

# Growing Organically and through Acquisitions

1 July 2018 to 30 June 2019

# 19



2019 Consolidated Annual Report

# **Growing Organically and through Acquisitions**

1 July 2018 to 30 June 2019

Martin Cígler  
Chairman of the Board, Solitea, a.s.

Brno, 10<sup>th</sup> January, 2020

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# KEY DATA

(in thousands of EUR)	2019	2018	Change
<b>Revenues</b>	53,582	45,094	19 %
<b>EBITDA</b>	5,274	4,721	12 %
<b>Personnel costs</b>	28,497	23,253	23 %
<b>Pre-tax profit</b>	1,079	1,973	-45 %
<b>Assets</b>	54,733	49,728	10 %
<b>Equity</b>	34,003	33,303	2 %
<b>Short-term liabilities</b>	9,670	7,290	32 %
<b>Long-term liabilities</b>	2,787	1,991	42 %
<b>Employee base</b>	743	614	21 %

# **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.**

# COMPANY HISTORY

1946

The oldest company in the group, Data Systems Austria, now JET ERP Betriebsgesellschaft, is established.

1990

Just a few days after the Velvet Revolution in Czechoslovakia, Martin Cígler founds CÍGLER SOFTWARE, now Solitea Česká Republika.

2013

CÍGLER SOFTWARE acquires Altus Software and the foundation of the future Solitea Holding Group is formed.

2014

Solitea Holding Group is formed, and just one month after its foundation, expands its portfolio for the enterprise segment and HR systems by acquiring Aquasoft (now Solitea Business Solutions) and Vema.

2015

Solitea enters the German-speaking markets in the spring with the acquisition of JET ERP Betriebsgesellschaft. In December, its position of Czech market leader for ERP systems is further boosted by the purchase of a traditional Czech manufacturer of ERP systems for SMB, J.K.R. (now Byznys Software).

## 2016

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Solitea enters the Balkan markets with the acquisition of SAOP, Slovenia's SMB market leader.

At the same time, the Company starts presenting and strengthening its own brand, and Aquasoft is rebranded Solitea Business Solutions.

## 2017

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Solitea continues to strengthen its brand by rebranding ČÍGLER SOFTWARE to Solitea Česká Republika and J.K.R. to Byznys Software.

The Finnish customs administration awards the biggest ever contract for the export of IT technology from the Czech Republic.

The acquisition of CDL SYSTEM, now Solitea CDL, is completed; a major partner of Microsoft and vendor of infrastructure solutions.

## 2018

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Altus Software is transferred under Byznys Software. According to Aon Hewitt, it becomes the best employer in the Czech Republic in the category of medium-sized companies.

SAOP, Vema and Solitea CDL align their fiscal years with Solitea. Solitea Pay is floated with the aim of entering the European market of smart payment terminals.

## 2019

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Solitea finalises several major acquisitions in the Czech Republic, Slovakia and Serbia, focusing primarily on developing partnerships with Microsoft and strengthening its market leader position in the segment of cloud software for small businesses.

Subsidiary Byznys Software defends its position as the best employer of the Czech Republic in the category of medium-sized companies. For the first time, the consolidated turnover of the group exceeds CZK 1.3 billion and EBITDA exceeds CZK 134 million, up 19% and 12% on the 2018 fiscal year, respectively.



# 01

## STABLE GROWTH, FOCUS ON CLOUD SOLUTIONS AND BOOSTING THE SOLITEA BRAND

Solitea currently serves customers from most countries in the European Union and beyond, but its home markets remain the small economies of Central and Eastern Europe, with their own subsidiaries and talented employees.

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



Solitea and its subsidiaries achieved a 19% increase in revenue over fiscal 2018 in the 2019 fiscal year. EBITDA grew by 12% and exceeded CZK 130 million, despite extensive investments into research and development. Growth was both organic and through strategic acquisitions. The excellent results were driven by the good economic situation in most of the markets where Solitea operates and the continuing large increase in revenues from new cloud services.

### **STRONG GROWTH IN ALL SOLUTION SEGMENTS**

Solitea, as a provider of its own software, has a high market share and brand awareness in the Czech Republic, Slovakia and the Balkan region. The acquisitions of CDL, WBI and Dynamica, turned Solitea into one of Microsoft's biggest partners in the Czech Republic and the MS Dynamics market leader in Slovakia. The acquisition of Gemma propelled the Company into the position of regional leader in the Infor manufacturing software market. Solitea aims to be the national leader in the enterprise information systems segment for companies of all sizes in the regions in which it operates.

Solitea invested massively in cloud solutions in the past and is now the market leader in the regions where it operates. Both of its cloud solutions for the target segment of self-employed and small companies have achieved double-digit growth. Minimax, distributed in Slovenia, Croatia and Serbia, saw revenues grow by 34% to EUR 2.423 million, and further strengthened its lead position on the Slovenian market. iDoklad achieved revenues of CZK 35 million in 2019. In addition, the number of customers increased by 19% year-on-year in the Czech Republic and Slovakia; as of 30 June 2019, iDoklad registered over 224,000 active accounts and 20,000 paying customers. Substantial growth was also achieved in

the area of HR cloud solutions provided by Vema. The V4 Cloud service attained a growth rate of more than 12%, and wage outsourcing showed growth of 21%.

Solitea was again very successful in the segment of on-premise ERP systems, which make up a large portion of its revenues. High sales of Business, Vario, Money S4, Money S5 and iCenter systems were accelerated by the good economic situation and their popularity with customers who like to recommend them.

A 9% growth rate was registered in the retail and POS segments, with preparations for additional opportunities related to legislative changes in the Czech Republic, Slovakia and Poland already underway. POS growth continued to accelerate with acquisitions of Dotykačka and Smart software concluded shortly after the end of the 2019 fiscal year. Solitea serves over 25,000 POS customers, making it the leader in the Czech market.

In the field of Microsoft products, Solitea successfully completed an extensive project for the implementation of the enterprise information system at Marius Pedersen, a leader in the Czech waste management market. National and European legislation in this field is very complex and often changing. It is therefore necessary to rely on state-of-the-art flexible technologies. The implementation itself is one of the largest (400 simultaneously working users) and the most comprehensive implementations of Microsoft Dynamics NAV in the Czech Republic. The basis is the enwis)<sup>®</sup> industry solution for waste management. Dynamics 365 for Sales was deployed to support business operations, and Microsoft SharePoint was used for document management and storage (DMS). The entire system is then covered by business intelligence reporting, which enables various management views of data.

The implemented system fully replaced the existing solution, which was no longer technically satisfactory. The system will continue to evolve, with preparations underway for integration with other systems that will be used, e.g., IoT technology to monitor the movement of container collection.

Solitea's most visible success in the public administration sector was the commissioning of the customs warehousing system for the Finnish customs administration. The system supports customs procedures for the import of goods which are held in customs warehouses for various reasons. The system is accessible online for individuals and small companies, and it also supports B2B communication with third-party systems (i.e. message exchanges), an option usually chosen by large companies for filing customs declarations. For Solitea, it is a milestone that this is the first system we supplied as a long-term programme that has been implemented into routine use. The Finnish customs administration had not previously had IT support for this type of customs procedure, but after the system was put into operation, the submission of electronic declarations of this type became mandatory for all declarants in Finland.

### **CLOUD COMPUTING DRIVES FURTHER GROWTH**

The ERP world will undergo major changes over the next few years. This belief and investments in new product development and innovation are key factors for the Company's success. Solitea is therefore investing in technologies such as machine learning and artificial intelligence, which the Company sees as technological catalysts for the further expansion of cloud services.

Increasingly more customers perceive the benefits of software as a service (SaaS),

thus raising demand for cloud computing and mobile solutions. Investments in cloud solutions are thus part of Solitea's long-term strategy. Company investments in cloud software began as early as 2010 and today the positive benefits of this decision can be seen. Following the acquisition of regional companies such as Billans in Serbia, and the Markeeta and Dotykačka ERS (electronic record of sales) solutions in the Czech Republic (completed in July 2019), Solitea now has more than 250,000 customers using its cloud solutions.

Also related to cloud computing were the acquisitions of Microsoft partners Dynamica, WBI and BI Experts. The decision was made to serve big customers with global solutions instead of developing a new ERP system for this segment. Therefore, the development of the in-house C1 ERP system for this segment was halted, and the released resources were reallocated to the development of cloud products for smaller customers.

### ACQUISITIONS

Completed acquisitions contributed to Solitea Holding's huge year-on-year growth in the 2019 fiscal year. Solitea's ambition is to be one of Microsoft's largest regional partners, and many acquisitions have therefore targeted Microsoft partners. With the purchase of Dynamica and WBI, the Company's market share in Microsoft Dynamics was doubled. Companies are now massively investing in information processing, and the logical step was the strengthening of business intelligence competence through the acquisition of BI Experts. Infor., a global solution for manufacturing companies, was added to the portfolio through the acquisition of Gemma Systems. Further acquisitions focused on cloud systems for businesses and small businesses. The acquisition of Billans doubled the

Company's share of online billing solutions in the Serbian market, and the acquisition of POS manufacturers Dotykačka and Smart software, completed in the summer of 2019, made the Company the leader of the fiscal cash registers market in the Czech Republic.

We continue to see growth through acquisitions as an important path for the further development of the Solitea Group, and actively seek companies that can open up access to new technologies, complement our portfolio, and expand our regional presence.

### BUILDING THE SOLITEA BRAND

In the Fall of 2015, intensive work on the brand strategy for Solitea Holding was already underway, and since then, marketing has become the dynamo powering upcoming changes. Many of the companies that Solitea joined were lacking a good marketing strategy. In addition, most of them promoted product brands in their communications, and the company name was left behind; marketing budgets did not allow promoting both at the same time. Therefore, brand strategy was perceived as an opportunity for the acceleration of growth, with the goal being to use both the Solitea brand and the individual product brands.

Consequently, in the Spring of 2016, prioritising the brand-name recognition of the Solitea brand began. In June 2016, the first step in the new strategy was to change the name of Aquasoft to Solitea Business Solutions. This was a decisive step in promoting the Solitea brand on the Czech market, and in December 2016, Solitea Business Solutions won a tender worth over CZK 600 million for an information system for the Finnish customs administration (Tulli). The deal was the highest-ever IT technology export by a Czech company, and it propelled the Solitea name out of the boundaries

of the Czech IT community and onto the world stage.

Over the last two years, the Solitea brand name has been added to the names of most of its subsidiaries. The slogan "by Solitea" began to be used on promotional materials of existing products. For the names of companies operating under the original names, the phrase "Solitea member" was added. All these steps are fulfilling their goal. Solitea is becoming known and respected as a provider of high-quality IT services and solutions in the markets in which it operates. This not only helps provide new business opportunities, where our customers perceive us as a stronger partner, but also is a boon in finding new talent.

### SYNERGIES AND SHARING OF KNOW-HOW

Solitea is learning to utilise the Holding's internal synergic effects. Unified work with brands and the consolidation of development departments is only the beginning. There is also the joint training of business people, consultants and developers, and sharing of business, legislative and technological know-how. This allows for faster development and attainment of a greater number of business opportunities than other companies in the same markets. This approach also aids in the post-acquisition strategy for new companies by allowing quick transfer of the necessary know-how, and swift sharing of best practices.

### WORK WITH TALENTS

Finding and retaining the right employees is a key element in Solitea's success. Therefore, promising talent is sought at the university level through internships for students, professional management of bachelor and diploma theses, and participation in university conferences. Solitea strives to attract more experienced

employees with a corporate culture that differentiates itself from large international corporations. Working in a relaxed and friendly atmosphere is more efficient and effective, and new ideas are not only welcomed, but actually taken up for consideration by managers. The Company has created a pleasant environment for its employees' creative work, helps them with their education and provides them with various benefits. The home-like atmosphere within the companies enables not only more flexible management, but also greater competitiveness in the labour market. This past year, personal development was an area of focus, and most employees received training.

All the above investments in employees have immediate returns in employee satisfaction. An example is Byznys Software's defence of its title "Best Employer: Small and Medium-Sized Companies in the Czech Republic" in a poll by Aon Hewitt. General public awareness of the Solitea brand is developing, and today the Company is truly seen as an attractive employer..

#### **SECURITY AND PERSONAL DATA PROTECTION**

Significant attention and considerable resources have been invested in the Holding's internal ICT systems, which is expected to ensure the maximum efficiency of internal cooperation and high security at the same time.

The Company meets the requirements of the ISMS standard ISO 2700 in practice, ensures operability according to the recommendations of the Uptime Institute and of course also complies with the requirements of the GDPR.

All systems and group members are being gradually integrated into a common tenant environment in the Microsoft Azure cloud to allow a maximising of teamwork synergies in sharing the resources of the members of the Holding in developing new products and supporting existing ones.

A leading data backup solution runs several times a day from the Microsoft cloud to the Solitea's highly secure data centre. This is secured by a disaster recovery solution for the case of catastrophic failure to guarantee that the data is protected in all possible disruptive scenarios.

The data storage, data and email communications used are secured with encryption that complies with current security standards. This guarantees that only authorised persons can handle the data in our possession, in an auditable manner.

To ensure the protection of the external perimeter which due to the large number of holding members and locations has many connection points to the internet, comprehensive UTM protection of all

companies and locations has been implemented. Cutting-edge technology from one of the leading global suppliers of security systems is used.

#### **OPPORTUNITIES AHEAD**

It is not possible to estimate how long the current period of economic growth will last. However, excellent opportunities can be seen in the market segments where Solitea is currently operating. Strong growth in demand for SaaS solutions is expected and continuing to develop and deploy innovations in this direction as much as possible is a priority. Strengthening Solitea's position on the market of Microsoft platform-based solution providers is the path to winning global customers. In a changing world with strong competition, it is difficult to anticipate and plan all possible events. However, a strong, adaptable and competent organisation can adjust well to changes in technology and market developments. Therefore, massive innovation combined with state-of-the-art technology is the way forward. For this reason, Solitea wants to be one of the best employers in the region. Only with the recruitment of talented employees can the Company continue to prosper in years to come and grow faster than its competitors.



