included in the group's assets at the purchase price.

REVENUE AND COST ACCOUNTING

Revenues and costs are recognized on an accrual basis, i.e. in the period to which they relate in terms of substance and time. Costs worth less than CZK 5 thousand are not subject to accrual and are recognised in the year in which they were incurred.

INCOME TAX

Income tax for the given period comprises current tax and the change in deferred tax.

The current tax includes a tax estimate calculated from the tax base using the tax rate applicable on the first day of the accounting period and any additional tax assessments and returns for previous periods.

Deferred tax is based on all temporary differences between the accounting and tax value of assets and liabilities, or other temporary differences (tax loss), using the expected tax rate applicable to the period in which the tax liability or asset is claimed.

A deferred tax receivable is recognized only when it is probable that it will be claimed in the following accounting periods.

CLASSIFICATION OF LIABILITIES

The group classifies the part of non-current liabilities, bank loans and borrowings whose maturity is less than one year relative to the balance sheet date as current liabilities.

SUBSIDY / INVESTMENT INCENTIVES

Subsidies are recognized at the time of their unquestionable right of receipt. Subsidies received to cover expenses are recognised as operating income. Subsidies received for the acquisition of fixed assets, including technical improvements, and for the payment of interest included in the cost of the asset

ENTITIES INCLUDED IN THE CONSOLIDATION GROUP

Business name	Registered office	Share in equity	Consolidation method
Parent company Solitea, a.s.	Drobného 555/49, Ponava, Brno	–	–
Controlled and managed companies Solitea Česká republika, a.s.	Drobného 555/49, Ponava, Brno	99.9279 %	Full
Solitea Slovensko, a.s.	Plynárenská 7/C, Bratislava, Slovakia	100 %	Full
Altus software s.r.o.	Rubeška 215/1, Vysočany, Prague 9	100 %	Full
Solitea Business Solutions s.r.o.	Rubeška 215/1, Vysočany, Prague 9	100 %	Full
Vema, a.s.	Okružní 871/3a, Lesná, Brno	100 %	Full
Vema, s. r. o.	Plynárenská 7/C, Bratislava, Slovakia	100 %	Full
JET ERP Betriebsgesellschaft mbH	Liesinger-Flur-Gasse 2c, Vienna, Austria	100 %	Full
Byznys software, s.r.o.	Žižkova 708, Příbram	100 %	Full
SAOP Računalništvo d. o. o.	Cesta Goriške fronte 46, 5290 Šempeter pri Gorici	100 %	Full
Solitea CDL, a.s.	Klíšská 1810/31, Ústí nad Labem	100 %	Full

reduce the acquisition price or the actual cost of acquisition.

USE OF ESTIMATES

In preparing the financial statements, the group's management uses estimates and assumptions that affect the application of accounting policies and the amount of assets, liabilities, revenues and costs recognized in the financial statements.

These estimates and assumptions are based on historical experience and various other factors that are considered reasonable as at the date of the financial statements and are used when the carrying amounts of assets and liabilities are not entirely evident from other sources or when there is uncertainty in cases where individual accounting policies are applied. The actual results may differ from the estimates.

Estimates and assumptions are reviewed on an ongoing basis. Adjustments to accounting estimates are taken into account in the period in which those estimates are revised if the revision relates only to that accounting period or in the revision period and future periods if the revision affects both the current and future periods.

4. CHANGE OF ACCOUNTING METHODS AND POLICIES

There were no significant changes in the accounting methods and policies from 1 July 2017 to 30 June 2018.

5. DEFINITION OF CONSOLIDATION GROUP

In the current accounting period, Solitea CDL, a.s. became part of the consolidation group. The Parent

Company acquired a 100 percent stake in the company.

Solitea, a.s., has a 100 percent share in all subsidiaries, with the exception of Solitea Česká republika, a.s., where the share is 99.9279 percent. For this reason, the equity of this consolidated accounting entity and its profit/loss has been divided into the share attributable to the controlling entity and the share of minority shareholders.

ACCOUNTING ENTITIES NOT INCLUDED IN THE CONSOLIDATED ENTITY WITH REASONS FOR THE NON-INCLUSION

The following companies did not enter the consolidation group and consolidation, as decided by the Parent Company; the share of these companies in the balance sheet total, net turnover and equity of the

consolidation group was insignificant and, at the same time, the information necessary for consolidation could not be obtained without undue delay or disproportionate costs (in assessing the significance of the share, these companies were considered as a whole), or these companies were in liquidation or bankruptcy and there are long-term restrictions significantly impeding the consolidating entity from exercising its rights related to the disposal or management of property. Vema, a.s. owns 100 percent share in VEMA počítače a projektování spol. s r.o., v likvidaci (ID No 005 44 809). As the company is not controlled by the Parent Company because of the liquidation process, it was excluded from consolidation. The share in VEMA počítače a projektování spol. s r.o., v likvidaci, is reported in the non-current financial assets as a revaluation using the equity method against equity (item A.II. Capital funds). According to the information from liquidation, the share in the liquidation balance should be CZK 8,528 thousand ; the advance for the share in the amount of CZK 8,485 thousand has already been paid.

In the current accounting period, the following subsidiaries were excluded from consolidation:

- CÍGLER SOFTWARE-IPL, s.r.o., 1. máje 97/25, Liberec 3,460 01, ID No 250 45 041
- Solitea Pay, s.r.o., Drobného 555/49, Ponava, Brno 602 00, ID No 255 95 091
- Solitea West, s.r.o., Drobného 555/49, Ponava, Brno 602 00, ID No 252 46 241
- Solitea CDL, s.r.o., Boženy Němcovej 8/1057, Bratislava 81104, ID No 35 942 444

- SAOP d.o.o. Zagreb, Puževa ulica 13, Zagreb 100 00, Hrvatska, registration number 42584526821, ID 02890631. 100 % share. No control agreement or profit transfer agreement has been concluded with this company.
- SAOP DOO NOVI SAD, Slobodana Bajiča 10, Novi Sad 21000, Serbia, registration number 20665327, TIN 106713309. 100 % share. No control agreement or profit transfer agreement has been concluded with this company.

In the financial statements, the shares in these companies continued to be recognised in non-current financial assets at the acquisition cost of CZK 13,138 thousand, together with loans provided to these companies in the amount of CZK 591 thousand.

6. CONSOLIDATION DIFFERENCE

The consolidation difference in the gross value as at 30 June 2018 in the amount of CZK 854,378 thousand (CZK 769,152 thousand as at 30 June 2017), resulting from acquisitions of subsidiaries of Solitea Česká republika, a.s., Vema, a.s. SAOP Računalništvo d.o.o. and Solitea CDL, a.s., consists of a positive consolidation difference in the amount of CZK 866,609 thousand (CZK 781,383 thousand as at 30 June 2017) and a negative consolidation difference of CZK 12,231 thousand (CZK 12,231 thousand as at 30 June 2017).

The increase of CZK 85,226 thousand CZK consists of a positive consolidation difference, which was created by the acquisition of Solitea CDL, a.s. and by an additional payment of the purchase price for Vema, a.s.

The group has decided to depreciate the consolidation difference over 20 years. The depreciation of the positive (negative) consolidation difference is reported in "Operating adjustments" in the consolidated profit and loss account.

The annual depreciation of the positive consolidation difference is CZK 41,912 thousand (CZK 38,711 thousand as at 30 June 2017), and the accumulated depreciation is CZK 129,103 thousand (CZK 87,191 thousand as at 30 June 2017). The annual depreciation of the negative consolidation difference is CZK 612 thousand (CZK 612 thousand as at 30 June 2017), and the accumulated depreciation is CZK 8,922 thousand (CZK 8,310 thousand as at 30 June 2017).

The net value of the positive consolidation difference is CZK 737,506 thousand (CZK 694,108 thousand as at 30 June 2017), and the net value of the negative consolidation difference is CZK 3,309 thousand (CZK 3,641 thousand as at 30 June 2017).

7. CORRECTIONS OF ERRORS FROM PAST YEARS

In the current accounting period, the group corrected the method of reporting the negative consolidation difference, which, in the consolidated financial statements for the year ending on 30 June 2017, was recognised as liabilities within equity in the amount of CZK 3,641 thousand.

In the consolidated financial statements as at 30 June 2018, the negative consolidation difference is recognized in assets under "Consolidation difference". The data for the previous accounting period have not been adjusted.