**Martin Cigler,**  
**Chairman of the Board**  
**Solitea, a.s.**

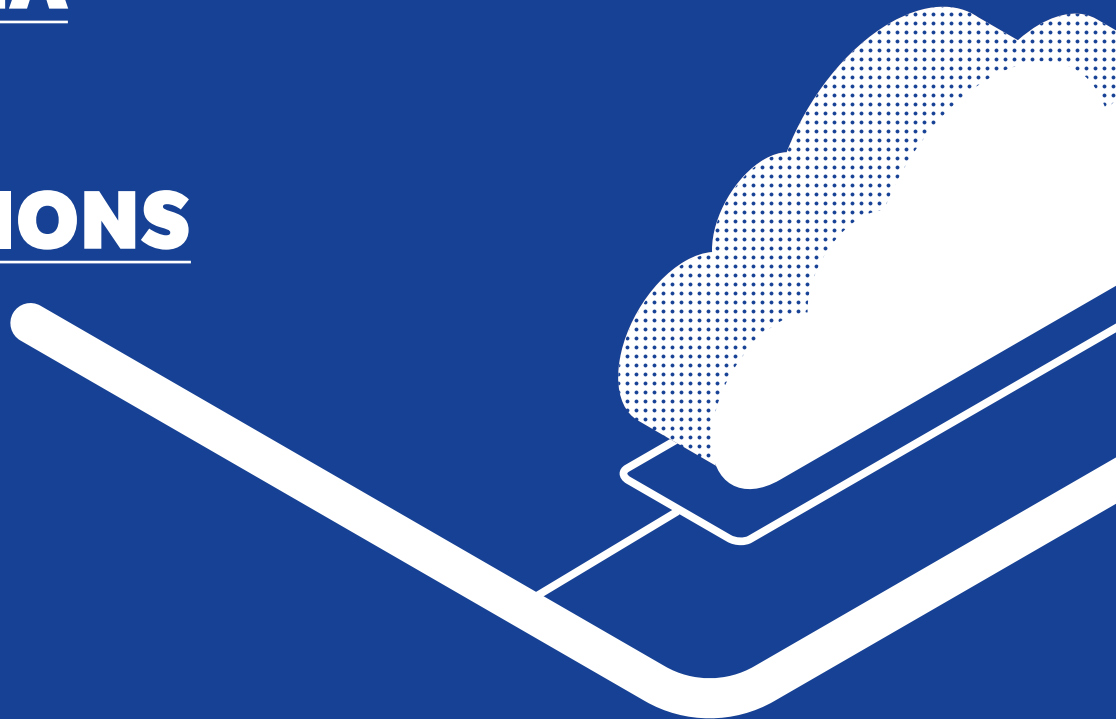
# **STABILITY**

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**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 and advantages. In particular, cloud services eliminate the necessity of investment in infrastructure and platforms, as well as their management and maintenance costs.**

**Transparent costs, access anytime and anywhere, user-friendliness, and support for collaboration are also important advantages.**



The consulting company IDC expects the enterprise application segment to grow to USD 201.7 billion by 2019 with an annual growth rate of 6.6%. In the short term, medium and large businesses will continue to primarily operate their core applications internally. However, the trend shows an increasingly strong adoption of cloud service technology. New modern applications with an intuitive user interface enable companies to respond aggressively to market developments and customer preferences, and even to introduce new business models.

#### **THE CLOUD IS COMING**

It is now beyond any doubt that cloud architecture will bring about a revolution in the field of software applications, similar to the launch of Microsoft Windows. Historically speaking, technology has shown itself capable of relieving human hands and performing certain tasks faster and better. To support administrative processes, work more effectively and support decision-making, information systems will quickly acquire the capabilities of new technologies such as machine learning, big data and artificial intelligence.

Companies need to find a way to maintain their competitiveness. They will need to improve and speed up their in-house processes. This is the reasoning behind Solitea's vision; to provide customers with solutions that enable them to be at the forefront 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 is playing an increasingly strategic role in business. The cloud,



a manner of developing, distributing and using software, changes paradigms and habits. It enables companies to utilise a new way of working with data, simplifies communication, and brings a competitive advantage. Labour costs form an increasing portion of companies' total costs, and this trend may be reversed by the automation of key business processes.

Solitea wants to join in and be one of the market leaders in cloud enterprise information software. As the market leader in SOHO in the regions in which it operates, Solitea would also like to achieve this position in the SMB segment.

### **iDOKLAD**

**iDoklad is the most popular online invoicing service on the Czech market. This is evidenced by the 224,000 entrepreneurs and small businesses that to date have opened an account with iDoklad. And while the real number of active users remains lower, iDoklad is rightly considered to be the market leader in the segment. It is a progressive cloud service that has transformed itself into a modern business SaaS model since it began to charge fees for its use (1 June 2017). The service can be used in the freemium mode, which allows free use with some limitations of functionality. iDoklad also offers three paid tariff options for users requiring more advanced features. To date, over 44,000 entities use iDoklad actively, with approx. 45% using one of the paid tariffs.**

iDoklad accommodates its potential users in many areas. New users benefit from two free months to try out the full range of features to see what they actually use and decide on the right plan. In addition, each customer who purchases any of the paid tariffs has a 30-day period during which they can request a refund.

iDoklad makes life easier for entrepreneurs by automating tasks such as periodic invoicing, pairing incoming payments with bank transactions, automatic reminders, or linking to accounting office software. An equally important benefit is the clear and transparent records of documents and quick preparation of outputs for accounting, whether double-entry or tax records. iDoklad also simplifies the work of its users with an integrated solution for ERS in the Czech Republic and connection to the Profi Účtenka cash register application. iDoklad's utility value is enhanced by a mobile application that is built on Xamarin technology and allows the user to perform the most necessary billing tasks wherever the internet is available.

Use of communication with other API extensions is increasing. This enables the user to easily integrate the services they use into their own business ecosystem. Last year, iDoklad published a catalogue so that interested parties could find an overview of all services and accessories 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 the product down to the last detail. iDoklad works on the Microsoft Azure platform, which guarantees data security for users and offers opportunities for the future growth of the service.

### **MINIMAX**

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

Minimax offers a simple user interface with installed automated

processes that simplify routine tasks and communication between the entrepreneur and accounting companies. Cloud placement makes data transfer and data processing simple. Collaboration is further facilitated by a mobile application that enables rapid viewing of documents stored in the system, giving the entrepreneur instant access to key business-related data.

Minimax's popularity is growing among users not only in Slovenia but also in Croatia and Serbia. This is reflected in the more than one-third year-on-year increase in new users, often based on personal recommendation.

### **VEMA V4 CLOUD**

**The Vema V4 Cloud service has been operated by Vema since 2005. All the Company's products are architecturally tailored for both on-premise and cloud operations. Both solutions are identical from the point of view of product control, and the customer can decide whether to use the products locally or to use the Vema V4 Cloud services.**

The Vema V4 Cloud service has nearly 1,500 customers in the Czech Republic and Slovakia. Cloud users come from a wide range of businesses, from the smallest with just a few employees, all the way to the largest with 8,500 employees.

### **ALTUS PORTAL**

**Altus Portal is an intuitive enterprise intranet system designed to record and organise internal and external company documentation. The system 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, Czech, Slovak and English versions of the software are available.**

Altus Portal provides safe storage of documents in an encrypted database, easy search, versioning, and access-controlled access. It can be run in any internet browser without having to install client workstations; working with the system and approving documents is possible anywhere where internet access is available.

The system allows users to easily define workflows of individual documents on the user level and thus offers its users an efficient tool for approving documents. All workflow steps are confirmed by the authorised persons' electronic signature. As encrypted information, the electronic signature becomes an integral part of the signed document and remains in the document even if the signatory is no longer a user of the system.

Altus Portal can track who is to sign a document, notifies and urges signatories, and can appoint a representative for periods of absence. Each document can have pre-set validity and an individual appointed responsible for its revision. In the document control management, the individuals responsible for approval and issuance, as well as the entire distribution list, are linked to the documents.

Companies most often acquire Altus Portal to maintain managed records in accordance with quality standards, to approve electronic documents, holidays, requests for repair or purchase of materials and as a comprehensive corporate intranet. By integrating with Altus Portal, Altus Vario, Money S4 and Money S5 ERP system users can approve documents directly from within their ERP systems. Customers value the intuitive user interface, easy accessibility via web browser, the ability to connect to the company information system, and the

security of data storage, which follows GDPR regulations.

### **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 complex infrastructure installation and preparation. Following a brief implementation period, it is possible to offer users an intranet portal, project sites and share key documents across the organisation and with business partners.**

Integration with other Office 365 services, such as PowerApps and Microsoft Flow, is the key to opening high-quality process applications available for all types of devices. Creating new portals and applications for customers, dealing with projects for migration to the cloud environment, or building hybrid portal solution environments are standard project components. The goal is always the highest added value for intranet and process portal users while maintaining the project's economic return.

### **MICROSOFT DYNAMICS 365**

**Microsoft Dynamics 365 is a combination of the CRM system with the ERP system and other practical applications in online environment. Microsoft Dynamics 365 consists of smart applications, each of which covers a specific group of business processes. The new customer-oriented model enables the creation of an information system according to specific customers' needs. The platform works routinely with Office 365 and supports integration with third-party solutions.**

### **DYNAMICS 365 FOR SALES**

Based on the original Microsoft Dynamics CRM product, this application is a tool for efficient business planning and management. It focuses on 360° customer insight, timely detection of business opportunities, bid creation, monitoring and evaluating sales volume, and sales team performance.

### **DYNAMICS 365 FOR CUSTOMER SERVICE**

The application focuses on agendas related to problem-free and proactive customer service.

### **DYNAMICS 365 FOR FIELD SERVICE**

This application is designed to manage field services such as maintenance, repairs, etc. The application creates an information service for dispatchers and field workers.

### **DYNAMICS 365 FOR PROJECT SERVICE AUTOMATION**

This is a supporting tool for creating, planning and managing projects and maximising the project team's awareness of implementation status and progress.

### **DYNAMICS 365 FOR MARKETING**

This is a marketing automation application that enables the creation of graphical e-mail messages and online support for marketing incentives, as well as event management, and the creation and management of customer surveys.

### **DYNAMICS 365 BUSINESS CENTRAL**

The online version of the highly successful Microsoft Dynamics NAV product has become part of the Microsoft Dynamics 365 cloud family under the name Microsoft Dynamics 365 Business Central.

### **DYNAMICS 365 TALENT**

This application supports HR departments and recruitment agencies. It helps to select new employees and enables the complete management of a company's HR agenda. It also links to LinkedIn.

# 03

## SOLITEA ON-PREMISE SOFTWARE FOR SMB



With a turnover of CZK 1.1 billion 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 notably also by recent acquisitions of WBI Solutions (now Solitea WBI), Gemma Systems (now Solitea Gemma), Dynamica (now Solitea Dynamica) and BI Experts (now Solitea BI Experts).



Automating business processes helps customers increase their growth and profitability. Solitea provides both all-in-the-box accounting systems for smaller businesses, and highly scalable ERP systems for companies for whom tailor-made in-house process solutions are a key requirement. The full range of Solitea's portfolio is complemented by DMS, BI and workflow solutions.

#### **ERP SYSTEMS**

In the area of ERP systems Solitea offers solutions for smaller companies mainly from the business and services segments (Money S4, iCenter), as well as solutions for medium companies or manufacturing companies (Altus Vario, Business, iCenter, JET ORBIT, Money S4, Money S5, Microsoft

Dynamics NAV and Infor Visual). In addition, Solitea also has a strong position in information systems for government and budget organisations (iCenter, Verna Ekos). More than a quarter of a century of experience in the development and implementation of ERP systems brings benefit today from the exchange of know-how across the entire Solitea Group. The result is implementation satisfaction and measurable customer savings.

#### **ACCOUNTING SOFTWARE**

With the iCenter, JET REWE, Minimax and Money S3 accounting programs, Solitea is one of the leaders in the accounting software market in the Czech Republic, Slovakia and Slovenia and has a strong

position in the Balkan countries and Austria with its software used by tens of thousands of small companies. The software combines high functionality with a convenient user interface.

Accounting companies and their clients form a significant portion of Solitea's accounting software customer base. They very often function in a hybrid mode in which the customer uses some Solitea solutions in the cloud (iDoklad, Minimax), and additionally have full-fledged accounting software (Money, Vario, Business, Minimax) that used in the accounting company. As a result, even the smallest clients can communicate with their accountants online, often through a mobile

application, and have a constant online overview of their business. The accounting company saves time, since in this mode, rewriting the primary documents is not necessary.

### **HR MANAGEMENT SYSTEMS**

Solitea has a strong position in the Czech Republic and Slovakia in the supply of payroll and human resources management systems. Vema HR's capabilities cover both the needs of small corporate clients and non-profit organisations, as well as large corporations and government.

### **ALTUS VARIO**

**Altus Vario is an ERP system designed for comprehensive management of business agendas for small and medium enterprises, including production management. It is used by 1,700 customers in the Czech Republic. The typical price ranges from CZK 300,000 to 2,000 000.**

The Altus Vario system is designed for companies that want to manage efficiently and in one place and process the entire corporate agenda from procurement and sale of goods, through production and service management, to accounting, payroll and human resources. It provides clear access to all business and economic information and the ability to view their interactions with just a few clicks of the mouse. The system is user-friendly, ensures lower management costs and offers an efficient way to obtain information relevant to process and enterprise management. The option to select only the system modules the company needs for its business, along with a wide range of system scalability and a range of specific customer solutions, ensures that Altus Vario fully adapts to all business processes. In addition, the system follows the look and feel of Microsoft Office, allowing users to work intuitively and efficiently in a familiar

environment. At the same time, it maintains compatibility with international standards and data formats, and application interfaces respect the most commonly used standards.

Start-ups with a fewer documents will take advantage of cost-effective start-up categories while maintaining comprehensive system functionality. The system then grows with the company; all the company must do is buy a higher license.

Businesses will appreciate an unlimited number of managed warehouses, supplier and customer price lists, the ability to connect to any e-shop, dispatch solutions, or the connection of payment terminals to a retail store; a simple yet full-value solution for retail counter sales.

Manufacturing companies will find support in Vario for variant-based and alternative production, change management solutions and non-compliance management. Planning, whether capacity or material, supports the efficiency of the production process and helps meet deadlines. With the support of other Vario modules, it is possible to plan the purchase and issue of material, or to ensure the delivery of a specific material for the given production implementation. The Shop Floor Management application, which is natively connected to Vario, allows work to be carried out directly from the production hall.

Vario also offers industry solutions for companies operating in the field of services with a focus on service activities or equipment rental and delivers specific solutions for car service stations. All solutions enable the automation of processes and the regular inspection thereof, bookkeeping and audit tools, and management data evaluation. The number of recorded entities is not limited, a point which will be appreciated by corporations and accounting companies. Regular updates are available and ensure

compliance of documents and accounting with current Czech and European legislation.

### **BYZNYS**

**A robust ERP system for medium and large companies with a wide range of available modules. The average cost of a new implementation is roughly CZK 3,000,000. The software is used by 1,070 customers in the Czech Republic and Slovakia.**

The Byznys business information system is a tool for the comprehensive management of companies that want to unify their business agenda into one tool. It offers solutions for monitoring, planning and managing all key business processes at all levels of enterprise architecture. The system variability allows solutions within individual modules or interconnection to other specialised systems.

The Byznys unique data model solution and its implementation teams' experience allow Byznys to provide an extremely high level of customisation without the need for further programming. The result is a surprising system launch speed. The Byznys online add-on enables full access to all ERP functionalities via a web interface/client. Given the range of modules offered and high variability in deployment, the Byznys system can meet the needs of organisations in various sectors; from trading companies to accounting and logistics-transport companies, and to manufacturing companies operating in various areas. The system can find solutions both for companies that have extensive and specific functionality requirements, as well as for companies that due to the nature of their operations have to process large volumes of data. By setting up automated workflows for key processes, they can cut business costs. Byznys is an effective tool for production

management in most sectors. Its comprehensive production control solution consists of a relatively easy-to-modify universal system that can be used to automate production control in a variety of industries, such as engineering, electrical engineering, paper, furniture, prefabricated construction, foundry, and more. The system is suitable for single and serial production and supports custom production. It provides transparency and automation in all production processes and integration with supporting activities (trade, construction, technology and others). Byznys is also a suitable tool for the construction sector and for the management of development projects. It covers a wide range of activities in the construction industry; from the design, supply, and the realisation of projects for companies from subcontractors up to developers.

Companies providing transport services use the Byznys system for planning and subsequent accounting of transport services. The Transport business module is based on these companies' basic needs and offers them support tools aimed at optimising internal processes connected with order processing. The system offers many functions that address this area; from scheduling individual trips according to a given assignment to comprehensive reporting within the company and its business partners.

Byznys ERP is a suitable tool not only for handling a company's own bookkeeping and related tasks, but also for bookkeeping in specialised accounting companies. Its system of multi-version companies enables processing of this agenda.

### **MONEY S3**

**Money S3 is the second most used on-premise accounting software in the Czech Republic and has a similar position in Slovakia. The product's paid version is used**

**by more than 23 000 companies. Its users include entrepreneurs, and small and medium-sized companies. Additional tens of thousands of entities use the free version, Money S3 Start.**

Similarly to iDoklad, Money S3 can be used in freemium mode. The free version, Start, is not limited in time, has all the functions of the paid version and is always maintained in accordance with the currently valid legislation. This version's limitation consists only in the maximum possible number of records; stock movements or entries in the journal. Paid sets then remove these quantitative restrictions, and their users also receive customer support, one of the pillars of their satisfaction.

The big advantage of Money S3 is its easy operation based on MS Outlook standards. Another advantage is the system's comprehensiveness. Its functions cover the needs of users with tax records and double entry bookkeeping, and contain accounts charts, bank and cash register, closing operations, home banking, and financial statements. The system also offers functions necessary for keeping asset records, stock management, orders, basic functions for payroll and human resources, log books, and servicing.

Another significant advantage of the system is its modularity. The optional module structure allows the system to adapt to the needs of users with completely different requirements. The modules can be combined into convenient packages and thus handle the more complex requirements of e-shop operators and brick-and-mortar retailers. In addition, customers can analyse their data and get a more complete view of their accounting or warehouse management.

### **MONEY S4 A MONEY S5**

**Money S4 and Money S5 are advanced ERP systems based on state-of-the-art**

**technologies, which are used on the Czech and Slovak markets by almost 1 000 companies mainly from the SMB segment. They offer solutions to companies that want to fully master their internal processes and manage their resources efficiently. Money ERP systems are especially beneficial to businesses, as they provide the companies with sufficient functions for modern management.**

Money S4 is an enterprise information system especially suitable for companies that appreciate a comprehensive ERP system at a bargain price. It offers tools for financials, cost and managerial accounting, supplier-customer relationship management, payment automation, trading via e-shop, workflow, wages, BI, log books, and property records. The accounting can be linked to other Company products, such as iDoklad or POS systems. The system has several functions that are part of the system core and additional functions can be purchased in the form of various functional modules. Some of the most interesting options include the cloud tool for management and the management of business documents - Money Portal, or the tool for data evaluation - Microsoft Power BI. If the user's company grows over the course of time and there is a need to customise some of the functions to its in-house processes, it may switch to Money S5 at any time by simply changing its licensing terms to take full advantage of a robust, fully customisable ERP system. Money S5 is an ERP system that will be especially appreciated by companies with high demands for adaptability to their needs. Precision analysis of internal requirements and internal company processes precede the deployment of the system to the company. Users may customise all system areas and tailor their business processes and management outputs or handle integration with other systems in the company. The software is designed for companies that work with hundreds of thousands of documents per year.

## **ICENTER**

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

The system is a business solution that provides companies with an overview of their overall business. It offers them a wide range of advanced features, especially in warehouse management, business intelligence and document management. It enables process automation and simplifies management reporting. Through automated processes, the system promotes faster and more efficient work, enabling companies to be not only competitive, but also innovative. The iCenter system is continually undergoing technological evolution based on user requirements, knowledge and experience. For specific client requirements which iCenter alone cannot cover, an API is available that provides automatic data exchange between different solutions.

## **JET REWE**

**JET REWE is one of the longest-used solutions of JET ERP Betriebsgesellschaft. More than 600 clients in German-speaking countries benefit from this sophisticated system of solutions for accounting, cost accounting, and investment and property economics. The system is used by companies and groups that consolidate more than ten companies, as well as small companies with a single employee.**

Even in the basic version, this software serves as an effective financial tool for all levels of company management. Additional modules are available to address specific automation and workflow specialisation requirements.

JET REWE is used by companies in industry, commerce, tourism, hospitals, theatres, community service and social services. The sector solution for construction production considers the specifics of processing partial and billing invoices arising from the construction industry's special position in the Austrian legal system.

## **JET ORBIT AND JET BI**

**JET ORBIT is a robust ERP system used by companies with 50 to 500 employees in Austria and nine other European countries. The software benefits industries such as food, engineering, timber and metalworking, and electrotechnics, waste management and wholesale industries. The system currently has almost 800 active users.**

JET ORBIT is an exceptionally flexible solution that supports even the most complex production processes, whether they involve serial production, custom production or production with a demanding production recipe.

Its broad ERP deployment is based on four comprehensive modules (Manufacturing, Warehouse Management System, Purchase, Sales), many production-specific interfaces, and JET ORBIT's integration with other JET ERP Betriebsgesellschaft solutions.

Many practical interfaces to various systems, such as CAD, and diverse warehouse and logistics software are processed in the JET ORBIT system. With analyses through the integrated JET BI (Business Intelligence) solution, users from management and finance to sales and marketing can easily, interactively and intuitively gather and analyse diverse data, answer relevant ad hoc queries and share their results effectively with others.

## **JET DMS**

**The JET DMS document management system can be deployed as a fully integrated solution with JET REWE, JET ORBIT and JET BI, or completely independently through an interface with third-party solutions. The total number of JET DMS licenses exceeded 2,300 in German-speaking countries in 2019. The product is very flexible and is used by clients who have only deployed five licenses, as well as an international group using it at all its branches in more than 80 countries.**

JET DMS is a centralised system that, in addition to systematic document storage and management, interconnects individual processes; document creation, processing, versioning, etc. The solution is used in industry, wholesale, hospitals, but also in power plants, apartment management companies or social service enterprises. Its flexibility and efficiency make JET DMS a suitable choice for both larger and smaller companies.

The new feature of the year is the addition of automatic text recognition, which is offered under the name **JET ECM** (Enterprise Content Management). Documents such as invoices, delivery notes and customs documents are automatically and quickly forwarded to the responsible processors in the correct departments by the software. At any given time, 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 economic system especially suitable for budgetary and contributory organisations. It is used by more than 1 200 clients, and its typical price ranges from CZK 10,000 to 250,000.**

The information system offers a set of applications for processing a wide range of economic and logistics agendas. It is integrated ERP software that handles the complete agenda of organisations of all types and sizes and offers them reliable and comprehensive business management solutions. With evolution that has been ongoing for almost three decades, one of its main advantages is the continuous development of technologies, and the routine incorporation of ever-changing legislation.

Vema Ekos offers a wide range that includes tools for financial, cost and managerial accounting, supplier-customer document solutions, cashless payments automation, and asset recording, including the use of bar codes.

The system specialises in budgetary and contributory organisations. It therefore supports the specificities of this segment, such as the creation of all accounting and financial statements, direct communication with CSÚIS and IISSP systems, budget monitoring, and the handling of subsidies and grants under multi-source financing. Conversion modules may also be used for a comprehensive solution, as they secure items such as electronic communication with banks, outputs required by the state administration, communication with asset or stock bar code readers, connection with the Tax Portal of the Czech Tax Administration for ERS, and communication with special data boxes for publishing orders in the Register of Contracts.

## **VEMA HR**

**The Vema HR system is suitable for all organisation types and sizes in the Czech and Slovak Republics, as it supports all valid versions of wage legislation. The system is currently used by approx. 6,800 clients, and the typical price ranges from CZK 20,000 to CZK 500,000.**

The Vema HR information system offers a comprehensive solution to support human resource management processes. The system provides its users with a wide range of functionalities in the area of payroll and human resources management, from the process of selecting new employees, through comprehensive employee training agendas and regular employee performance evaluation. Everything is supported by several automated functions, such as tracking personnel events, online communication with authorities, and electronic approval 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 that in combination with an appropriately configured security model, meets the highest user requirements. Customers may choose from several versions:

**Mzdy Optimum** (Wages Optimum) is the free version of the Mzdy Komplet (Wages Complete) product optimised for smaller organisations. It is available in the cloud and is designed so that the customer can start using it without any help from the provider. If needed, customers may upgrade to Mzdy Komplet at any time.

**Mzdy Komplet** (Wages Complete) includes comprehensive payroll processing, statistical reports linked to the given department, documentation of changes in a given employee over time, solutions for multiple concurrent labour relations, funds for annual tax clearance, and many outputs, such as accounting, pension funds, banks, etc.

**Personální systém** (Personnel System) is a version of Mzdy Komplet with functions for HR management, personnel document management, and the monitoring and reporting of personnel events. It also contains the Personnel Portal which

defines employee access to personal data according to their authorisation.

## **Komplexní řízení lidských zdrojů**

(Comprehensive HR Management); the highest version of Vema HR expands the Personnel System with tenders, job systemisation with organisational structures, education and e-learning, employee evaluation, vacation planning and approval.

In addition to the core functionality included in each of the four core packages, Vema delivers additional applications and modules from various areas of human resource management. Examples include attendance systems, benefits management, meal records, business trips, links to the insolvency register, shift planning, and performance records planning. The GDPR module is used to facilitate the fulfilment of requirements stipulated by the General Data Protection Regulation (GDPR). All applications of the Vema HR information system may be obtained for operation on existing IT infrastructure by purchasing the right of use (license) with regular monthly payments paid for the entire period of use of the products. The second option is to use the Vema V4 Cloud services, in which all Vema products are also available. Many customers also use the outsourced payroll processing service.

## **INFOR VISUAL**

**We have been localising and implementing ERP Infor VISUAL for more than 18 years.**

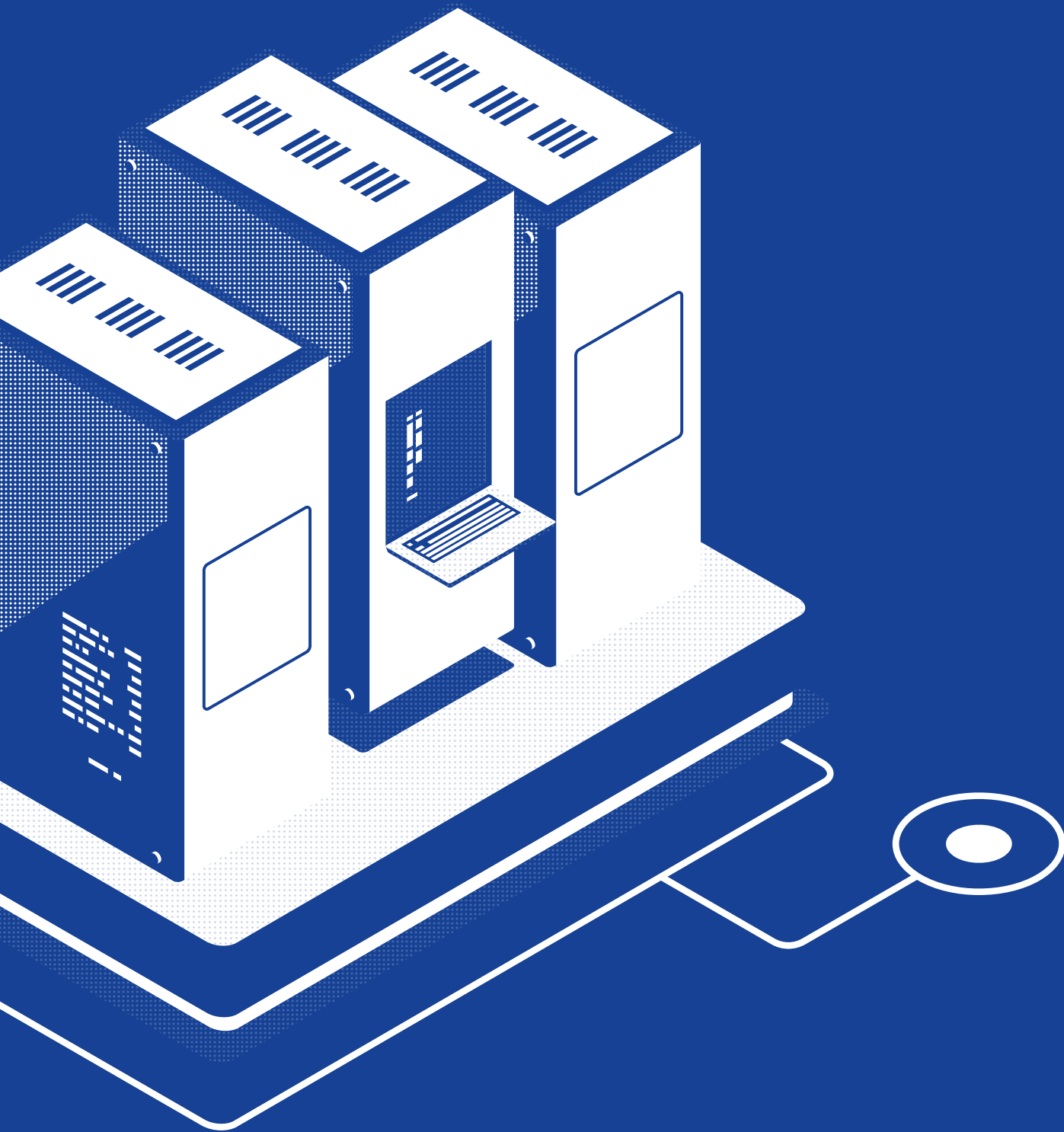
Infor VISUAL is an ERP system designed for small and medium-sized manufacturing companies with a discrete type of production. Infor Visual has unique functionality in production planning and regulation based on the theory of constraints (TOC). Customers in the Czech Republic include mainly local companies.



# 04

## **SOLITEA SOLUTIONS** **FOR BIG CUSTOMERS** **AND THE PUBLIC SECTOR**

Solitea serves as a partner to large companies and the commercial sector. We have the ambition to develop our position as the preferred partner for solutions that further the continuous development of digital companies in the countries where we operate. In the field of eGovernment, Solitea focuses on supporting the performance of the state institutions' specific agendas. Enterprise customers and the public sector accounted for 33% of Solitea's revenue at the end of the last fiscal year.



## **eGOVERNMENT**

Our portfolio of solutions for government institutions includes systems for conducting administrative proceedings and processing electronic files, applications supporting compliance with legislative procedures and maintaining legal registers. Our core competencies include comprehensive solutions for greater efficiency in customs clearance and eHealth systems.

## **CUSTOMISED SOFTWARE SOLUTIONS**

Solitea helps public and private companies design, develop, modernise and maintain software. As part of this strategy, the Company develops tailor-made software solutions and implements commercial products. Our software helps customers increase labour productivity and the rate of digitisation, automation and in-house process integration. Solitea then provides the services necessary to maintain and further develop the entire solution. Our customers achieve greater efficiency and profitability as a result.

## **COLLABORATION WITH CUSTOMERS**

Agile principles of development and close cooperation with customers are at the core of Solitea's development of customised software solutions. With professional skills using the latest technology, tools and development methods, we strive to maximise the added value of our software. Many of our solutions have an impact on society as a whole and affect the competitiveness of businesses.

## **ERP AND HR SOLUTION**

All products are tailored to meet the needs of customers from both the commercial, and the government or public sectors. The personnel system includes all support, (e.g., the Civil Service Act, specialised statistics), Ekos has all the means for monitoring and reporting the budget and its spending

within the legislative requirements.

Our customers therefore include organisations such as the Government Office, the Ministry of Finance or the General Financial Directorate. Customers include nearly 2,000 schools and most large hospitals.