8. TANGIBLE AND INTANGIBLE FIXED ASSETS

A) (A) INTANGIBLE FIXED ASSETS						
	Software	Other valuable rights	Intangible fixed assets under development	Goodwill	Other intangible fixed assets	TOTAL
Cost						
Initial balance as at 1 July 2017	221,544	4,283	616	40,864	2,477	269,784
Additions	1,862	181	105	–	–	2,148
Decreases	-33,230	–	-92	–	-483	-33,805
Impact of acquisitions	1,800	–	–	–	–	1,800
Transfers	524	–	-524	60	-60	–
Final balance as at 30 June 2018	192,500	4,464	105	40,924	1,934	239,927
Allowances and accumulated depreciation						
Opening balance as at 1 July 2017	-210,901	-2,686	–	-29,371	-2,210	-245,168
Depreciation	-4,374	-680	–	-3,851	-12	-8,917
Impact of acquisitions	-1,557	–	–	–	–	-1,557
Decreases	33,230	–	–	–	302	33,532
Transfers	–	–	–	–	–	–
Final balance as at 30 June 2018	-183,602	-3,366	–	-33,222	-1,920	-222,110
Residual value as at 1 July 2017	10,643	1,597	616	11,493	267	24,616
Residual value as at 30 June 2018	8,898	1,098	105	7,702	14	17,817

A) INTANGIBLE FIXED ASSETS

	Software	Other valuable rights	Intangible fixed assets under development	Goodwill	Other intangible fixed assets	TOTAL
Cost						
Initial balance as at 1 July 2016	223,475	4,443	1,150	42,323	2,458	273,849
Additions	1,677	–	616	–	135	2,428
Disposals	–3,608	–160	–1,150	–1,459	–116	–6,493
Final balance as at 30 June 2017	221,544	4,283	616	40,864	2,477	269,784
Allowances and accumulated depreciation						
Initial balance as at 1 July 2016	–198,876	–2,649	–	–26,406	–2,326	–230,257
Depreciation	–15,633	–197	–1,150	–4,424	–	–21,404
Disposals	3,608	160	1,150	1,459	116	6,493
Final balance as at 30 June 2017	–210,901	–2,686	–	–29,371	–2,210	–245,168
Residual value as at 1 July 2016	24,599	1,794	1,150	15,917	132	43,592
Residual value as at 30 June 2017	10,643	1,597	616	11,493	267	24,616

B) TANGIBLE FIXED ASSETS

	Land and buildings	Machinery and equipment	Other tangible fixed assets	Difference in the valuation of acquired assets	Advances provided and tangible assets under construction	TOTAL
Cost					–	
Initial balance as at 1 July 2017	26,929	107,008	16,335	–	165	150,437
Additions	–	19,230	1,411	–	708	21,349
Decreases	–499	–16,859	–348	–	–	–17,706
Impact of acquisitions	–	26,776	–	3,000	–	29,776
Final balance as at 30 June 2018	26,430	136,154	17,398	3,000	873	183,856
Allowances and accumulated depreciation					–	
Initial balance as at 1 July 2017	–1,580	–82,739	–10,494	–	–	–94,813
Depreciation	–1,139	–15,601	–1,932	–167	–	–18,839
Impact of acquisitions	–	–14,792	–	–2,600	–	–17,392
Accumulated depreciation on decreases	499	16,166	183	–	–	16,848
Transfers	–	–	–	–	–	–
Final balance as at 30 June 2018	–2,220	–96,966	–12,243	–2,767	–	–114,196
Residual value as at 1 July 2017	25,349	24,269	5,841	–	165	55,624
Residual value as at 30 June 2018	24,210	39,188	5,155	233	873	69,659

Additions to fixed assets in 2018 consisted mainly of the purchase of cars and IT equipment and the inclusion of assets due to new acquisitions.

	Land and buildings	Machinery and equipment	Other tangible fixed assets	Advances provided and tangible fixed assets under construction	TOTAL
Cost					
Initial balance as at 1 July 2016	26,991	99,973	12,920	–	139,884
Additions	–	18,608	3,715	165	22,488
Disposals	–62	–11,573	–300	–	–11,935
Final balance as at 30 June 2017	26,929	107,008	16,335	165	150,437
Allowances and accumulated depreciation					
Initial balance as at 1 July 2016	–1,061	–79,008	–9,270	–	–89,339
Depreciation	–581	–15,304	–1,524	–	–17,409
Disposals	62	11,573	300	–	11,935
Final balance as at 30 June 2017	–1,580	–82,739	–10,494	–	–94,813
Residual value as at 1 July 2016	25,930	20,965	3,650	–	50,545
Residual value as at 30 June 2017	25,349	24,269	5,841	165	55,624

The group has no tangible fixed assets under a pledge.

9. FINANCIAL ASSETS**NON-CURRENT FINANCIAL ASSETS**

The group records non-current financial assets totalling CZK 13,729 thousand (CZK 9,491 thousand as at 30 June 2017). These are interests in subsidiaries, including loans and borrowings, which were excluded from the consolidation for insignificance.

CURRENT FINANCIAL ASSETS

The group records current financial assets totalling CZK 68,330 thousand (CZK 132 thousand as at 30 June 2017), of which CZK 68,202 thousand (CZK 0 as of 30 June 2017) are promissory notes from J&T Private Equity BV payable by 12 September 2018. The promissory notes are owned by the parent company Solitea, a.s.

10. INVENTORY

Work in progress represents mainly activated costs related to unfinished orders for clients.

INVENTORY

Inventories	as at 30 June 2017	as at 30 June 2018
Material	194	200
Goods	11,270	11,315
Work in progress	27,598	27,054
Total	39,062	38,569

As at 30 June 2018, the group created an allowance for inventories in the amount of CZK 177 thousand (CZK 151 thousand as at 30 June 2017), of which CZK 173 thousand is an allowance for goods.

11. INVESTMENT INCENTIVES AND SUBSIDIES

The group has not accepted any investment incentives. In 2018, the group received a subsidy for the purchase of an electric car in the amount of CZK 270 thousand.

12. SHORT-TERM RECEIVABLES

Short-term receivables mainly consist of short-term trade receivables amounting to CZK 133,975 thousand, of which CZK 34,389 thousand are overdue receivables. An allowance for doubtful receivables was created in the amount of CZK 2,857 thousand as at 30 June 2018 (CZK 1683 thousand as at 30 June 2017).

Other short-term receivables primarily include receivables from taxes and operating advances.

The group does not record long-term receivables with maturities of more than five years (CZK 0 as at 30 June 2017).

13. ACCRUALS (ASSETS)

The accruals of assets are mainly deferred costs (CZK 8,389 thousand as at 30 June 2018).

14. DERIVATIVES

As at 30 June 2018, the group had open currency forwards. The fair value of these forwards amounting to CZK 39 thousand

is reported in current liabilities (CZK 240 thousand as at 30 June 2017).

15. EQUITY

Movements in equity accounts are included in the "Statement of Changes in Equity".

16 PROVISIONS

Other provisions include, in particular, provisions for bonuses, a provision for pensions, a provision for unused annual leave and a provision for guarantees.

PROVISIONS

	Provision for income tax	Other provisions	Total
Balance as at 1 July 2017	--	10,158	10,158
State change	2,773	16,091	18,864
Balance of provisions as at 30 June 2018	2,773	26,249	29,022

17. LONG-TERM PAYABLES

Long-term payables mainly consist of the outstanding parts of the purchase price of investments in non-current financial assets in the amount of CZK 47,500 thousand (CZK -32,500 as at 30 June 2017). These are non-interest-bearing payables that are due after 1 July 2019.

The group does not record any long-term receivables with a maturity of more than five years (CZK 0 as at 30 June 2017).

18. SHORT-TERM PAYABLES

- a) Short-term trade payables amount to CZK 48,559 thousand, of which CZK 603 thousand are overdue payables.
- b) Tax payables to the state are included in the amount of CZK 16,557.

- c) Payables to employees and payables from social security and health insurance total CZK 59,414 thousand.
- d) Other payables consist primarily of short-term payables arising from the outstanding parts of the purchase price of investments in the amount of CZK 33,439 thousand (CZK 4,000 thousand as at 30 June 2017).

19. PAYABLES TO CREDIT INSTITUTIONS

As at 30 June 2018, the Group records a payable to a credit institution of CZK 4,900 thousand from a loan received. The loan is secured by a real estate mortgage with an interest rate of PRIBOR + 1.8 percent p.a. The loan balance is recognised under Short-term payables and was repaid on 31 July 2018.

20. ACCRUALS (LIABILITIES)

The accruals of liabilities are mainly deferred revenues (CZK 149,339 thousand as at 30 June 2018). Deferred revenues consists of software usage fees, system maintenance fees, and service usage fees.

21. CONTINGENT LIABILITIES

The purchase price may be subsequently increased on the basis of the agreement on the sale and purchase of 100 percent of the shares of Vema, a.s. These increases depend on certain future conditions and will be quantified depending on future data. In the following periods, the group may therefore incur a payable..

22. INFORMATION ABOUT REVENUES

BREAKDOWN OF COMPANY REVENUES FROM THE SALE OF GOODS, PRODUCTS AND SERVICES FROM ORDINARY ACTIVITIES (IN CZK THOUSANDS).

Revenues	2017	2018
Sale of goods and services	786,009	998,412
Domestic	504,314	648,444
Abroad	281,695	349,968
Sale of goods	56,745	137,005
Domestic	44,385	95,733
Abroad	12,360	41,272
Total	842,754	1,135,417

23. CONSUMPTION

Consumption includes in particular a service item in the amount of CZK 297,790 thousand and the cost of goods sold and material and energy consumed in the amount of CZK 114,108 thousand.

The most important service items are primarily IT consultancy, subcontracting and developer services totalling CZK 187,573 thousand.

Other significant services include the costs of rental and building management and marketing activities in the amount of CZK 70,712 thousand.

24. OTHER OPERATING REVENUES AND COSTS

a) Other operating revenues
Other operating revenues amount to CZK 5,939 thousand (CZK 8 454 thousand as at 30 June 2017), of which CZK 3,178 thousand are revenues from assets sold.

b) Other operating costs
Other operating costs amount to CZK 17,439 thousand (CZK 3,984 thousand as at 30 June 2018), which were incurred mainly due to the creation of operating provisions.

25. INFORMATION ON REMUNERATION FOR STATUTORY AUDITORS

Remuneration for the members of managerial, supervisory or administrative

INFORMATION ON REMUNERATION FOR STATUTORY AUDITORS

	2018
Statutory audit	1,592
Other verification services	-
Tax consultancy	-
Other non-audit services	-
Total	1,592

EMPLOYEES AND MEMBERS OF MANAGEMENT, SUPERVISORY AND ADMINISTRATIVE BODIES

2018	Average converted number	Payroll costs	Statutory social security and health insurance	Other personnel costs	Total
Employees	589	408,494	119,908	9,318	537,720
Managers*	25	42,405	11,030	526	53,960
Total	614	450,899	130,938	9,843	591,680

* The payroll costs for the members of managerial, supervisory and administrative bodies consist of remuneration for the members of these bodies due to their position.

2017	Average converted number	Payroll costs	Statutory social security and health insurance	Other personnel costs	Total
Employees including managers	512	337,278	96,503	15,324	449,105
Total	512	337,278	96,503	15,324	449,105

bodies due to their position is paid under duly concluded and approved contracts. The group has no payables to former members of managerial, supervisory or administrative bodies due to pensions

27. INCOME TAX

a) Current

Current income tax includes a tax for the tax period ending on 30 June 2018 in the amount of CZK 20,163 thousand.

b) Deferred

In accordance with the accounting policies outlined in Note 3j), a tax rate of 19 percent (2017 - 19 percent) was used to calculate deferred tax.

The tax rate applied in the relevant country was applied to foreign companies. The group records a

deferred tax receivable amounting to CZK 926 thousand. As at 30 June 2017, the Group recorded a deferred tax payable amounting to CZK 515 thousand. The income tax in the profit and loss account includes revenue from a change in the deferred tax in the amount of CZK 1,441 thousand.

Income tax for the period from 1 July 2016 to 30 June 2017 is recognized in the amount of CZK 16,370 thousand.

28. INFORMATION ON TRANSACTIONS WITH RELATED PARTIES

In the current and previous accounting periods, the members of the managerial, supervisory and administrative bodies did not receive any advances, earned

payments, loans, credits, granted guarantees or other benefits.

As at 30 June 2018, the group records payables in the amount of CZK 7,500 thousand to Office Buildings s.r.o., which is a related party.

29. LEASED ASSETS

a) Financial leasing

The group is contractually obliged to pay lease instalments for the financial leasing of vehicles as follows:

b) Operating lease

The group has concluded contracts for the lease of real estate and cars. The total costs related to these contracts for 2018 totalled CZK 33,405 thousand.

LEASED ASSETS

	Total lease instalments	Paid as at 31 December 2018	Payable within 1 year	Payable within 5 years	Payable in the following years
2018 Passenger cars	1,676	1,525	150	1	–
2017 Passenger cars	1,676	1,391	239	46	–

30. R&D EXPENDITURE

The group incurred software development costs totalling CZK 67,528 thousand (CZK 91,700 thousand as at 30 June 2017).

31. PAYABLES NOT RECOGNISED IN THE BALANCE SHEET

As at 30 June 2018 and 30 June 2017, the group had no significant payables that are not recognized in the balance sheet, with the exception of payables arising from the contracts referred to in Note 29.

32. CASH FLOW STATEMENT

The cash flow statement was prepared with the indirect method and is included in the financial statements as a separate statement.

33. SIGNIFICANT FOLLOW-UP EVENTS

As at 1 July 2018, the share in Altus software s.r.o. was transferred from Solitea Česká republika, a.s. to Byznys software, s.r.o. As at 3 September 2018, CDL SYSTEM a.s. changed its name to Solitea CDL, a.s.

On 21 May 2018, Solitea Česká republika, a.s. (successor company) and Vema, a.s. (company being demerged) prepared a project of demerger by merger by acquisition pursuant to Section 15, Section 250, and Section 290, et seq., of Act No 125/2008, on transformations of companies and cooperatives, as amended. The decisive day of the demerger by merger by acquisition was set at 1 July 2018.

The Solitea group was extended on 17 and 18 December 2018. The acquisition of the following companies was completed: GEMMA Systems, spol. s r.o., GEMMASYSTEMS, s.r.o.,

Dynamica, a.s., BI Experts, s.r.o. and Allieto.
On 14 February 2019, the Solitea Group was
extended to include WBI, a Slovak company.

Between the balance sheet date and the
date of the annual report, there were no other
significant events that would have a material
impact on the fulfilment of the purpose of the

annual report for the period between 1 July
2017 and 30 June 2018.

The Company complies with all applicable
legal requirements of the Czech Republic
and the Company's internal rules concerning
the management of health, environment and
occupational safety.

In the area of labour-law relations,
the Company acts in accordance with
labour-law regulations and the Company's
internal rules. The entity does not have
a branch or other part of a business
establishment abroad.



Compiled on 4 March 2019
Martin Cígler,
CEO of Solitea



KPMG Česká republika Audit, s.r.o.

Pobřežní 1a
186 00 Prague 8
Czech Republic
+420 222 123 111
www.kpmg.cz

This document is an English translation of the Czech auditor's report.
Only the Czech version of the report is legally binding.

Independent Auditor's Report to the Shareholders of Solitea, a.s.

Opinion

We have audited the accompanying consolidated financial statements of Solitea, a.s. ("the Company"), prepared in accordance with Czech accounting legislation, which comprise the consolidated balance sheet as at 30 June 2018, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory notes. Information about the Company is set out in Note 1 to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Company as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Czech accounting legislation.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors, and Auditing Standards of the Chamber of Auditors of the Czech Republic, consisting of International Standards on Auditing (ISAs) as amended by relevant application guidelines. Our responsibilities under those regulations 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 Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic, 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.

Other Matter

The consolidated financial statements as at 30 June 2017 were audited by another auditor who, in his report of 4 June 2018, issued an unqualified opinion on these financial statements.

Other Information

In accordance with Section 2(b) of the Act on Auditors, other information is defined as information included in the consolidated annual report other than the consolidated financial statements and our auditor's report. The statutory body is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable laws and regulations, in particular, whether the other information complies with laws and regulations in terms of formal requirements and the procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with those requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- the other information describing matters that are also presented in the consolidated financial statements is, in all material respects, consistent with the consolidated financial statements; and
- the other information has been prepared in accordance with applicable laws and regulations.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement.

Responsibilities of the Statutory Body and Supervisory Board for the Consolidated Financial Statements

The statutory body is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Czech accounting legislation and for such internal control as the statutory body 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, the statutory body 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 the statutory body either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for the oversight of the Company'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 the above regulations 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 the above regulations, we exercise professional judgment and maintain professional skepticism 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory body.
- Conclude on the appropriateness of the statutory body'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statutory Auditor Responsible for the Engagement

Martin Kocik is the statutory auditor responsible for the audit of the consolidated financial statements of Solitea, a.s. as at 30 June 2018, based on which this independent auditor's report has been prepared.