Our solutions are designed for use by large customers, whether public or private. The largest of our customers has 16 000 employees.

## **BUSINESS INTELLIGENCE**

**Optimal solution for specialists, teams and corporations.**

Thanks to Microsoft's state-of-the-art BI platform, we can create efficient solutions ranging from simple self-service reports to track core performance indicators, up to building robust data warehouses, including predictive analysis systems.

## **MICROSOFT SHAREPOINT**

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

In addition to our own platform implementations, we do custom development that has brought customers hundreds of often very specific solutions to meet their requirements. We have our own application for solving the issues of managed documentation, often used in the field of ISO management, or project documentation, where processes more complex than the standard functionality range of SharePoint have to be implemented. The system also integrates the SharePoint environment with other applications where DMS or workflow is implemented within the intranet.

## **MICROSOFT DYNAMICS ON PREMISE**

**Microsoft Dynamics is the worldwide range of Microsoft business software that includes all the tools for managing medium and large companies. Solitea is dedicated to the implementation of Microsoft Dynamics NAV, AX and CRM for larger domestic customers and for customers with European or global presence.**

## **MICROSOFT DYNAMICS CRM**

Microsoft Dynamics CRM customer relationship management solutions increase the efficiency of your business processes and help reduce service costs. Client relationship management provides the Company with all the necessary information about each customer and helps to automate business processes. The resulting effect of customer relationship management using Microsoft Dynamics CRM is to enhance customer satisfaction and increase customer loyalty. Microsoft Dynamics CRM facilitates comprehensive customer relationship management and provides the tools and features needed to create and maintain complete visibility from the first contact, through the contractual relationship and business, to aftercare in all core areas, be it business, marketing or service.

## **MICROSOFT DYNAMICS NAV**

Solitea has implemented the worldwide ERP solution from Microsoft for more than 400 customers in the Czech Republic and Slovakia and is one of the three most important Microsoft partners in the region.

Microsoft Dynamics NAV is a comprehensive localised ERP system software solution for medium-sized organisations that covers the functionality of business activities in the areas of logistics, finance, production

and potentially also human resources. It can be quickly implemented, and easily configured and used.

Microsoft Dynamics NAV's features help managers identify new revenue opportunities and respond to them quickly. The system provides up-to-the-minute information on the state of the business so that business and financial information is always linked to all sales and marketing information. Microsoft Dynamics NAV helps users understand what business numbers mean and better manage their business. It allows users to identify new trends and discover new business opportunities. The system is successfully used in international environments.

#### **MICROSOFT DYNAMICS AX**

The latest ERP platform from Microsoft today, Solitea uses Microsoft Dynamics AX to implement robust solutions in the banking sector and for large companies with high individualisation and customisation requirements.

Microsoft Dynamics AX is a comprehensive information system for the management of medium and large organisations. By consolidating

and standardising key business processes, the system helps increase productivity and competitiveness. It provides an overview of all financial and accounting data and information on activities with customers, simplifies basic HR administration and includes marketing support tools and many other functionalities for modern company management.

#### **MICROSOFT DYNAMICS 365**

**Microsoft Dynamics 365 is a combination of a CRM system and an ERP system and provides other practical applications in an online environment. Microsoft Dynamics 365 consists of smart applications, each of which covers a specific group of business processes. The new customer-oriented model enables the creation of an information system according to the needs of specific customers. The platform routinely works with Office 365 for integration with third-party solutions.**

More information on Microsoft Dynamics 365 can be found in the chapter SOLITEA CLOUD SOLUTIONS, page 15.

#### **INFOR LN**

**We excel in long-term and deep knowledge of Infor ERP solutions and business processes and practices on the client side, as well as local legislation. We have one of Infor LN's most stable and experienced teams among Infor partners worldwide.**

Infor LN is a comprehensive ERP system designed for medium and large industrial enterprises with discrete production types. Our portfolio is dominated by engineering customers. Infor LN has a long history and has been known on the Czech market as Baan, its original name. Infor LN is one of Infor's flagship products. It may be run on-premise in Windows/Linux/Unix and Oracle/SQL environments, as well as in an Amazon cloud-based environment. Solitea is virtually the exclusive supplier of Infor LN solutions in the Czech and Slovak markets. Though some components originate abroad, we are, in most cases, the provider of Czech and Slovak localisations and related services.

# 05

## **SOLITEA SOFTWARE** **FOR POS A RETAIL**

The world of restaurants, retail and services is changing rapidly with the digitisation of processes by both end-clients and entrepreneurs and their supply chains. Catering industry entrepreneurs, just like resellers and service providers of all sizes, need new tools, information and partners to enable them to remain competitive and provide their customers with modern access to services or shopping. Automation and artificial intelligence working in tandem with online information gained from big data analysis enters the process.

Finally, market opportunities are also accelerated by legislative changes; for example, in 2020 legislative changes are expected in the Czech Republic, Poland and Slovakia, and new legislation is also being prepared in Slovenia and other European countries. Solitea's portfolio currently includes POS solutions for all customer sizes and verticals. The Company is the Czech market leader in the area of cash registers for small and medium-sized companies and operates in Poland, Slovakia, Germany and Slovenia.



## **ADVANCED POS SOLUTION FOR MEDIUM AND LARGE CORPORATIONS AND CHAINS**

### **PRODEJNA SQL**

**Prodejna SQL (SQL Store) is a fast and reliable point-of-sale system designed for a wide range of retail outlets, from single-point retail outlets to a network of multi-point outlets. It can be used wherever maximum ergonomics of work and above-standard sales support functions are required (discounts, customer cards, price lists, price promotions, bonuses).**

The cash register system is designed and set up to make all sales as easy as possible. It offers a pleasant user interface as well as several interesting functions and modules that speed up work, such as connection to payment terminals or system scales.

Prodejna SQL's connection with Money S3, Money S4 and Money S5, makes it suitable for operations with central data management.

### **SMARTPOS**

**SmartPOS is a robust and customisable POS system with a unique data replication system that makes it suitable for managing retail or food chains, and franchise retail concepts. The system is designed to be deployed in companies with units up to hundreds of centrally controlled establishments while maintaining the full functionality of an offline point of sale, i.e., in the event of an internet connection outage.**

The entire SmartPOS system is designed to be decentralised, with each branch

containing the option of full-value coordination not only with the cash register, but also with the warehouse. In addition, SmartPOS allows customer clubs to synchronise earned points and credits, as well as online customer validation.

An ecosystem of applications such as loyalty applications for remote administration, loyalty clubs and online orders umbrellas the system. In the course of 2019, self-service kiosks were also installed in live operation by customers, along with the linked order delivery systems. The Fruitísimo mobile application, which in addition to identifying customers at branches, also allows personalised campaigns and discount vouchers to be sent directly to the customer's mobile phone, ranked high in the Food category in the Apple Store soon after its release.

### **CLOUD POS SYSTEMS FOR SMES**

Cloud POS systems are modern "boxed" versions of POS platforms designed for small and medium-sized businesses. The systems are provided to clients as a recurring paid service in the SaaS model. Data is replicated to the cloud, where it can be further processed to provide users with information about their business through reports and automated recommendations to streamline their business. Big data analysis also enables the provision of information services, marketing and market reports for manufacturers and wholesalers. The systems also facilitate integration with a wide range of third-party products through open APIs, thus moving into the role of a business digitisation platform for SMEs. A major opportunity for these systems is the development of fintech services in connection with the acceptance of various payment instruments, such as credit cards,

meal vouchers or closed mobile payment schemes. Their development will allow the self-employed and small and medium-sized businesses access into digitised credit services.

### **DOTYKAČKA**

**Over 11 000 paying clients in the Czech Republic and Poland currently use the Dotykačka solution, and over 75 000 users have already downloaded it on Google Play. The solution was created in 2014 and today is a full-fledged cash register system for hotels, restaurants and cafes, small retailers and services with a wide range of functions and services for individual verticals as well.**

Services are provided on a commitment-free subscription basis with three monthly tariffs, each differing from the others in features and support service levels. The Dotykačka cash register solution is implemented on the Android platform, either on the supplied hardware or with the possibility of using one's own device. The system replicates data to the cloud and may also be used offline without stable internet connection. It provides the benefits of a cloud-based solution where data is stored in the cloud over the internet and cash registers can be set up centrally from anywhere via remote management. Items may be uploaded into them, work can be done with stock, and the system also supports secure offline operation in the event of internet connection outage. The product is designed so that anyone can unpack it from the box and start using it in 10-15 minutes without the need for complex implementation. Users have long appreciated its reliability and ease of use. The touchscreen provides a large public API on its remote cloud management where several integrations are implemented, e.g., CCTV, and Uber Eats delivery service, among others.

## MARKEETA

**Markeeta is a state-of-the-art cash register system built on a cloud-based platform and simple Android OS devices, providing entrepreneurs and small businesses with functionality previously reserved for complex and cost-intensive systems for just a fraction of the financial investment.**

The Markeeta system was founded on the basis of 20 years of experience in the development and implementation of the SmartPOS cash register system. It is characterised by features such as speed, ease of use, intuitive operation and high data security. Experience with the operations of large chains has facilitated the creation of a fully digitised solution for certain verticals, such as press dealers, where EDI communication automatically retrieves documents, creates sales items including prices, and suggests orders or remittances (returns of printed materials). Markeeta allows the entrepreneur to obtain a comprehensive overview of the business, both of sales and stock management.

A superstructure was built above the Markeeta system for the full-fledged handling of events, such as concerts

or festivals, in the so-called cashless mode. Customers top up funds onto electronic identifiers (cards, bracelets, etc.), which are used to make cashless payments at all points of sale. The festival operator thus obtains a detailed overview of the revenues of all locations and can accurately calculate turnover rents.

Markeeta has become one of the most widely used POS systems in the Czech Republic in the first two waves of the introduction of electronic records of sales (ERS) with ca. 10,000 active customers. Markeeta's cashier system registers an average of 10 million receipts per month with turnover of more than CZK 3 billion.

### **MULTI-PLATFORM POS APPLICATIONS FOR MOBILE DEVICES**

#### **PROFI ÚČTENKA**

**Multiplatform POS application for iOS, Android and Windows with 20,000 downloads is available for free from the Apple Store, Google Play and the Microsoft Store.**

The application was launched by Solitea in response to the Act on Electronic Records of Sales, which came into effect

in the Czech Republic in November 2016. It allows simple issuance of a receipt and its automatic forwarding (individually or in batches) to the Financial Administration's server. It supports printing receipts on wifi or bluetooth printers as well as sending them via email or social networks. Monetisation is indirect; it is possible to use iDoklad for archiving the issued receipts.

The application has basic cash register functionality. It allows users to create returns, work with price lists, discounts and addresses. The app boasts user-friendly operation and an attractive user interface, both of which make it one of the most popular POS mobile applications in the Czech Republic. Support for the visually impaired was also taken into account during development; voice-over functions make reading the application easier.

Profi Účtenka is now being prepared for electronic records of sales to comply with the Slovak legislation which comes into force on 1 January 2020. In Spring 2020, we also want to take advantage of the business opportunities associated with ERS waves three and four in the Czech Republic. In the future, expansion to other foreign markets is also expected.



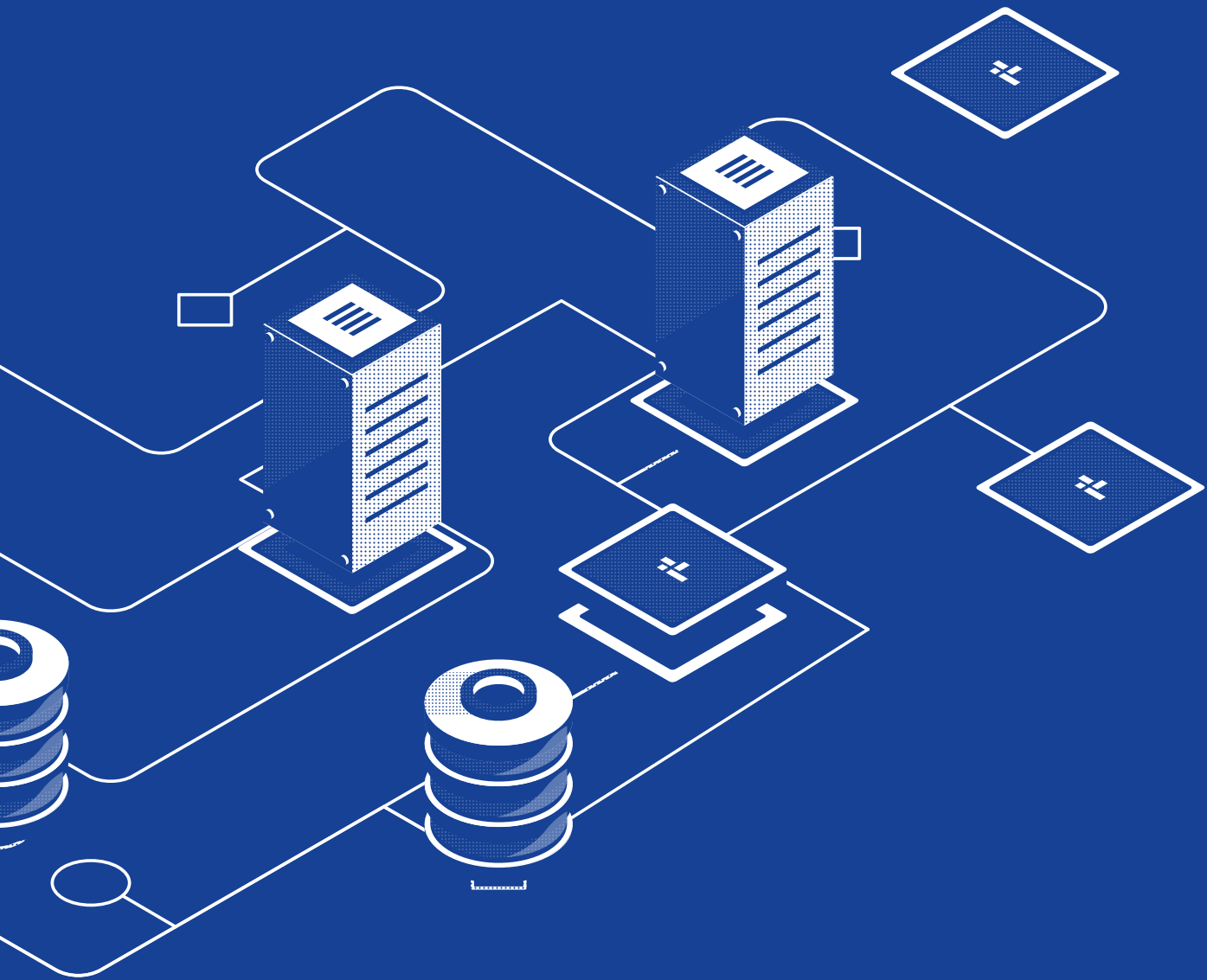
# 06

## **SOLITEA** **INFRASTRUCTURE** **SOLUTIONS**



The ICT infrastructure, i.e., the sum of information and communication technologies used by the Company to ensure the smooth running of its IT, is one of the most important strategic resources of every company. Its quality is essential for collecting, analysing and disseminating information across the organisation. The goal of the Solitea solution is to deliver (or otherwise provide) and consequently maintain ICT infrastructure that is always reliable, accessible, and operable and also to facilitate the seamless operation of all important applications.

Today, this does not involve just an on-premise solution. Cloud services are becoming more and more suitable for certain tasks and additionally enable simple scalability of performance while maintaining the above-mentioned basic characteristics of a properly designed ICT infrastructure.



### **ON-PREMISE ICT INFRASTRUCTURE**

Any IT solution (even cloud-based) includes a part that must be on-premise, at least in the area of user workstations, stocking systems with barcodes, data communications, security, etc. Additionally, there may be other reasons for owning some of the ICT subsystems, e.g., non-portable applications to the cloud, security requirements, technical aspects connected to production. In such cases, the delivery and serviceability of one's own on-premise solutions is invaluable.

### **DATA CENTRES**

The comprehensive development and operation of enterprise data centres in standard and high availability versions (geographic clusters) include a suite of cutting-edge technologies; servers and disk arrays (HPE), backbone ToR and SAN switches (HPE and Cisco), virtualisation platforms (VMware and Microsoft) and a number of operating technologies (power supply, surge protection, backup power supplies and motor generators, security and fire alarm

systems, air conditioning and self-extinguishing solutions).

We have extensive experience in data center reconstruction while they remain in operation and we also supply project preparation, including risk analysis.

### **DATA STORAGE**

The data storage segment includes a full range of primary data storage devices with the output of up to several MIOPS, downstream replication and high availability solutions, secondary

repositories for D2D backups, and last but not least, tape libraries for offline backups and archiving on WORM media. We have experience with back-ups of very large solutions in full operation so as not to affect user comfort. Technically, these are mainly (but not only) subsystems from the production of HPE, with the Veeam platform being the preferred software.

#### **SOFTWARE FOR INFRASTRUCTURE SERVICES**

This segment covers server operating systems and database environments (especially Microsoft), application virtualisation (RDS) and desktop virtualisation (VDI), and operational and configuration management. Another important area is the team cooperation solutions based on MS Exchange and Skype for Business, and their integration with elements of other manufacturers (videoconferencing solutions and telephone exchanges).

#### **CORPORATE SOFTWARE LICENSING AND CLOUD SERVICE PURCHASE**

Choosing the right purchasing model of software and cloud services for large companies is a rather complicated matter. Thorough knowledge of the issue and experience with manufacturers' licensing programs may result in significant cost savings with fair compliance with licensing conditions. We help our customers find the best purchasing model to optimise costs and cash flow. We also deal with the deployment of applications to handle the installed base inventory. New features in this area include advice on optimising the purchase of cloud services so that the company pays and consumes only what it really needs.

#### **DATA COMMUNICATIONS**

We have decades of experience in building very large LAN data networks, especially on industrial campuses and metropolitan networks over longer distances. We can provide the complete construction of cable routes, active elements (especially HPE and Cisco), diagnostics and operational management. Another wide area of activity is the provision of wireless networks both for the interconnection of locations and especially for the coverage of areas including complex industrial environments and logistic centres with mobile storage components. In the area of WAN networks, we generally create client interfaces with selected operators and cooperate on the design, negotiation of conditions, configuration and operational provision of connections between sites on dedicated and packet routes, usually MPLS.

#### **SECURITY SOLUTIONS**

At a time of ever-increasing disruption risks, security is an essential part of IT infrastructure. Our offer covers all standard areas such as identity verification (directory systems, multi-factor authentication, certificate area, etc.), 802.1X network health protection, NGFW/UTM gateway interface protection and, of course, malware protection. Our main partners in this area are McAfee, WatchGuard and Cisco.

#### **END WORKPLACES**

We deliver a completely equipped office for business and industrial environments; PC end stations, laptops, thin clients, and a variety of mobile components and printers, including high performance

MFC business systems. Specialised industrial solutions include multi-screen dispatching and barcode solutions ranging from readers and tablets to printers and necessary supplies. We also supply CCTV systems for our customers. Our main partners in this area are HP, Zebra, XEROX and AXIS.

#### **INFRASTRUCTURE SERVICE OUTSOURCING**

Our important activities include the outsourcing of infrastructure services, within which we ensure the operability of the ICT systems, including support for production environments with continuous operation. Based on the agreed SLA, we then provide significant guarantees for compliance with the operational parameters and the handling of planned and unplanned events. We act as the primary interface when the company does not have local IT at all (then we are often a partner to the central IT at foreign headquarters), as well as being second-line support, providing specialised services or covering ad hoc needs.

#### **STUDIES AND PROJECTS**

We conduct studies for our customers to assess the state of their IT technology in relation to the business needs of their organisation. We have developed a method for comprehensive assessment that ensures that the analysis outputs are a suitable tool for the long-term planning of IT development. We also provide consulting services for IT parts such as high availability, cloud and hybrid scenario preparation, etc.

# **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,** **CHIEF EXECUTICE OFFICER**

Martin founded Cígler software (now Solitea Czech Republic) in January 1990. Under his leadership, the Company became one of the most respected and innovative manufacturers of information systems in the Czech Republic and Slovakia. In 2007 he was named IT Person of the Year. In 2013, he founded Solitea Holding and has participated in all subsequent acquisitions. Under his leadership, the Company has exceeded a turnover of CZK 1.3 billion.



**MICHAL RYBOVIČ**  
**VICE CHAIRMAN,**  
**MERGERS & ACQUISITIONS**  
**DIRECTOR**

Michal takes advantage of M&A managerial experience gained as a partner in Sandberg Capital. He participated in Solitea's founding and in all major acquisitions and is also involved in all decisions that affect the holding group'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 Czech market leader in personnel information systems.



### **TOMÁŠ LOUKOTA**

#### **Small Business Sector Director, Member of Supervisory Board, Chief Operating Officer, Solitea Česká Republika**

For more information, see the section on Solitea's top management.



### **PETR FRANČ**

#### **Enterprise & Public Sector Director, Member of Supervisory Board, Chief Executive Officer, Solitea Business Solutions**

For more information, see the section on Solitea's top management.





## **TOP MANAGEMENT**

### **TOMÁŠ LOUKOTA**

**Small Business Sector Director, Member of Supervisory Board, Chief Operating Officer, Solitea Česká Republika**

Tomas started his career in technical support for an ERP system focusing on wholesalers and distributors. Since 1999 he has been working at Solitea Česká Republika (formerly Cígl Software), first as a regular technical sales support employee and later as executive director. He stood behind the successful business strategy of the market launch of the new Money S5 ERP system and iDoklad's monetisation and currently is building on his strongly pro-customer approach in the Company.



### **MARTIN KUDRNA**

**Medium-sized Business Sector Director, Chief Executive Officer, Byznys Software & Altus Software**

Martin gained professional experience during almost twenty years outside the Czech Republic, both in Europe and overseas. After returning to his native country, he began to work in the Czech IT business. Since January 2017, he has, in his own words, with joy and for joy, focused on the acceleration of the development of Byznys Software (formerly J.K.R.) as the Company's CEO.



### **PETR FRANČ**

**Enterprise & Public Sector Director, Member of Supervisory Board, Chief Executive Officer, Solitea Business Solutions**

Petr is a manager with 20+ years of experience in ICT. Since 2002, he has been with Solitea Business Solutions (formerly Aquasoft). He is responsible for defining and achieving key strategic goals in the large customers and public sector solutions segment.



### **JAN TOMÍŠEK**

**Human Resources & Payroll Sector Director,  
Chief Executive Officer, Vema**

Jan took advantage of the tech experience he gained at the Department of Computer Science of the Brno University of Technology, and in 1995 became co-founder and director of Vema Computers and Systems. From 2000, he served as Director of the Services Division and in 2006 was behind Vema's expansion into the cloud world. He has capitalised on his rich experience, and since 2016 he has focused on strengthening the Company's position on the Czech and Slovak markets as its CEO.



### **JINDRA HÁCHOVÁ**

**Chief People Officer**

Jindra has 20+ years of experience in the field of human resources, especially in IT, telecommunications and financial services. Between 2015 and 2008, at Home Credit India, she participated in the company's expansion on the Indian market, which meant building an entity including a branch network of almost 20 000 employees in two and a half years. She is a graduate of the Coach For Life program led by Peter Reding. At Solitea, she holds the position of HR Director for the Czech and Slovak Republics, is responsible for harmonising the HR services of individual companies in the Holding Group and determines the strategy of the HR department.



### **MAREK KAVAN**

**Internal Services Director**

Marek was one of the founders of Aquasoft (now Solitea Business Solutions) in the mid-1990s. From the onset, he has overseen the Company's full internal operations, handling everything from setting up internal processes to providing external services to financial management. Together with a team of capable collaborators, the Company has built a state-of-the-art organisation that enables everyone to perform their work effectively. Marek's main task is centrally managing all back-office agendas.



**MIROSLAV ŘÍHA**  
**Chief Technology Officer**

Miroslav started his career as head of an engineering software development group. He co-founded J.K.R. (now Byznys Software), which has gradually become one of the leading manufacturers of ERP systems in the Czech Republic. In this company, he oversaw product strategy and business development management. In the products he was responsible for he always emphasised the user's perspective and focused on progressive practices and methods in the field. Since July 2017, he has been Solitea's CTO and is responsible, e.g., for the synergy of ERP holding systems.



**ZUZANA SLÁMOVÁ**  
**Chief Financial Officer**

Zuzana has been working in the field of finance throughout her professional career. The holding's economic management reflects her experience in controlling multinational RWE and in the financial management of Solitea CDL (formerly CDL SYSTEM), where she worked in 2007–2018. Zuzana primarily focuses on consolidating and streamlining the financial processes within the Group.



**BORIS BĚLOUSOV**  
**Chief Information Officer**

Boris joined PVT after graduating from the university as an administrator of Unix-based servers. At PVT, he subsequently became WAN administrator of the PVT network. From 1998 to 2001, he served as a member of the Executive Committee at NIX. CZ, the national peering centre. In 1999 he joined GEMMA Systems, where he managed a technical group and prepared the construction of a data centre in cooperation with British Redbus Interhouse. This project was put into operation in 2002. In 2009, the Microsoft Solutions division was separated from GEMMA Systems into separate Dynamica (now Solitea Dynamica) which Boris managed until 2018.

# **COOPERATION**

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**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.**

08

**BOARD REPORT**  
**ON THE COMPANY'S**  
**BUSINESS ACTIVITY**  
**AND STATUS OF ASSETS**

The 2019 fiscal year (1 July 2018 to 30 June 2019) was another strong year for Solitea. Organic growth was supported by acquisition growth; major deals completed during the fiscal year included the acquisitions of GEMMA Systems, Dynamica, WBI Solutions and BI Experts. The Group achieved a turnover of CZK 1.363 billion, which is a 19% increase over the 2018 fiscal year. EBITDA grew by 12% to CZK 134 million despite extensive investment in research and development. The excellent results have been driven by the good economic situation in most markets and the revenue growth in all market segments where Solitea operates. In accordance with its strategic concept, cloud services drive Solitea's organic growth and the

Group's further development will continue to be supported by acquisition activities.

The Company achieved a turnover of CZK 130 million, of which revenues from shares accounted for CZK 112 million. Long-term financial assets form the core part of the Company's assets.

### **ECONOMIC SITUATION**

The European Union's economies have been experiencing strong growth for several years coupled with low unemployment rates and considerable wage growth.

One of the key factors for the EU's growth is Germany's economic performance.

However, it has recently been hit by a tense situation on the labour market. Rising labour costs are starting to hamper German competitiveness, especially in industrial sectors.

Following years of economic boom, 2019 has been a turning point for the condition of the EU economy. GDP growth is slowing and estimated at 1.2% in 2019. Eventually, the change in growth dynamics will spill over into the countries where Solitea Group operates.

### **CZECH REPUBLIC AND SLOVAKIA**

The Czech and Slovak economies, as small and export-oriented systems, depend primarily on the development of their export partners' markets. Thus, in previous

periods, both economies benefited from positive developments, particularly in the eurozone.

For the Czech Republic, 2018 was the fourth calendar year in a row with positive economic growth. In 2018, the Czech economy reported GDP growth of 2.9%. The unemployment rate reached 2.2%, and wages grew by 7.6% year-on-year.

In 2019, the Czech economy remained resilient to the economic weakening of its key trading partners, especially Germany. However, the deterioration in the external environment has already begun to have a negative impact on the manufacturing sector, and shortly will be reflected in other macroeconomic data. In 2020, we can expect the Czech economy to grow at a rate of around 2%. The decline in the performance of the Czech economy will be rather gradual.

The tight labour market is a crucial problem for the Czech economy. Two years ago, the Czech economy hit its production limits and the labour market became practically exhausted. Wage growth is faster than labour productivity growth and companies are failing to push rising labour costs into end-user prices. However, recent developments, particularly in industrial sectors, signal a cyclical turnaround. Wage pressures will gradually weaken as the overall economic situation changes.

The greatest risks to the future development of the Czech economy include a significant drop in demand for cars and car parts in Europe (due to market saturation and new environmental regulations) passed on to Czech suppliers by German manufacturers. Also, the Czech crown, which has remained relatively stable even after two and a half years after the end of the Czech National Bank's intervention regime,

may experience greater fluctuations in the future due to geopolitical events, such as the UK's departure from the EU, the introduction of tariffs on car imports into the US, or local trade wars.

The Slovak economy grew by 4.1% in 2018. More than half of the economy's growth came from investments mainly made in the construction of infrastructure and in the construction of the new Jaguar Land Rover car making plant in Nitra. Car production thus accounts for almost 50% of the country's industrial output. Household consumption is driven by record high employment, dynamic wage growth and maximum consumer confidence.

The Slovak economy should also continue to grow, albeit with less dynamism than in previous years. This is due to a significant reduction in external demand and weaker automotive performance in the large eurozone economies on which the Slovak economy is fully dependent.

#### AUSTRIA

The Austrian economy reflects a decline in the boom as well, and this decline is also echoed in other EU countries. The economy is significantly affected by elements of investment uncertainty, caused by the difficulties faced by German industry, the sharpening of US-China trade relations, and the uncertainty surrounding the UK's exit from the European Union. On the other hand, the population's private consumption continues to grow intensively and there is a record number of unfilled positions for skilled workers on the labour market.

According to the National Bank of Austria's (OeNB) revised forecast, economic growth for 2019 will reach 1.5%, down 0.9% on 2018. Unemployment will fall by 0.1% and in the near future will

remain stable at 4, 7%. Austria's debt will continue to decline, with an estimated value close to 65.5% of GDP. Inflation will fall from 2.7% in 2018 to an estimated 1.7% in 2019. The snap elections in Austria in 2019 did not bring an absolute majority to Chancellor Kurz and the winning party, and therefore trade-offs will continue to be needed. The time frame for taking measures to support the development of the economy will also be extended. In addition to the sustainability of development, the new Austrian Government will also prioritise digitisation to support Austria's position as a country with a high degree of innovation and economic potential.

#### SLOVENIA

The Slovenian economy has been gradually stabilising since 2013 when Slovenia was hit hard by the economic and financial crisis. Positive developments in export markets (especially the EU), structural reforms, including the privatisation of the banking sector and consolidation of public finances, have all been reflected in the growth of the Slovenian economy, which showed a year-on-year growth rate of 4.9% in 2017 and 4.4% in 2018. Estimates for 2019 reflect the slowdown in eurozone growth. The pace of the Slovenian economy is also likely to decline; GDP growth is expected to be around 3% year on year.

Exports have traditionally been the main drivers of economic growth, but the share of household consumption and private investment has also increased. Slovenian investments are directed primarily towards infrastructure, energy, ecology, science and research.