In Prague on 4 March 2019

KPMG Česká republika Audit, s.r.o.

Registration number 71

Ing. Martin Kocik

Director

Registration number 2335



CUSTOMER **ORIENTATION**

THE CUSTOMER CARE AND AVAILABLE SUPPORT FOR OUR SYSTEMS ARE ESSENTIAL FOR THE FURTHER DEVELOPMENT OF OUR PRODUCTS. WE VIEW COMMUNICATION NOT ONLY AS FEEDBACK FOR OUR TECHNICAL SOLUTIONS BUT ALSO AS AN OPPORTUNITY TO BUILD RELATIONS. WE LIVE IN A WORLD OF 0S AND 1S, BUT WE ARE STILL PEOPLE.

10

PROFILES OF SOLITEA HOLDING COMPANIES

Through more than 30 branches in the Czech Republic, Slovenia, Slovakia, Austria, Croatia and Serbia, Solitea now serves more than 250,000 clients, from self-employed persons to large international corporations, non-profit and publicly co-funded organizations and state administrative bodies.

ALTUS SOFTWARE

Altus software has been active in the Czech market since 1995, and since 2013, it has been a part of the Solitea holding. With more than 2,000 implementations, Altus Vario is one of the leading local vendors of enterprise systems for small and medium-sized businesses. It has a strong presence in the manufacturing companies segment. Its clients include, for example, HP Trend or HM Metal, Woodcote (construction material), Bandi Vamos (producer of suits), and Dobrovský (publishing and distribution of books). Leaders of Czech e-commerce such as Alza and Notino have grown using the Altus Vario ERP system, and Vario still remains the key system for the Altisport and Astratex online shops. Altus also delivers a documentation and approval management system with its advanced Altus Portal workflow.

SELECTED FINANCIAL DATA

(in CZK thousands)	30/06/17	30/06/18
SALES	37,474	37,119
SALES y/y		-0.9 %
EBITDA	2,406	2,600
EBITDA y/y		8.1 %
Personnel costs	26,581	25,538
Personnel costs y/y		-3.9 %
Profit before tax	1,934	2,143
Profit before tax y/y		10.8 %
Assets	16,349	17,188
Equity	2,034	3,732
Short-term payables	4,641	3,343
Long-term payables	0	0
Number of employees	35	35

Altus software generated sales of CZK 371 million in fiscal year 2018, and EBITDA was CZK 2.6 million.

Revenue is generated by income from regular maintenance, implementation and development work, as well as from licensing. The biggest revenue growth was in the area of maintenance revenue.

The Altus Vario enterprise system continues to be the main product and was used by 71 new companies in the previous year. New users are mainly manufacturing and trading companies that very often have a specific focus and thus need to implement processes that use the comprehensive nature and variability of Vario and the easy connection to external systems. The reliability and quality of the services we provide is a priority for us in Altus, which serves more than 2,000 clients. Together with our clients, we look for smart solutions that let them focus the energy required for the operational agenda on what is crucial for their success.

The three-percent increase in the number of companies managing their business processes in Altus Vario confirms that we are on the right track. We focused on the development of Vario in the area of binding legislation, in particular by addressing the extensive issues concerning the GDPR and fully incorporating changes in the payroll area. However, we are also working towards expanding Vario's functionality and keeping up with the latest trends.

The Altus Portal intranet system was further modernized this year, localized to Slovak and integrated with Altus Vario to an even greater extent. Vario users now are able not only to effectively validate all documents via Altus Portal, but also can find secure and encrypted storage for their documents in the Portal database. Connected with IS Money, the Portal serves its first users in Slovakia.

We have invested a lot of resources and effort in the development of our systems over the past year, and we plan to maintain

this trend in the coming years. We want to continue to offer high-quality and modern software that reflects the needs of our users.

An integral part of Altus is a stable and well-established base of partner companies, generating almost 30 percent of total revenue and contributing to implementations at more than 20 companies last year.

The key component of Altus's success is its staff, half of whom have been working for Altus for over 10 years. They all have my gratitude for their diligent, responsible and innovative everyday work, which is the essence of our joint success and, at the same time, the base to build on in the following years.

Klára Cerovská,
COO Altus software s. r. o.

BYZNYS SOFTWARE

Byznys software (J.K.R. until 30 June 2017) is a leading Czech manufacturer of robust ERP systems. Since 1991, it has been offering the Byznys ERP system on the Czech and Slovak markets. Its typical clients are medium-sized and large companies demanding individual solutions for their internal processes.

The company entered fiscal year 2018 under a new name, clearly reflecting the link between the company and its key product. With the end of the 2018 financial year, Byznys software achieved a 12 percent increase in revenue. Its teams remain highly motivated and are eager to tackle other major challenges. However, there was also a significant increase in costs, caused mainly by the unexpectedly great success of personnel recruitment and the related

need to invest more in training, equipment, changes in the layout of offices, etc. On the cost side, there was also a significant burden consisting of penalties and interest on late payment after an additional tax assessment for 2012–2014, when the tax administrator cancelled the claim for the deduction of R&D costs. We opposed this decision and, following a negative decision by the Financial Appeal Directorate in June 2018, we filed a corresponding petition in court. We remain

SELECTED FINANCIAL DATA

(in CZK thousands)	30/06/17	30/06/18
SALES	93,103	103,873
SALES y/y		11.6 %
EBITDA	9,670	717
EBITDA y/y		-92.6 %
Personnel costs	58,737	69,489
Personnel costs y/y		18.3 %
Profit before tax	-5,727	-2,346
Profit before tax y/y		-59.0 %
Assets	65,880	61,130
Equity	29,232	26,886
Short-term payables	13,825	16,145
Long-term payables	6,160	324
Number of employees	85	90

convinced that we have always followed the applicable legislation and that the deductions were completely lawful.

Furthermore, fiscal year 2018 was in the spirit of strengthening the position of the brand and product on the market. After previous changes in the company's management and the reorganization of the Service and Support and Trade and Customer Care Departments, we made a great effort to stabilize and streamline internal company processes and communication and to optimize the use of synergies within the Solitea Group. The new Marketing Department became well-established, and our market presence is truly visible. The result is the measurably higher positive awareness of the company and the product and several well-prepared and executed campaigns, including those aimed at recruiting new colleagues.

Significant changes in the organization and marketing support of the business have also clearly manifested themselves in the efficiency of acquiring new clients and in the scope of newly implemented projects. The standard size of new business cases – with regard to the number of users, the labour intensity of implementation and the funds required – increased by more than 200 percent compared to the previous business year. The reorganization also significantly increased the productivity of the consultancy teams and their ability to implement large-scale projects.

Towards the end of the fiscal year, we reorganized the regional coverage of consultants in North Bohemia, and this allowed us to permanently close the branch in Teplice, which had mainly focused on administration and support activities. Regional consultancy coverage is now provided from Ústí nad Labem.

In the course of the financial year 2018, we launched new major business cases. These include, in particular, extensive Byznys

implementations in Mailstep, OKIN, Project Controls, Elmoz Czech and others.

In May 2018, we switched to a significantly upgraded version of Byznys for new implementations. Byznys B 6, as it is called, responds to new trends in UX, design and control, and brings new features to facilitate the everyday work of users. We will continue to develop and expand Byznys B 6, and plan to integrate current trends. Therefore, the development team has been significantly reinforced in the current fiscal period.

As part of the development of B 6, we also continued to work on other new modules that will greatly extend Byznys' market applicability, including full access to the system via the Byznys online web interface. We will naturally include innovations in the legislative area, including a robust GDPR solution. A total of 10 GDPR training sessions were organized for our clients between November 2017 and June 2018. The interest was huge, and since May 2018, our users have had a very sophisticated tool for comprehensively addressing GDPR.

We spent over CZK 28 million on the development of our software products in the 2018 fiscal period.

In the personnel area, we believe that every person likes to engage in meaningful work in a friendly team and see its results. We are clearly aware of the demand for talents, and we know that there is a great deal of interest in the job market for Byznys software employees – we see this as a very positive assessment of the professional level that our employees can attain with us. However, we have minimal turnover, and thanks to our good name, in recent months we have managed to attract more new colleagues to our teams in Přeborn than we expected. When selecting candidates, it is most important for us that the candidate, in addition to their expertise, is a good colleague with a personality that fits the team.