Tourism, which represents 40% of exports of services and 8% of the country's GDP, is a significant and traditional driver of the Slovenian economy.

The economy's revitalisation is also spilling over into the labour market. While in 2013, the registered unemployment rate reached 13.1%, in 2018 it was only 4.3%.

### **CROATIA**

The Croatian economy has been growing over the past four years, reaching 2.6% year on year in 2018. Tourism is a key area of the national economy, accounting for approx. 20% of the country's GDP.

The adoption of the euro as the official currency will be crucial in determining the future direction of the Croatian economy.

In fall 2019, the Croatian government applied to join the ERM-2 exchange rate mechanism. The Croatian currency could be exchanged for the euro as early as 2022. However, the country does not yet meet the Maastricht criteria and the

economy is facing indebtedness of 78%. Croatia hopes that the adoption of the euro will have a positive impact on tourism and trade by reducing transaction costs. Another stimulant for the Croatian economy could come from the massive German Volkswagen Group investment that Croatia is seeking to attract, as are Turkey, Serbia, Bulgaria and Romania. Newly created jobs would support a promising trend in the labour market. In 2018, the unemployment rate was 8.4%, while in 2014 it was 20%.

### **SERBIA**

The Serbian economy reported year-on-year growth of 4.3% in 2018, ranking the country among the best in Europe in this respect. The recovery of foreign trade is an important factor in strengthening the national economy. Export opportunities are generated mainly

in the automotive industry and in mineral materials mining.

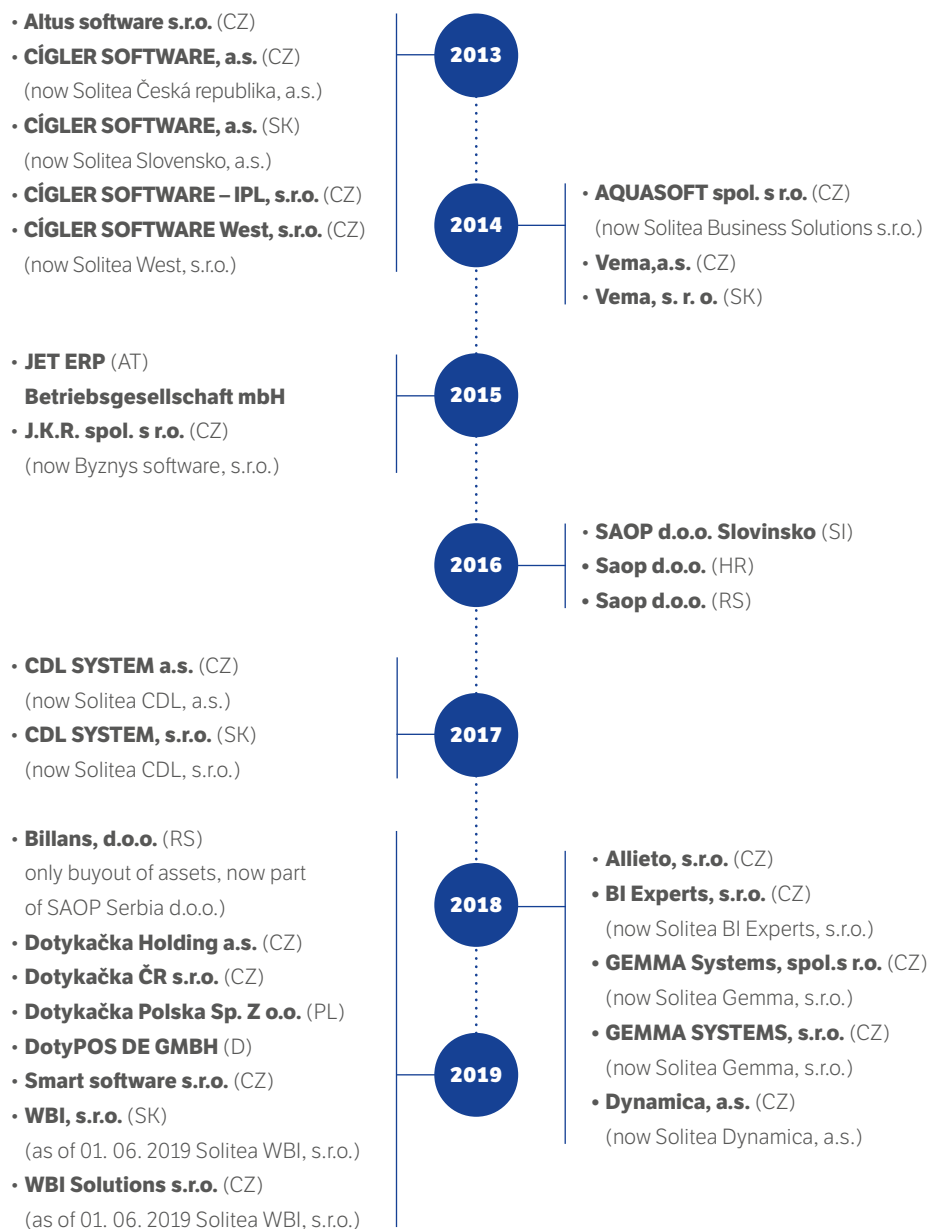
Also noteworthy is the reduction of the budget deficit, which fell from 11% to 5–6% compared to the previous six years. The strengthening of economic performance is also supported by other macroeconomic indicators. The unemployment rate has decreased over the last five years from 19.2% in 2014 to 12.7% in 2018.

Further development should be driven by the economic reform program for 2019–2021, reflecting Serbia's efforts to become a member of the European Union, among other factors. The country is focused primarily on maintaining financial stability, promoting economic growth, reducing public debt, creating jobs and improving living standards.



## ACQUISITION HISTORY

Acquisitions as at 30 November 2019:

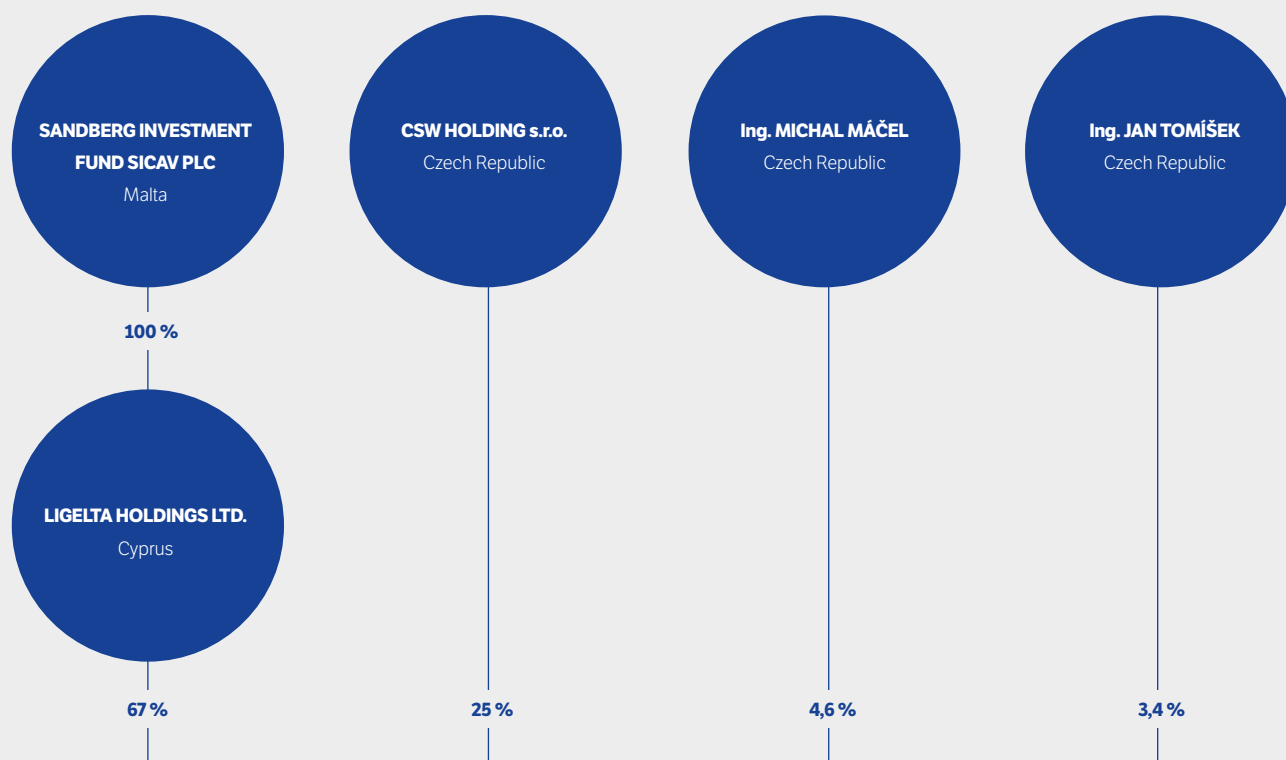


## HUMAN RESOURCES

The Solitea Group companies have varying solutions in terms of human resource management. The differences are mainly caused by the length of market presence, the segment in which the Company operates, or the specific employee structure. Heightened emphasis is placed on the stabilisation and retention of employees with key know-how, as well

as promoting a performance-oriented, yet friendly, creative atmosphere. Individual teams are heavily immersed in the products they work on, and through their loyalty to both customers and colleagues naturally contribute to building Solitea's reputation as a reliable business partner and employer. A consolidation of functions is planned for the future,

bringing with it a central model of human resources management based on the combined roles of HR business partners and the ownership of key processes. Vema's HR central system will also be implemented. The core and most important topic for the next fiscal year will be the building of corporate culture and identity under the Solitea brand.



## **SOLITEA'S OWNERSHIP STRUCTURE AS OF 30 JUNE 2019**

**Solitea is not a publicly traded company.**

**It is owned directly or indirectly**

**by Czech and Slovak natural persons:**



Shareholders holding more than 20% of the registered capital:

### **LIGELTA HOLDINGS LTD**

with its registered office on Kyriakou Matsi, 16, Eagle House, 8<sup>th</sup> floor, Agioi Omologites, 1082, Nicosia, Republic of Cyprus, 67% stake.

### **CSW HOLDING, S.R.O.**

with its registered seat in Brno, Drobného 555/49, postal code 602 00, Czech Republic, 25% stake. CSW Holding is an investment company 100% owned by the former owner of CÍGLER SOFTWARE and founder and CEO of Solitea, Martin Cígler (for more information, see the section on Solitea's management). In addition to investments in the IT sector, the Holding invests in real estate through Office Buildings s.r.o., its subsidiary.

### **ING. MICHAL MÁČEL AND ING. JAN TOMÍŠEK**

are private investors, the founders of Vema. For more information, see the section on Solitea's management.

### **SANDBERG INVESTMENT FUND SICAV PLC**

Ligelta Holdings Ltd. is fully owned by Sandberg Investment Fund SICAV PLC, with its registered office on Brewery Street, Suite 2, Level 3, TG Complex, Imriehel, Birkirkara, BKR 3000, Republic of Malta. Sandberg Investment Fund SICAV PL is managed by Sandberg Capital, správ. spol., a.s., a Slovak management company with registered office on Dvořákovo nábrežie 8, Bratislava 811 02, Slovakia, with permission from 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 assets under its management exceeds EUR 200 million.

## **OTHER INFORMATION**

The Company and its internal rules relating to health protection, the environment and occupational safety management comply with all applicable legal requirements of the Czech Republic.

In its labour relations, the Company proceeds in accordance with labour law regulations and its internal rules.

The Group complies with all requirements arising from the applicable legislation of the respective countries and the Company's internal rules on health, environment and occupational safety management.

In the area of labour relations, the Group proceeds in accordance with the locally applicable labour regulations and internal rules of the individual companies and the Group.

The Company does not have any branch or other part of a business establishment abroad.

The Group incurred research and development costs of TCZK 100,220 in the period from 1 July 2018 to 30 June 2019. Solitea, a.s. did not incur any research and development costs.

In total, neither the Company nor the Group acquired its own shares or interests during the reporting period.

## **SUBSEQUENT EVENTS AFTER THE BALANCE SHEET DATE**

On 4 July 2019, the agreement on the acquisition of a stake in Dotykačka Holding a.s. was concluded.

On 8 August 2019, the shareholders decided to provide the Company with a supplement outside its registered capital of TCZK 258,259.

On 2 December 2019, Solitea, a.s. acquired a 100% stake in Clever Decision, spol. s r.o, Czech Republic.

On 6 December 2019, Saop d.o.o. acquired a 100% stake in MIT informatika d.o.o. Slovenia.

# **PERFORMANCE**

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**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.**

# FINANCIAL STATEMENTS

## BALANCE SHEET – FULL AS AT 30 JUNE 2019

Identification number

**015 72 377**

## Name and regist. office of the Company

Solitea, a.s.

Drobného 555/49, Ponava, 602 00 Brno

Czech Republic

The numbers are in CZK thousands.

Ident.	ASSETS	line	Current period			Prior period
			Gross	Adjust.	Net	Net
a	b	c	1	2	3	4
	<b>TOTAL ASSETS</b>	<b>1</b>	<b>1,361,617</b>	<b>-3,386</b>	<b>1,358,231</b>	<b>1,312,037</b>
B.	Fixed assets	2	1,318,308	-3,386	1,314,922	1,220,544
B.I.	Intangible fixed assets	3	214	-214		7
B.I.2.	Intellectual property rights	4	214	-214		7
B.I.2.1.	Software	5	214	-214		7
B.II.	Tangible fixed assets	6	5,877	-3,172	2,705	2,529
B.II.2.	Plant and equipment	7	4,927	-3,172	1,755	2,529
B.II.5.	Advance payments for tangible fixed assets and tangible fixed assets under construction	8	950		950	
B.II.5.2.	Tangible fixed assets under construction	9	950		950	
B.III.	Long-term investments	10	1,312,217		1,312,217	1,218,008
B.III.1.	Equity investments – group undertakings	11	1 310 660		1,310,660	1,218,008
B.III.7.	Other long-term investments	12	1,557		1,557	
B.III.7.2.	Advance payments for long-term investments	13	1,557		1,557	
C.	Current assets	14	42,777		42,777	90,754
C.I.	Inventories	15	38		38	
C.I.3.	Finished goods and goods for resale	16	38		38	
C.I.3.2.	Goods for resale	17	38		38	
C.II.	Receivables	18	24,074		24,074	8,132
C.II.1.	Long-term receivables	19	789		789	
C.II.1.5.	Receivables – other	20	789		789	
C.II.1.5.4.	Other receivables	21	789		789	
C.II.2.	Short-term receivables	22	23,285		23,285	8,132

C.II.2.1.	Trade receivables	23	1,917	1,917	5,626
C.II.2.2.	Receivables – group undertakings	24	12,484	12,484	2,500
C.II.2.4.	Receivables – other	25	8,884	8,884	6
C.II.2.4.3.	Tax receivables	26	760	760	
C.II.2.4.4.	Short-term advances paid	27	8,124	8,124	6
C.II.2.4.6.	Other receivables	28			
C.III.	Short-term financial assets	29			68,202
C.III.2.	Other short-term financial assets	30			68,202
C.IV.	Cash	31	18,665	18,665	14,420
C.IV.1.	Cash in hand	32	3	3	3
C.IV.2.	Bank accounts	33	18,662	18,662	14,417
D.	Deferrals	34	532	532	739
D.1.	Prepaid expenses	35	113	113	
D.3.	Accrued revenues	36	419	419	739

## **BALANCE SHEET – FULL AS AT 30 JUNE 2019**

Identification number

**015 72 377**

### **Name and regist. office of the Company**

Solitea, a.s.