The best advertisement is our employees' recommendations to their friends or acquaintances.

In February 2018, Aon, the world leader in human resources, announced the Aon Best Employers Czech Republic 2017 awards. In the SME category, an award was given to six companies across different industries and our company was among the winners. We are among the leaders in employee motivation, which is a huge recognition because the results are directly dependent on responses in an anonymous survey.

However, the labour market situation continues to be difficult in Brno, where Byznys software still has open positions in the consultant teams. Our goal is to find at least two new consultants in Brno in the new financial year. In Přeborn, we are also currently working on a program for high school students, and are preparing an interesting internship program.

In the following years, we want to continue to create conditions that ensure a good atmosphere, job satisfaction and personal and professional growth for our employees. In Byznys software, everyone is an important part of the team and everyone counts. New ideas are welcome and everyone can give their opinion. In Byznys software, we know that all problems have a solution and that mistakes are to be embraced because they help us learn, grow and push our limits.

Martin Kudrna, CEO
Byznys software, s. r. o.

SOLITEA CDL

CDL SYSTEM was incorporated on 1 October 1992 in Ústí nad Labem and now also operates in Prague (since 2003), Zlín (since 2004) and Bratislava (a subsidiary since 2005). The company now employs around 85 employees, and its turnover is around CZK 220 million, with a high share of its own added value. In September 2017, CDL SYSTEM became a member of Solitea Holding. CDL SYSTEM (“Solitea CDL”) focuses on building IT infrastructure, implementing MS SharePoint-based portal solutions,

information systems (ERP, CRM) and specialized IT services (studies, outsourcing, and cloud computing). Its activities aim to provide the best technologies available on the market. These products and technologies are accompanied by a high standard of services to naturally promote the competitive advantage of clients in the various fields of their business. The philosophy of Solitea CDL is concisely expressed in its motto: “You can rely on us”.

SELECTED FINANCIAL DATA

(in CZK thousands)	31/12/17	30/06/18	31/12/17	30/06/18*
	CZECH REPUBLIC		SLOVAKIA	
SALES	223,265	121,440	3,284	1,743
SALES y/y		-45.6 %		-46.9 %
EBITDA	15,208	7,340	90	26
EBITDA y/y		-51.7 %		-71.2 %
Personnel costs	103,678	58,079	1,034	598
Personnel costs y/y		-44.0 %		-42.1 %
Profit before tax	10,647	5,431	30	0
Profit before tax y/y		-49.0 %		-99.4 %
Assets	90,423	75,605	1,043	989
Equity	29,669	22,790	464	468
Short-term payables	56,888	45,532	497	416
Long-term payables	615	621	29	26
Number of employees	78	81	1	1

*This is a reduced period

In 2017, the Czech economy was undergoing a phase of continuing growth, with a 5.2 percent year-on-year increase in GDP. The demand for IT services continued to increase, and this was also positively reflected in our performance. 2017 was the most successful year in the history of Solitea CDL. We achieved a record-breaking turnover of CZK 220.9 million (y-o-y growth of 4.4 percent). We saw a significant increase especially in the turnover for our own performances (19.8 percent y-o-y). This growth is closely related to the ongoing implementation of three major contracts concerning the implementation of enterprise information systems. In 2017, we also celebrated the 25th anniversary of Solitea CDL.

The biggest news was the change in shareholders – the existing owners sold their shares to Solitea, a.s. This marked the beginning of Solitea CDL's integration into the Solitea Group, which will continue in the coming years.

The implementation of information systems accounts for about 65 percent of Solitea CDL's revenues. The growth in income from the sale of services is closely related to the ongoing work on three major contracts concerning the implementation of enterprise information systems.

The first major project currently under way is the project at W.A.G. payment solution, which chose Microsoft Dynamics NAV more than ten years ago. This standard software package, along with the necessary customization and industry-specific solution (for fuel trading companies), was implemented by Solitea CDL. In the information system, we added a number of functionalities, which were needed due to the gradual development of services and the international expansion of W.A.G. The current solution is currently fully under the service management of Solitea CDL. At the same time, W.A.G. is transforming its current

solution into a new architecture based on the latest technology. The cooperation continues with the introduction of dozens of innovative projects per year.

Another major project in the area of information system implementation is the deployment of a specialized waste management solution at Marius Pedersen a.s. Since 2014, the company has been using Microsoft Dynamics NAV 2013 for the management of the company's economic agendas, also implemented by Solitea CDL. This implementation is one of the stages of a large-scale company-wide information system project, which should cover, among other things, client relationship management and document management, economic information system, waste management system and the management information system. Before the final phases of implementation of the industry-specific solution, the core of the information system was upgraded to NAV 2016. Currently, we are intensively implementing the industry-specific part of the Enwis solution within the Microsoft Dynamics information system. The whole solution is conceived as a unified single information system with a number of possible integrations to map systems, systems for tracking vehicle movement, weighting systems, etc. The use of an international corporate information system, including the coverage of all important waste management processes, enables very effective company management with detailed online real-time information about current processes in this specific environment. It enables the client to maintain a high efficiency of activities and to prevent cost increases by providing transparent views of all business areas and allowing processes to be managed both individually and using their mutual links. In addition, Solitea CDL is involved in the management and development of the DMS and Microsoft SharePoint-based intranet portal for this client.

The third important project is the implementation of Microsoft Dynamics NAV at LASVIT. By implementing this solution for business, marketing and production management, LASVIT will have a tool that will enable it to cover the external business and implementation processes of highly individualized projects in different parts of the world while maintaining the necessary standardization of internal processes. The company's management has an overview of business opportunities, clients, projects and their implementation, all in real time. The solution provides LASVIT's business and production teams with faster and better access to the necessary project information and improves collaboration. The new solution is based on Microsoft products, namely Microsoft Dynamics NAV, Microsoft Dynamics CRM and Microsoft SharePoint. A significant part of the systems is run in the cloud, also because it is a geographically large project covering countries in Europe, America and Asia.

In addition, Solitea CDL is involved in the building and management of IT infrastructure, which brings in about 25 percent of its total revenue. Customers are typically large companies with a large IT infrastructure needing professional management. An example of a large client in this area is the Rheinmetall Automotive Group. In 2007, it outsourced all of the ICT services to Solitea CDL, which bears has responsibility for on-site user and endpoint support, help-desk operation, remote server environment management and collaboration with the parent company's IT and its outsourcers. Solitea CDL provides SLAs for troubleshooting outside regular working hours and IT system development consulting.

The implementation of MS SharePoint-based portal solutions is becoming an increasingly important part of Solitea CDL's activities.

Here, too, the typical client is a large company needing to manage large volumes

of documents in its Intranet environment. Examples include Unipetrol a.s. and Metrostav a.s., where Solitea CDL provides the management and development of Intranet solutions.

Solitea CDL has long been using Microsoft technologies. It holds a wide range of authorized professional competences (within the Microsoft Partner Network). Solitea CDL has attained the GOLD level in the three most important competences, i.e. in Enterprise Resource Planning, Collaboration and Content, and Datacenter. Hence, clients can rely fully on Solitea CDL's expertise. In addition to these three core

competences, the company also holds three other competences, confirming its strategic focus on Microsoft products.

Vítězslav Kotrs, CEO, Solitea CDL, a.s. IT is currently undergoing a transformation into the cloud environment. Microsoft has become a global leader in this field. It is therefore logical that Solitea CDL is also increasingly implementing cloud wherever it makes sense for clients. Currently, there are several projects where either a pure cloud solution or a hybrid (cloud and on-premise) solution is deployed. Major developments can be expected especially in cloud ERP solutions (Microsoft Dynamics 365),

and Solitea CDL is intensively preparing for these new technologies. The added value for clients is our knowledge of not only Microsoft ERP systems but also related SharePoint technologies (within Office 365), as well as knowledge in ICT (Azure, etc.).

The company is internally managed according to the ISO methodology and has successfully defended its quality management system certificate according to EN ISO 9001:2015.



Vítězslav Kotrs, CEO
Solitea CDL, a.s.

SYSTEM

**WE BRING A SYSTEM OUT
OF CHAOS. WE INTRODUCE
EFFICIENT MANAGEMENT
TO COMPANIES.**

**WE ACCELERATE WORK
WITH HUMAN RESOURCES.**

**WE OFFER A SHORT-TERM
COMPREHENSIVE SOLUTION
TO OUR CUSTOMER'S NEEDS.**

**OUR SYSTEMS ARE CLEAR,
SIMPLE AND INTUITIVE.**

JET ERP

In 2017, JET ERP, a company with a long-standing tradition of more than 70 years in the Austrian market, has completed its rebranding and significantly modernised the Data Systems Austria brand, under which it is now operating. Clients appreciate in particular the new website, the innovated product information system

and the redesign of some user interfaces in individual software solutions. In fiscal year 2017, the total revenues of JET ERP amounted to EUR 3,659,115 (CZK 91,477,875), a EUR 86,000 (CZK 2,150,000) increase compared to the preceding period.

SELECTED FINANCIAL DATA

(in CZK thousands)	31/12/16	31/12/17
SALES	96,779	93,170
SALES y/y		-3.7 %
EBITDA	-188	5,670
EBITDA y/y		-3,115.9 %
Personnel costs	67,922	61,960
Personnel costs y/y		-8.8 %
Profit before tax	-6,087	204
Profit before tax y/y		-103.4 %
Assets	30,052	28,860
Equity	7,167	12,489
Short-term payables	10,593	7,841
Long-term payables	0	0
Number of employees	36	34

At present, the product offer consists of the accounting and financial software JET REWE, the ERP system JET ORBIT, JET DMS document management and the business intelligence solution JET BI. Clients use not only the large number of multifunctional modules included in the standard offer, but also a number of tailor-made solutions and individual consultation. A remarkable scope of industry-specific solutions has been developed for the engineering and metalworking industries, food production, construction, wood processing, chemical and plastics processing and electrical engineering industries, tourism and commerce.

The company's biggest source of income is maintenance revenue, accounting for 57.2 percent, with products sales accounting for 17.5 percent and the sale of services accounting for 18.4 percent. The individual products and services have the following share of revenues:

- Accounting and financial software JET REWE 51.2 percent
- ERP software JET ORBIT and JET BI 26.6 percent
- Document management JET DMS 18.2 percent
- Other revenues from JET SW 4.0 percent

The quality and scope of other maintenance services contribute to ensuring a high share of clients using this service. More than 82 percent of clients have an SLA in JET REWE (financial and accounting software); the situation is similar in JET DMS (document management and internal control system). In JET ORBIT (ERP software) and JET BI (Business Intelligence), all clients have an SLA.

At the end of the first half of 2017, updates for all products were included in the company's offer. In particular two new solutions drew a lot of attention: the expansion of the balance module

in JET REWE and the creation of a modern user interface with a personalized search feature in JET DMS. In particular, it is necessary to emphasize the new automated text recognition, which JET ERP marketed under the trade name JET ECM (Electronic Content Management). More than 160 client representatives attended the introduction of the new version of JET REWE as part of the traditional user meetings in five Austrian federal states.

In 2017, JET ERP capitalized on its long-standing know-how and high employee potential also in the area of business consulting – especially in the areas of market analysis, logistics, process optimization and client service, even on an international scale; the revenues from this activity accounted for 6.4 percent of the annual volume.

Jürgen Donaubauer, COO
JET ERP

SAOP

Saop is one of the oldest suppliers of accounting software and related services in Slovenia. Its clients include accounting companies, private firms and public institutions. It has offices in Croatia and Serbia and employs more than 140 high-level experts. The users include every fourth accounting service and every third school in Slovenia.

SELECTED FINANCIAL DATA

(in CZK thousands)	31/12/17	30/06/18*
SALES	161,694	168,427
SALES y/y		4.2 %
EBITDA	18,465	16,341
EBITDA y/y		-11.5 %
Personnel costs	82,979	92,761
Personnel costs y/y		11.8 %
Profit before tax	16,856	14,701
Profit before tax y/y		-12.8 %
Assets	159,293	176,702
Equity	132,246	140,872
Short-term payables	23,548	18,214
Long-term payables	0	0
Number of employees	87	91

* Accounting and financial software JET REWE 51.2 percent

• ERP software JET ORBIT and JET BI 26.6 percent

In 1987, the founders of Saop aimed to help accountants working for newly emerging private firms. Another significant year for the company's growth was 1999, when the Value Added Tax Act came into force in Slovenia. There was very little time to prepare and make the necessary adjustments to the software, and the company faced a test to prove that it had the expertise to do it. In 2000, we were the first Slovenian company to launch a Windows-based enterprise information system, iCenter. This put Saop well ahead of the competition.

In 2007, we launched Minimax, one of the first cloud accounting products designed for accounting firms, entrepreneurs and small companies. In its development, we pursued a clear goal – to offer users an elegant solution that would simplify their agenda. Minimax is now the most popular cloud-based accounting software

in Slovenia, used by more than 26,000 organizations.

2010 and 2012 represent two further milestones, when the company expanded abroad and established subsidiaries in Serbia and Croatia. Since 2016, we have been moving ahead already within the Solitea Group.

Today, Saop is developing a new generation of cloud solutions together with colleagues from other Solitea Group companies. We believe that new technologies, automation and digitization will bring great opportunities for Saop's further growth and vision.

The Gold and Silver Award of the Slovenian Chamber of Commerce and Industry and Microsoft's award for the design of new products indicate that Saop continues to stay ahead of modern trends.

Saop's vision is to become the leading provider of enterprise software solutions in the Adriatic region. We invest a lot in employees and train them, because we believe that educated and satisfied people are crucial to a company's success. The use of agile development management enables us to be competitive even in an area as dynamic as accounting and legislation, which is subject to constant technological and legal changes.

Cooperation with our users, towards whom we strive to be honest and open, as well as investments in our development and employees, are our commitment for the future.

Petra Šingoj, CEO
Saop d. o. o.

SOLITEA ČESKÁ REPUBLIKA AND SOLITEA SLOVENSKO

Solitea Česká republika (CÍGLER SOFTWARE until 30 September 2017) was founded in 1990. In 1999, it was transformed into a joint-stock company and established the subsidiary Solitea Slovensko (CÍGLER SOFTWARE until 30 September 2017). Since July 2014, it has been in 100 percent owned by Solitea. The company's main products include Money S3 (an accounting system), Money S4 and Money S5 (ERP systems) and iDoklad (a cloud invoicing service). The company is also active in the field of POS systems, both by developing its own software products Prodejna SQL and Profi Účtenka and in terms of its activities in the area of hardware, where it is a direct importer of bank printers, all-in-one POS terminals and other devices.

Solitea Česká republika reached an EBITDA of CZK 26,646 in fiscal year 2018. This growth was largely due to the charging of iDoklad in the Czech Republic in June 2017, bringing in revenues of CZK 28 million in the first year. iDoklad thus became the fastest growing segment of the company, with over 160,000 account owners, of whom over 18,000 use one of the paid tariffs.

Reducing costs, optimizing internal enterprise processes and improving work efficiency are the most common reasons for companies to change their information system. While higher demands imply an upturn in demand for modern information systems, there is increasing pressure on prices and the level of the services provided.

SELECTED FINANCIAL DATA, SOLITEA ČESKÁ REPUBLIKA

(in CZK thousands)	30/06/17	30/06/18
SALES	165,518	164,318
SALES y/y		-0.7 %
EBITDA	26,764	26,646
EBITDA y/y		-0.4 %
Personnel costs	72,851	86,036
Personnel costs y/y		18.1 %
Profit before tax	27,644	23,343
Profit before tax y/y		-15.6 %
Assets	109,597	118,393
Equity	56,397	55,661
Short-term payables	15,406	14,984
Long-term payables	0	869
Number of employees	115	128

SELECTED FINANCIAL DATA, SOLITEA SLOVENSKO

(in CZK thousands)	30/06/17	30/06/18
SALES	46,165	48,189
SALES y/y		4.4 %
EBITDA	2,197	2,316
EBITDA y/y		5.4 %
Personnel costs	15,611	16,106
Personnel costs y/y		3.2 %
Profit before tax	1,092	1,587
Profit before tax y/y		45.3 %
Assets	24,678	19,749
Equity	4,735	3,773
Short-term payables	4,830	4,527
Long-term payables	690	468
Number of employees	24	25

Solitea Česká republika has responded to these trends by further improving and expanding its product and service portfolio, increasing the availability of technical support, and intensively training its employees.

The market is increasingly influenced by the cloud. Businesses are more interested in cloud solutions for their key processes to achieve optimization and cost distribution, as well as greater availability and security. That is why the demand for pure cloud services specializing in small and start-up entrepreneurs has in particular increased among these companies.