Drobného 555/49, Ponava, 602 00 Brno

Czech Republic

The numbers are in CZK thousands.

Ident.	LIABILITIES	line	Current period	Prior period
a	b	c	5	6
	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>37</b>	<b>1,358,231</b>	<b>1,312,037</b>
A.	Equity	38	1,121,427	1,028,060
A.I.	Registered capital	39	814,000	814,000
A.I.1.	Registered capital	40	814,000	814,000
A.II.	Premium and capital contributions	41	-14,660	-6,748
A.II.1.	Premium	42	6,128	6,128
A.II.2.	Capital contributions	43	-20,788	-12,876
A.II.2.2.	Revaluation of assets and liabilities (+/-)	44	-20,788	-12,876
A.IV.	Retained earnings (+/-)	45	220,807	165,830
A.IV.1.	Retained profits (+/-)	46	220,807	165,830
A.V.	Profit (loss) for the current period (+/-)	47	101,280	54,978
B.+C.	Liabilities	48	233,154	279,701
C.	Liabilities	49	233,154	279,701
C.I.	Long-term liabilities	50	55,186	47,827

C.I.8.	Deferred tax liability	51	333	327
C.I.9.	Liabilities – other	52	54,853	47,500
C.I.9.3.	Other payables	53	54,853	47,500
C.II.	Short-term liabilities	54	177,967	231,874
C.II.3.	Short-term advances received	55	7,433	
C.II.4.	Trade payables	56	3,412	3,474
C.II.6.	Liabilities – group undertakings	57	100,634	192,921
C.II.8.	Liabilities – other	58	66,488	35,479
C.II.8.3.	Payables to employees	59	187	340
C.II.8.4.	Social security and health insurance liabilities	60	124	220
C.II.8.5.	Tax liabilities and subsidies	61	52	541
C.II.8.6.	Estimated payables	62		939
C.II.8.7.	Other payables	63	66,126	33,439
D.	Accruals	64	3,650	4,276
D.1.	Accrued expenses	65	3,650	4,276

**INCOME STATEMENT**  
**CLASSIFICATION BY NATURE**  
**FOR THE YEAR ENDED 30 JUNE 2019**

Identification number

**015 72 377****Name and regist. office of the Company**

Solitea, a.s.

Drobného 555/49, Ponava, 602 00 Brno

Czech Republic

The numbers are in CZK thousands.

Ident.	INCOME STATEMENT	line	Current period	Prior period
a	b	c	1	2
I.	Revenue from products and services	1	14,186	20,987
II.	Revenue from goods	2	83	94
A.	Cost of sales	3	15,555	12,816
A.1.	Cost of goods sold	4	83	94
A.2.	Materials and consumables	5	127	114
A.3.	Services	6	15,345	12,608
D.	Personnel expenses	7	4,675	6,571
D.1.	Wages and salaries	8	3,474	4,895
D.2.	Social security, health insurance and other expenses	9	1,201	1,676
D.2.1.	Social security and health insurance expenses	10	1,189	1,664
D.2.2.	Other expenses	11	12	12

E.	Adjustments relating to operating activities	12	781	1,030
E.1.	Adjustments to intangible and tangible fixed assets	13	781	1,030
E.1.1.	Depreciation and amortisation of intangible and tangible fixed assets	14	781	1,030
F.	Other operating expenses	15	102	49
F.5.	Miscellaneous operating expenses	16	102	49
*	Operating profit (loss) (+/-)	17	-6,844	615

Ident.	INCOME STATEMENT	line	Current period	Prior period
a	b	c	1	2
IV.	Revenue from long-term investments – equity investments	18	111,862	56,689
IV.1.	Revenue from equity investments – group undertakings	19	111,862	56,689
VI.	Interest revenue and similar revenue	20	372	290
VI.2.	Other interest revenue and similar revenue	21	372	290
J.	Interest expense and similar expense	22	4,368	3,836
J.1.	Interest expense and similar expense – group undertakings	23	4,368	3,836
VII.	Other financial revenues	24	3,661	2,639
K.	Other financial expenses	25	3,397	1,271
*	Profit (loss) from financial operations	26	108,130	54,511
**	Profit (loss) before tax (+/-)	27	101,286	55,126
L.	Income tax	28	6	148
L.2.	Deferred tax (+/-)	29	6	148
**	Profit (loss) after tax (+/-)	30	101,280	54,978
***	Profit (loss) for the accounting period (+/-)	31	101,280	54,978
*	"Net turnover for the accounting period = I. + II. + III. + IV. + V. + VI. + VII."	32	130,164	80,699



**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED**  
**30 JUNE 2019**

Identification number

**015 72 377****Name and regist. office of the Company**

Solitea, a.s.

Drobného 555/49, Ponava, 602 00 Brno

Czech Republic

The numbers are in CZK thousands.

Ident.	CASH FLOW STATEMENT	Current period	Prior period
P.	Cash and cash equivalents, beginning of period	14,420	8,528
<b>NET OPERATING CASH FLOW</b>			
Z:	Accounting profit (loss) from ordinary activities	101,286	55,126
A.1.	Non-cash transactions	-107,086	-52,113
A.1.1.	Depreciation and amortisation of fixed assets	781	1,030
A.1.4.	Revenue from dividends and profit distribution	-111,862	-56,689
A.1.5.	Expense and revenue interests accounted for	3,996	3,546
A.1.6.	Other non-cash transactions	-1	
A.*	Net operating cash flow before taxation financial items, changes in working capital and extraordinary items	-5,800	3,013
A.2.	Changes in working capital	77,530	-33,320
A.2.1.	Change in receivables from operating activities, estimated receivables and deferrals	-3,251	33,974
A.2.2.	Change in short-term liabilities from operating activities, estimated payables and accruals	12,616	908
A.2.3.	Change in inventories	-38	
A.2.4.	Change in short-term financial assets, other than cash and cash equivalents	68,202	-68,202
A.**	Net operating cash flow before taxation, financial balances, and extraordinary items	71,730	-30,307
A.3.	Interest paid excluding amounts capitalised	-1,404	-3,836
A.4.	Interest received	186	290
A.6.	Dividends received	111,862	56,689
A.***	Net operating cash flow	182,374	22,836
<b>INVESTING ACTIVITIES</b>			
B.1.	Acquisition of fixed assets	-77,933	-63,675
B.1.1.	Acquisition of tangible fixed assets	-950	-150
B.1.2.	Acquisition of intangible fixed assets		-1
B.1.3.	Acquisition of long-term investments	-76,983	-63,524
B.3.	Advances and loans to related parties	-12,298	-2,500
B.***	Net cash flow from investing activities	-90,231	-66,175

## FINANCING ACTIVITIES

C.1.	Change in long-term resp. short-term liabilities from financing	-87 898	49 231
C.***	Net cash flow from financing activities	-87 898	49 231
F.	Net increase or decrease in cash balance	4 245	5 892
R.	Cash and cash equivalents, end of period	18 665	14 420

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

Identification number

**015 72 377**

#### Name and regist. office of the Company

Solitea, a.s.

Drobného 555/49, Ponava, 602 00 Brno

Czech Republic

The numbers are in CZK thousands.

## STATEMENT OF CHANGES IN EQUITY

	Registered capital	Premium	Revaluation of assets and liabilities	Retained profits (+/-)	Profit (loss) for the current period	Total
Balance as at 1. 7. 2018	814,000	6,128	-12,876	165,830	54,978	1,028,060
Transfer of the profit (loss) of prior year period	-	-	-	54,978	-54,978	-
Change in revaluation	-	-	-7,912	-	-	-7,912
Rounding	-	-	-	-1	-	-1
Profit (loss) for the current period	-	-	-	-	101,280	101,280
Balance as at 30. 6. 2019	814,000	6,128	-20,788	220,807	101,280	1,121,427
Balance as at 1. 7. 2018	814,000	6,128	-10,826	134,743	31,087	975,132
Transfer of the profit (loss) of prior year period	--	--	--	31,087	-31,087	--
Change in revaluation	--	--	-2,050	--	--	-2,050
Profit (loss) for the current period	--	--	--	--	54,978	54,978
Balance as at 30. 6. 2018	814,000	6,128	-12,876	165,830	54,978	1,028,060

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**NON-CONSOLIDATED**  
**FINANCIAL STATEMENT**  
**AND NOTES**

<b>NON-CONSOLIDATED FINANCIAL STATEMENT AND NOTES</b>	<b>59</b>
<b>RELATIONSHIP REPORT OF SOLITEA A.S. AS OF 30 JUNE 2019</b>	<b>71</b>
<b>AUDITOR'S REPORT</b>	<b>73</b>

## **1. CHARACTERISTICS AND CORE ACTIVITIES**

### **COMPANY FORMATION AND CHARACTERISTICS**

Solitea, a.s. (hereinafter referred to as the “Company”) is a joint stock company with its registered office in Brno, Drobného 555/49, Czech Republic, identification number 015 72 377. The company was registered in the Commercial Register of the Regional Court in Brno under file number 7072, section B.

The Company’s core business activities are:

- Production, trade and services not listed in Annexes 1 to 3 of the Trade Licensing Act

- Management of own property
- Rental of properties, apartments and non-residential premises

### **COMPANY OWNERS**

The shareholders of the Company with shares of more than 20% as of 30 June 2019 are:

#### **Ligelta Holdings, LTD**

with registered seat at Kyriakou Matsi, 16, EAGLE HOUSE 8th floor, Agioi Omologites, 1082, Nicosia, Republic of Cyprus, 67% share

#### **CSW Holding s.r.o.**

with registered seat at Brno, Drobného 555/49, 602 00, Czech Republic 25% share

In the year ending 30 June 2019, no changes were recorded in the Commercial Register.

### **MEMBERS OF THE BOARD OF DIRECTORS AND SUPERVISORY BOARD AS OF 30 JUNE 2019**

#### **Board of Directors Members**

Martin Cígler (chairman)  
Michal Rybovič (deputy chairman)

#### **Supervisory Board Members**

Ing. Michal Máčel (chairman)  
Petr Franc  
Tomáš Loukota

The Company has not prepared an annual report because it intends to include the relevant information in its consolidated annual report.

The Company will then prepare a consolidated financial statement in accordance with Czech accounting legislation.

The Company is the parent company of the Solitea Group and the accompanying financial statements have been prepared as unconsolidated.

The consolidated financial statements of the broadest group of entities to which the company belongs as a consolidated entity are prepared by Ligelta Holdings, LTD, with its registered office in the Republic of Cyprus.

## **2. GENERAL ACCOUNTING PRINCIPLES, ACCOUNTING METHODS AND THEIR CHANGES AND DEVIATIONS**

These financial statements have been prepared in accordance with Act

No. 563/1991 Coll. on Accounting, as amended (hereinafter referred to as the Act on Accounting), and with the Decree of the Ministry of Finance of the Czech Republic No. 500/2002 Coll. of the Act on Accounting, as amended, for entities that are entrepreneurs doing accounting in the double-entry bookkeeping system (hereinafter the Decree).

The financial statements are prepared on a going concern basis.

### **TANGIBLE AND INTANGIBLE FIXED ASSETS**

Tangible and intangible fixed assets are stated at cost. Tangible fixed assets costing less than CZK 10,000 and intangible fixed assets costing less than CZK 60,000 are not reported in the balance sheet, and are recorded as expenses in the year of acquisition. Valuation of fixed assets of own production includes direct materials, direct wages and overhead directly related to its production until its activation.

The depreciation of assets begins in the month following their entry into use. All depreciation is recorded on a monthly basis, including small assets.

Depreciation is recognized in the profit and loss account line "Adjustments to intangible and tangible fixed assets – permanent".

The cost of technical improvements to fixed assets increases their acquisition cost. Repairs and maintenance are recorded as expenses.

### **NON-CURRENT FINANCIAL ASSETS**

Non-current financial assets consist of equity investments in controlled persons and debt securities in respect of which the Company has the intent and ability to hold to maturity, and other long-term securities in respect of which the Company's intent is generally not known at the time of acquisition. Non-current financial assets also include long-term loans provided between controlled and controlling persons and accounting entities under substantial effect and other provided long-term loans.

The following table shows depreciation methods and periods by asset group:

<b>GENERAL ACCOUNTING PRINCIPLES, ACCOUNTING METHODS AND THEIR CHANGES AND DEVIATIONS</b>		
<b>ASSETS</b>	<b>Method</b>	<b>Depreciation period</b>
Structures	Linear	40–50 years
Hardware (servers, projectors) (up to 1 million 3 years, over 1 million 5 years)	Linear	3–5 years
Furniture	Linear	5 years
Cars (up to CZK 1 500 thous.)	Linear	5 years
Cars (over CZK 1 500 thous.)	Linear	6 years
Security devices	Linear	5 years
Patents and other intangible assets (know-how)	Linear	6 years
Software	Linear	3 years
Valuation difference on acquired assets	Linear	15 years

Non-current financial assets are recorded at acquisition price. Acquisition price includes direct costs related to the acquisition, such as fees and commissions to brokers, advisors, stock exchanges. Ownership participations in controlled persons and persons under significant effect are valued at acquisition price as of the balance sheet date, and an adjusting entry is created in the event of a temporary decrease in the recoverable amount of the relevant participation.

Shares in controlled persons acquired in foreign currencies are converted to CZK as at the balance sheet date using the CNB exchange rate and the exchange rate difference is reported in equity – gains or losses from the revaluation of assets and liabilities.

#### **MONETARY RESOURCES**

Peněžní prostředky tvoří peníze v hotovosti a na bankovních účtech.

#### **CONVERSION OF FOREIGN CURRENCIES**

The Company uses the CNB daily exchange rate to convert foreign currency transactions.

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

Assets and liabilities denominated in foreign currencies are converted on the balance sheet date using the foreign exchange market rate announced by the CNB. Realized and unrealized

foreign exchange gains and losses are recognized in the results as financial costs or financial revenue.

#### **REVENUE AND COST ACCOUNTING**

Revenues and costs are recorded on an accrual basis, i.e., in the period to which they relate.

Costs of less than CZK 5,000 are not accrued and are recorded in the period of the actual spending.

All companies accrue revenues to the period to which they fall on a daily/monthly basis, as feasible and meaningful.

Companies categorize revenues into the periods in which they fall to a minimum of one month and, if possible, to days (especially the accrual of the product named iDoklad).

Margins from sold licenses (BREPs) are charged on an ongoing basis over the period of validity of the license.

Vendor bonuses for sold licenses are reported in the period in which the vendor bonus is awarded. In the income statement, bonuses are reported as other operating revenue.

#### **INCOME TAX**

The income tax for the period consists of current income tax and the change in deferred tax.

Current tax includes the tax estimate calculated from the tax base using the tax rate valid on the first day of the accounting

period and any additional tax and refunds for previous periods.

Deferred tax is based on all temporary differences between the accounting and tax value of assets and liabilities and other temporary differences (tax loss) using the anticipated tax rate for the period in which the tax liability or asset is reported.

A deferred tax asset is recorded only when it is probable that future taxable profits will be available against which the asset can be utilized.

#### **SUBSEQUENT EVENTS**

The impact of events that occurred between the balance sheet date and the date of preparation of the financial statements is recognized in the financial statements when these events provide additional information about the facts that existed on the balance sheet date.