In terms of revenues and profit, the accounting system Money S3 continued to be the main pillar of Solitea ČR. In the Czech Republic and Slovakia, this

accounting program is number two on the market. The reason for the high popularity of Money S3 is its wide range of features along with a modern user interface. This fact is reflected mainly in the year-on-year growth of the subscribers to the Aktualizace service, which accounts for the main part of Money S3's revenues.

The ERP segment is undergoing a clear upturn, which is driven by the economic growth, with even smaller companies that would previously buy the cheaper accounting software Money S3 now investing in a full ERP system. Therefore, in fiscal year 2017, revenues from the ERP systems Money S4 and Money S5 grew rapidly and reached those from Money S3. In response to the GDPR, among other reasons, we introduced a number of new features reflecting legislative

developments. We focused on user comfort and the simplification of the operator's work, as well as on the support of internal business processes. We introduced a new Complaints module and a special VAT regime has been incorporated in Czech and Slovak legislation. In total, ERP Money has seen hundreds of small improvements in the user-friendliness and functionality of the system.

The cloud invoicing service iDoklad, the market leader in the Czech Republic and Slovakia, has seen a large increase in clients. The service is independent of the operating system or hardware used and only needs an internet browser to operate – it is also available in the form of iOS, Android and Windows applications. iDoklad is the second most profitable product in the company's portfolio after Money S3.

After a long period of uncertainty, the third and fourth wave of the Electronic Registration of Sales Act were postponed, and therefore the revenue from the sale of the POS solutions was the only revenue to remain below expectations.

We have responded to the lower interest in POS solutions by taking over the activities of the competitor České pokladny and, in particular, by establishing the subsidiary Solitea Pay, which will sell specialized hardware in the European region. Towards the end of the fiscal period, we began to prepare for the opportunity offered in the Slovak Republic, where a fundamental amendment to the Fiscal Act is to take place in 2019. In the field of POS, thanks to the application Profi účtenka, we now serve over 8,000 clients, which makes us one of the top 5 POS solution providers in the Czech Republic.

The partner network still accounts for a significant share of the company's revenues. The culmination of cooperation with partners was the international partner conference Let's Make Money held in September 2017 at the now traditional venue at Hotel Horal in the Beskydy Mountains. The conference focused

on getting acquainted with all the new features and the further improvement of the partner network and client service. Partners from the Czech Republic and Slovakia highly appreciated the possibility of informal meetings that allowed them to share their best practices.

Solitea Česká republika defended the Microsoft certification with Gold Application Development competence – the highest certification level from Microsoft and evidence of the high level of knowledge of the developer team.

Over the past ten years, Solitea Česká republika has invested more than CZK 400 million in research and development, and thanks to this massive investment, it is one of the market leaders. Therefore, we are going to invest heavily in the development of our ERP systems in the following fiscal year as well, both in terms of developing new functionalities and the further optimization of UX and UI. We plan to develop mobile applications and invest in the iDoklad cloud solution. We want to further develop an individual approach to larger clients which are willing to pay for premium services.

We need to invest in the future. That is why we are building a centre for the development of new cloud ERP solutions at Solitea Česká republika, which, after 2025, should be equivalent to the current ERP products of the entire Solitea Holding. Using state-of-the-art technologies and the latest trends, investing in innovation and developing new products and solutions are critical to the company's success and a key goal for our clients' satisfaction.

All this is made possible by our team of highly motivated employees. Despite the highly competitive labour market, we are able to attract and retain talented IT professionals, and the Solitea brand is generally seen as a good employer. We invest in human resources and benefit systems, and we want to further increase employee satisfaction in Solitea Česká republika.



Tomáš Loukota
COO Solitea Česká republika, a.s.

PERFORMANCE

**PERFORMANCE IS OUR
MANTRA. WE INCREASE
THE PERFORMANCE
OF COMPANIES. THAT IS WHAT
DRIVES US. WE BUILD CLEAR
AND INTUITIVE SOFTWARE.
THANKS TO OUR SOLUTION,
PRIVATE AND PUBLIC SECTOR
EMPLOYEES HAVE THE TIME
TO FOCUS ON OTHER WORK
CHALLENGES. ENTREPRENEURS
HAVE MORE ENERGY TO DEVELOP
THEIR BUSINESS INSTEAD OF
WASTING IT ON PAPERWORK.**

SOLITEA BUSINESS SOLUTIONS

Solitea Business Solutions is a consulting and software company that has been active in the market since 1996 (under the name Aquasoft until mid-2016). It has over 300 successfully completed projects. It provides clients with solutions that exploit the potential of information for the success of their operations. Its core values are quality, a personal approach, and respect for the individuality of its clients.

Solitea Business Solutions (SBS) reported revenue growth of 39.3 percent in the previous fiscal year, reaching CZK 172 million.

Most of the company's revenues come from projects related to the implementation of large-scale custom-made software applications. SBS confirmed its leading position in the domestic market for information systems for the administration of customs agendas by concluding contracts for the development of and support for the operation of customs-declaration systems and related applications for the next three years. The Customs Administration of the Czech Republic has placed its trust in the solutions supplied by SBS for over 20 years. In a consortium with the Serbian company Prointer IT Solutions and Services, Solitea won a tender for the two-year support of NCTS for the Serbian customs administration. The previously delivered system

SELECTED FINANCIAL DATA

(in CZK thousands)	30/06/17	30/06/18
SALES	123,493	172,081
SALES y/y		39.3 %
EBITDA	14,287	12,434
EBITDA y/y		-13.0 %
Personnel costs	81,594	90,514
Personnel costs y/y		10.9 %
Profit before tax	9,601	7,887
Profit before tax y/y		-17.9 %
Assets	91,797	90,128
Equity	56,160	57,078
Short-term payables	28,787	25,255
Long-term payables	1,882	647
Number of employees	76	73

runs at 168 customs offices, where it is used by 1,300 customs officers to process over 200,000 international shipments annually. SBS is working to implement a completely new customs-declaration information system for TULLI, the Finnish customs administration. In February 2018, the client accepted the first partial delivery of Customs Warehousing and Taric to support customs procedures for goods imported from non-EU countries and held in customs warehouses.

Also, Solitea Business Solutions has long been active in the healthcare sector. In early 2018, a new Central Electronic Prescription Repository was put into full operation. The solution supplied by SBS covers all the medicines prescribed in the Czech Republic. The contract concerned the key user interfaces – primarily web-based and mobile applications. More than 12,000 medical facilities, 2,700 pharmacies and over 25,000 doctors actively connect to the central repository. The system processes around 200,000 electronic prescriptions every day. The development of a specific information system to support the registration, selection and monitoring of grant projects administered by the Ministry of Health was successfully completed. Together with Styra, SBS concluded an agreement with the Health Insurance Bureau to upgrade Access Point, a system used to exchange information regarding healthcare provided and reimbursement claims, including the re-invoicing agenda. The system is integrated with all national health insurance

companies and is currently used by more than 700 users. In cooperation with Komix, SBS further develops and supports the operation of the Integrated Information System of the Military Health Insurance Company. In early 2018, the MHIC portal and mobile applications, including relevant back-end applications, were deployed in the production mode.

SBS has long been active also in the field of IT support for food safety. It ensures the operation and development of the Integrated Agricultural Register, which controls the quality of meat before its release into the food chain. The system records more than 60 thousand breeders and millions of livestock. SBS provides operational support and ongoing adjustments also in a professional information system for complete records on and support for the inspection activities of the State Veterinary Administration and in the systems Foreign Substances Monitoring and External Quarantine, which help the Central Institute for Supervising and Testing in Agriculture with integrated plant protection in the Czech Republic.

In addition to the aforementioned, important newly commissioned systems include the system for administrative proceedings and filing service supplied by SBS for the Office of the Financial Arbitrator of the Czech Republic and the system for the Chamber of Tax Advisers intended for the administration of the agenda of several thousand tax advisers. The DMS system has also been used in the production

environment, serving as a repository of documents in Pořtová banka as part of the so-called client documentation connected to the digital bank product. The implementation project of reporting for J&T Banka's business units in the Czech Republic and Slovakia was also completed. For the same client, we implemented the Microsoft Dynamics AX ERP system to support back-office processes, including accounting, invoicing, controlling and purchasing and sales management. Solitea Business Solutions uses the same technology platform to provide support for the operation and development of the ERP system in Energetický a průmyslový holding, where it serves accounting, bank, invoicing, purchase and sale, asset registration and travel request management purposes.

SBS specialists worked on a total of more than sixty projects. Just because of their ability to take on any challenge and willingness to gather all their strength, SBS has achieved great results. In the next period, Solitea Business Solutions will again be ready to do everything to keep its existing clients happy. At the same time, its ambition is to acquire new important clients both on the domestic market and abroad.



Petr Franc,
CEO Solitea Business Solutions s.r.o.

VEMA

Vema is one of the leading suppliers of human resources management software in the Czech Republic and Slovakia.

Its products are now used by over 7,400 organizations.

On 2 July 2018, it celebrated its 28th anniversary.

After changes in its structure in 2000, the company operates under the name of Vema, a.s. and wholly owns the Slovak subsidiary Vema, s.r.o. Since 2014, Vema has been part of the Solitea holding. Vema's consolidated revenue for fiscal year 2017 was CZK 170 million.

As at 30 June 2018, the company had 134 employees in the Czech Republic and Slovakia.

The most important new product is the new V5 client, a communication interface used to control Vema products. Due to the development of IT technologies, the previous client no longer allowed for further development. The new client has controls similar to the Microsoft products that everyone knows, and moreover, it looks much better graphically. The V5 client is compatible with the existing Vema applications, which can thus be run in both the original and the new client.

One of the major issues of the last period was the EU General Data Protection Regulation (GDPR), which entered into force on 25 May 2018. Vema has organized a series of GDPR seminars for its clients, where it clarified the issue of personal data protection linked to personnel information systems. At the same time, Vema offered a software solution of the selected obligations imposed by the regulation on organizations. For this purpose, a new GDPR application has been created, which has been purchased by more than 1,000 clients.

To satisfy the needs of smaller companies and create further business potential for the future, we have started offering Payroll Optimum – a simplified version of the Payroll

Complete product. Customers can install a light client from the website, sign up and use the product without any implementation and training services from Vema. Payroll Optimum is provided as a cloud service and does not include the above-standard functionality provided as part of the Payroll Complete product, but can be upgraded whenever necessary.

At the end of 2017, Vema expanded its HR product offering with two more modules: Performance Planning and Records and Shift Planning.

Performance planning and registration is a portal module that records the performance of employees, both planned and actually performed, for a specified period. Performances can be recorded for individual workers as well as various units, such as teams, contracts, activities, etc. Performance is recorded not only in time and in CZK, but also in user-defined units. The processing results is the performance records data which can be used for payroll preparation.

Shift Planning is a portal module that allows clients to create a work schedule for employees and third-party workers. It respects the requirements of the workplace

for the required competences and for compliance with the statutory conditions for the working time schedule given by the Labour Code and other regulations. In addition to planning, the module also lets users record the actual situation and compare the plan with reality.

We managed to get an interesting client – BAUHAUS k.s., which ordered the highest HR package – Comprehensive Human Resource Management, including the Attendance System and other additional modules.

During the reporting period, the number of organizations processed in Vema's cloud increased by more than 200 entities to 1,300. For the second year in a row, Vema has been offering clients the new service Mobile Payslip for sending employees their payslip on their mobile phone or by encrypted e-mail. This is a product with a rapidly growing number of clients (now 400).



Jan Tomíšek, CEO
Vema, a.s.

SELECTED FINANCIAL DATA, VEMA ČESKÁ REPUBLIKA

(in CZK thousands)	31/01/17	31/01/18	30/06/18*
SALES	122,793	136,648	61,912
SALES y/y		11.3 %	-54.7 %
EBITDA	20,825	22,585	11,055
EBITDA y/y		8.5 %	-51.1 %
Personnel costs	25,075	28,658	15,013
Personnel costs y/y		14.3 %	-47.6 %
Profit before tax	21,880	23,264	13,449
Profit before tax y/y		6.3 %	-42.2 %
Assets	76,563	83,873	95,320
Equity	15,987	24,913	36,289
Short-term payables	20,301	23,497	37,837
Long-term payables	9 875	261	207
Number of employees	110	112	113

*This is a reduced period

SELECTED FINANCIAL DATA, VEMA SLOVENSKO

(in CZK thousands)	31/ 12/17	30/06/18*
SALES	29,611	18,318
SALES y/y		-38.1 %
EBITDA	4,892	4,736
EBITDA y/y		-3.2 %
Personnel costs	16,703	9,003
Personnel costs y/y		-46.1 %
Profit before tax	4,980	4,892
Profit before tax y/y		-1.8 %
Assets	17,163	20,061
Equity	7,815	7,936
Short-term payables	4,572	3,461
Long-term payables	102	104
Number of employees	17	18

*This is a reduced period

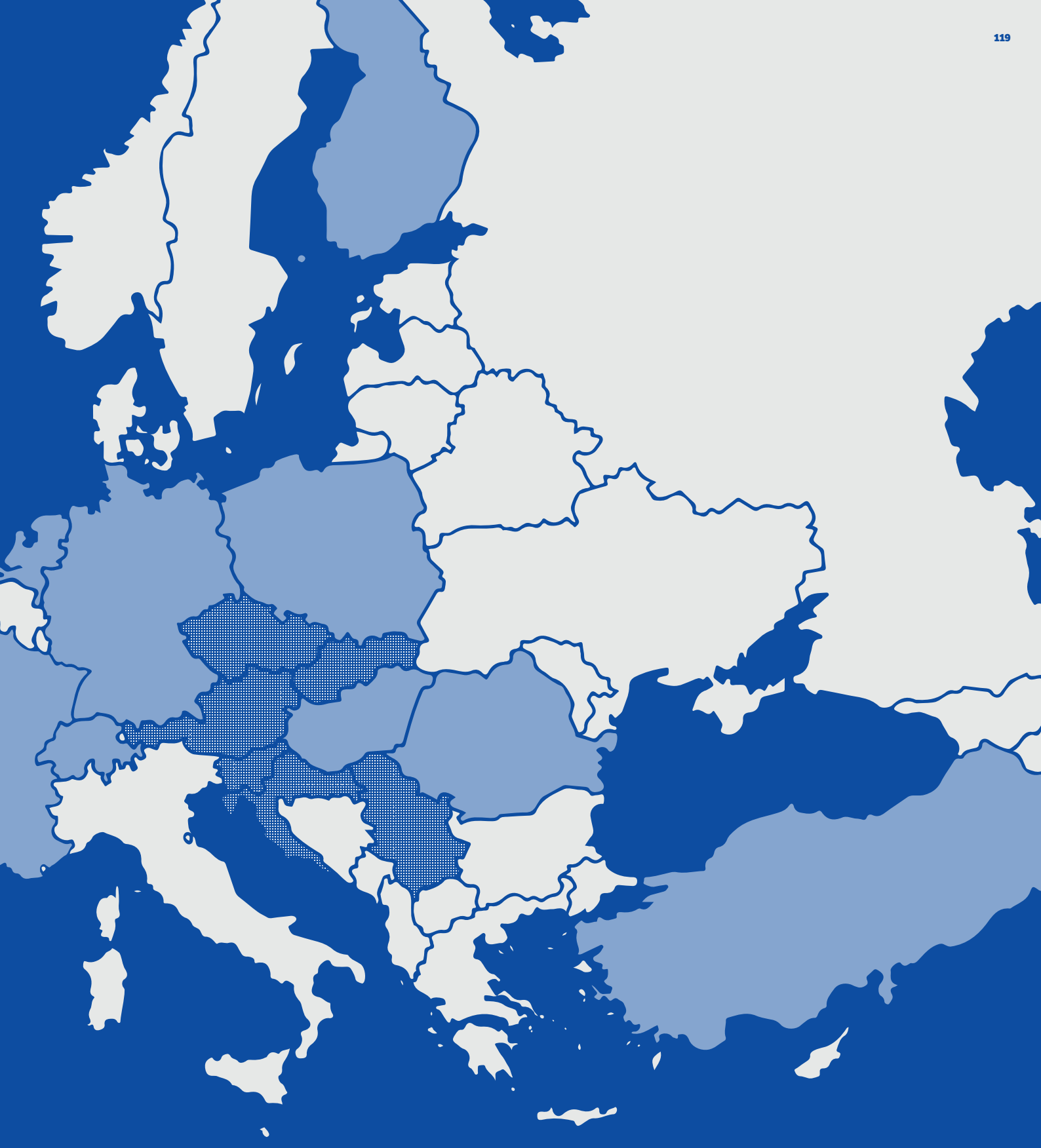
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TERRITORIAL SCOPE

Through more than 30 offices in the Czech Republic, Slovenia, Slovakia, Austria and Croatia, we serve clients from most of the European Union, Serbia, USA, Turkey and China.

We have a wide network of hundreds of business and implementation partners.





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