If significant events occurred between the balance sheet date and the date of compilation of the financial statements, the effects of these events are described in the notes to the financial statements, but are not accounted in the financial statements.

#### **CLASSIFICATION OF LIABILITIES**

The Company classifies as short-term the part of non-current liabilities, bank loans and borrowings with a maturity of less than one year relative to the balance sheet date.

### 3. INTANGIBLE AND TANGIBLE FIXED ASSETS

#### A) INTANGIBLE AND TANGIBLE FIXED ASSETS (CZK THOUSANDS)

	Software	Total 2019	Total 2018
<b>ACQUISITION PRICE</b>			
Initial balance	214	214	214
Increments	--	--	--
Decreases	--	--	--
Reclassification	--	--	--
End balance	214	214	214
<b>DEPRECIATION RESERVES</b>			
Initial balance	207	207	127
Depreciation	7	7	80
Depreciation reserves for decreases	--	--	--
Reclassification	--	--	--
End balance	214	214	207
<b>Residual value 1 July</b>	7	7	87
<b>Residual value 30 June</b>	--	--	7

The Company does not own assets unrecognized in the balance sheet.

The Company did not acquire any assets free of charge.

The Company did not include interest in the intangible fixed assets valuation.

**B) FIXED TANGIBLE ASSETS (CZK THOUSANDS)**

	Separate movable items and sets	Fixed assets under construction	Total 2019	Total 2018
<b>ACQUISITION PRICE</b>				
Initial balance	4,927	--	4,927	4,777
Increments	--	950	950	150
Decreases	--	--	--	--
Reclassification	--	--	--	--
End balance	4,927	950	5,877	4,927
<b>DEPRECIATION RESERVES</b>				
Initial balance	2,398	--	2,398	1,448
Depreciation	774	--	774	950
Depreciation reserves for decreases	--	--	--	--
Reclassification	--	--	--	--
End balance	3,172	--	3,172	2,398
<b>ADJUSTING ENTRIES</b>				
Initial balance	--	--	--	--
Change of status of adjusting entries	--	--	--	--
End balance	--	--	--	--
<b>Residual value 1 July</b>	2,529	--	2,529	3,329
<b>Residual value 30 June</b>	1,755	950	2,705	2,529

The Company does not own assets unrecognized in the balance sheet.

The Company did not acquire any assets free of charge.

The Company has no tangible fixed assets subject to right of lien.

The Company did not include interest in the intangible fixed assets valuation.



#### 4. FINANCIAL ASSETS

##### A) NON-CURRENT FINANCIAL ASSETS (CZK THOUSANDS) OVERVIEW OF THE MOVEMENT OF NON-CURRENT FINANCIAL ASSETS:

	Stakes – controlled or controlling person	Provided advances for non-current financial assets	Total 2019	Total 2018
Balance as of 1 July	1,218,008	--	1,218,008	1,112,099
Increments	100,564	1,557	102,121	108,592
Decreases	--	--	--	-633
Revaluation	-7,912	--	-7,912	-2,050
<b>Balance as of 30 June</b>	<b>1,310,660</b>	<b>1,557</b>	<b>1,312,217</b>	<b>1,218,008</b>

Non-current financial assets in 2019 were raised with the purchase of shares in Solitea Gemma, s.r.o. (formerly GEMMA Systems, spol. s ro), Solitea Gemma, s.r.o. (formerly GEMMA SYSTEMS s.r.o.),

Solitea Dynamica, a.s. (formerly Dynamica, a.s.), Solitea WBI, s.r.o. (formerly WBI Solutions s.r.o.) and Solitea WBI, s.r.o. (formerly WBI s.r.o.).

As of 30 June 2019, revenues from investments amounted to CZK 111,862 thous. (2018: CZK 56,689 thous.).

##### CONTROLLED AND CONTROLLING PERSONS AND ACCOUNTING ENTITIES UNDER SIGNIFICANT EFFECT AS OF 30 JUNE 2019 (CZK THOUSANDS):

Company 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.
Company headquarters	Rubeška 215/1, Praha	Drobného 49, Brno	Okružní 871/3a, Brno	Lemböckgasse 49 A62, Wien	Cesta Goriške fronte 46, Šempeter pri Gorici	Žižkova 708, Příbram
Financial statement date	30 June 2019	30 June 2019	30 June 2019	30 June 2019	30 June 2019	30 June 2019
Stake in %	100	99	100	100	100	100
Total assets	134,842	123,421	77,917	33,819	116,966	98,399
Equity	72,050	46,873	34,400	-2,661	81,185	41,400
Basic capital and capital funds	5,000	16,643	18,138	891	12,692	2,100
Funds from profit	--	--	--	25,784	1,269	8,530
Retained profit/loss from previous years	52,079	46,840	3,806	-23,457	47,471	16,256
Profit/Loss from current year	14,971	-16,610	26,452	-5,878	19,753	14,514
Nominal value of share/stake						
Internal value of share/stake *)						
Dividends	--	19,047	11,376	--	77,175	--

**CONTROLLED AND CONTROLLING PERSONS AND ACCOUNTING ENTITIES  
UNDER SIGNIFICANT EFFECT AS OF 30 JUNE 2019 (CZK THOUSANDS):**

Company name and legal form	Solitea Gemma, s.r.o. (CZ)	Solitea Gemma, s.r.o. (SK)	Solitea Dynamica, a.s.	Solitea WBI, s.r.o. (CZ)	Solitea WBI, s.r.o. (SK)	Solitea CDL, a.s.
Company headquarters	Vídeňská 181/102i, Brno	Repašského 20, Bratislava	Vídeňská 181/102i, Brno	Drobného 555/49, Brno	Pluhová 50/A, Bratislava	Klišská 1810/31, Ústí nad Labem
Financial statement date	30 June 2019	30 June 2019	30 June 2019	30 June 2019	30 June 2019	30 June 2019
Stake in %	100	100	100	100	100	100
Total assets	33,616	18,812	8,757	2,880	26,615	81,424
Equity	8,764	6,444	1,258	2,330	3,500	32,037
Basic capital and capital funds	355	253	1,000	200	2,985	10,076
Funds from profit	35	29	125	--	84	--
Retained profit/loss from previous years	10,756	5,678	829	1,973	25	8,410
Profit/Loss from current year	-2,382	483	-696	157	405	13,551
Nominal value of share/stake						
Internal value of share/stake *)						
Dividends	--	--	--	--	--	4,264

**CONTROLLED AND CONTROLLING PERSONS AND ACCOUNTING ENTITIES  
UNDER SIGNIFICANT EFFECT AS OF 30 JUNE 2018 (CZK THOUSANDS):**

Company name and legal form	Solitea Business Solutions s.r.o.	Solitea Česká republika, a.s.	Vema, a.s	JET ERP Betriebsgesellschaft mbH	Saop d.o.o.	Byznys software, s.r.o.	Solitea CDL, a.s.
Company headquarters	Rubeška 215/1, Praha	Drobného 49, Brno	Okružní 871/3a, Brno	Lemböckgasse 49 A62, Wien	Cesta Goriške fronte 46, Sem-peter pri Gorici	Žižkova 708, Příbram	Klišská 1810/31, Ústí nad. Labem
Financial statement date	30 June 2018	30 June 2018	30 June 2018	30 June 2018	30 June 2018	30 June 2018	30 June 2018
Stake 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
Basic capital and capital funds	5,000	16,759	-5,893	27,269	12,978	2,100	10,076
Funds from profit	0				1,298		
Retained profit/loss from previous years	43,660	19,840	32,269	-19,827	113,914	18,602	8,410
Profit/Loss from current year	8,418	18,668	11,376	-4,137	12,690	-2,346	4,304
Nominal value of share/stake							
Internal value of share/stake *)							
Dividends	7,493	19,750	18,306	--	--	--	11,140

**B) CURRENT FINANCIAL ASSETS**

	Other current financial assets	Total 2019	Total 2018
Balance as of 1 July	68,202	68,202	--
Increments	--	--	68,202
Decreases	-68,202	-68,202	--
Revaluation	--	--	--
<b>Balance as of 30 June</b>	--	--	68,202

In 2018, other current financial assets consisted of bills of exchange payable on 12 September 2018 from J&T Private Equity B.V. As of 30 June 2019, the Company registered no current financial assets.

**5. TRADE RECEIVABLES AND LIABILITIES**

a) Short-term trade receivables amount to CZK 1,917 thous. (2018 – CZK 5,626 thous.), of which receivables after due date represent CZK 0 thous. (2018 – CZK 0 thous.). As at 30 June 2019 and 30 June 2018, the Company did not create adjusting entries for receivables.

The Company records other long-term receivables with a maturity of seven years in the amount of CZK 789 thous. (2018 – CZK 0 ths). The receivable consists of the paid security deposit in connection with the contract for the lease of space for business – Rustonka.

Short-term advances made consist of advanced paid to Rustonka Development s.r.o. for additional rent pursuant to Article 7.7 (Appendix No. 4) of the contract on lease of premises for business in the amount of CZK 7,433 thous.

b) Short-term liabilities from trade amount to CZK 3,412 thous. (2018 – CZK 3,474 thous.), of which

overdue liabilities total CZK 0 thous. (2018 – CZK 0 thous.). The company's generally accepted practice is to pay liabilities before the due date and therefore no liabilities after due date exist.

Receivables and liabilities against related parties are disclosed in point 11.

The Company records other short-term liabilities in the amount of CZK 66,126 thous. (2018 - CZK 33,439 thous.). These are non-interest-bearing liabilities with maturity of up to one year, in particular the unpaid portion of the purchase price of investments in non-current financial assets under contracts for sale and purchase of stakes in Vema, a.s., Byznys software, s.r.o. (formerly J.K.R. spol. s r.o.), Solitea CDL, a.s. (formerly CDL SYSTEM a.s.), Solitea Gemma, s.r.o. (formerly GEMMA Systems, spol. s r.o.) and Solitea WBI, s.r.o. (formerly WBI Solutions s.r.o.). Short-term receivables also include a paid advance payment for dividends from Vema, a. s. totalling CZK 14,000 thous.

The Company registers other long-term liabilities in the amount of CZK 54,853 thous. (2018 - CZK 47,500 thous.). These are non-interest-bearing receivables with a maturity of more than one year, in particular the unpaid portion of the purchase price of investments in long-term financial assets under contracts for sale and purchase of stakes in Business Software, s.r.o. (formerly J.K.R. spol. s r.o.), Solitea

Gemma, s.r.o. (formerly GEMMA Systems, spol. s ro) and Solitea WBI, s.r.o. (formerly WBI Solutions s.r.o.), and the security deposit accepted in connection with the lease of premises for business – Rustonka.

Short-term received advances consist of advances paid from subsidiaries in connection with the contract for the lease of premises for business – Rustonka in the amount of CZK 7,433 thous.

**6. REGISTERED CAPITAL**

The Company's registered capital consists of:

- 1 registered ordinary share, in certificated form, in the nominal value of CZK 170,180,000 (in words: one hundred seventy million one hundred eighty thousand Czech crowns),
- 1 registered ordinary share, in certificated form, in the nominal value of CZK 63,500,000 (in words: sixty-three million five hundred thousand Czech crowns),
- 1 registered ordinary share, in certificated form, in the nominal form of CZK 5,276,000 (in words: five million two hundred and seventy-six thousand Czech crowns),
- 1 registered ordinary share, in certificated form, in the nominal form of CZK 4,884,000 (in words: four million eight hundred and eighty-four thousand Czech crowns),
- 1 registered ordinary share,

in certificated form, in the nominal form of CZK 10,160,000 (in words: ten million one hundred and sixty thousand Czech crowns),

- 20 registered certificated ordinary shares with a nominal value of CZK 100,000 per share (in words: one hundred thousand Czech crowns),
- 1 registered ordinary share with a nominal value of CZK 99,424,809 (in words: ninety-nine million four hundred twenty four thousand eight hundred and nine Czech crowns),
- 1 registered ordinary share paper 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 registered certificated ordinary shares with a nominal value of CZK 28,000,000 (in words: twenty-eight million Czech crowns),
- 22 registered certificated ordinary shares with a nominal value of CZK 5,600,000 each (in words: five million six hundred thousand Czech crowns),
- 1 registered ordinary share with a nominal value of CZK 2,121,352 (in words: two million one hundred twenty-one thousand three hundred and fifty-two Czech crowns),
- 1 registered ordinary share with a nominal value of CZK 5,575,191 (in words:

five million five hundred seventy-five thousand one hundred and ninety-one Czech crowns) with the nature of participating securities not admitted to trading on a European regulated market or on a foreign market similar to a regulated market, pursuant to special regulation.

## **7. EQUITY**

The overview of equity changes forms a separate part of the financial statements.

## **8. EMPLOYEES AND MEMBERS OF MANAGEMENT, SUPERVISORY AND ADMINISTRATIVE BODIES**

### **EMPLOYEES AND MEMBERS OF MANAGEMENT, SUPERVISORY AND ADMINISTRATIVE BODIES**

	Average recalculated number		Personnel costs*	
	2019	2018	2019	2018
Employees	5	5	4,675	6,559
Supervisory body members	3	3	--	--
<b>Total</b>	<b>8</b>	<b>8</b>	<b>4,675</b>	<b>6,559</b>

\* Personnel costs also include wages and remuneration of members of the Board of Directors. No remuneration was paid to the members of the supervisory bodies this year or last year due to their function.

## **9. SERVICES**

### **SERVICES**

	2019	2018
Repair and maintenance	--	--
Travel expenses	32	--
Representation costs	288	--
Rent and building management	--	--
Marketing services	5,085	5,119
Telecommunications services	5,130	--
Consulting services, audits and accounting	3,087	5,326
Other	1,722	2,163
<b>Total</b>	<b>15,344</b>	<b>12,608</b>

**10. INCOME TAX**

a) Payable

The Company reports zero tax liability for the period (2018 – 0).

b) Deferred

<b>INCOME TAX</b>						
	Assets		Liabilities		Difference	
	2019	2018	2019	2018	2019	2018
Tangible fixed assets	--	--	333	327	-333	-327
Deferred tax asset/liability	--	--	333	327	-333	-327

In accordance with the accounting policy described in point 2f), a 19% tax rate (2018 – 19%) was used to calculate deferred tax.

**11. INFORMATION ON TRANSACTIONS WITH RELATED PARTIES**

<b>TRANSACTIONS WITH RELATED PARTIES</b>				
	Volume of mutual transactions		Receivables/liabilities as of 30 June	
	2019	2018	2019	2018
<b>SALE OF GOODS AND SERVICES</b>				
Company shareholders	--	--	--	--
Other companies in the group	14,269	21,070	1,501	8,126
<b>PURCHASE OF GOODS AND SERVICES</b>				
Company shareholders	--	--	--	--
Other companies in the group	7,791	5,734	942	8,094
<b>PROVIDED LOANS</b>				
Company shareholders	--	--	--	--
Other companies in the group	--	--	12,484	2,500
<b>ACCEPTED LOANS</b>				
Company shareholders	--	--	--	--
Other companies in the group	--	--	100,634	192,921

Receivables and liabilities from the sale and purchase of goods and services are included in the trade receivables and liabilities described in point 5.

The Company regularly provides services to controlled persons.

The Company uses the services of controlled and controlling persons in the ordinary course of business.

The Company received profit shares from controlled persons in the amount of CZK 111,862 thous. (2018 – CZK 56,689 thous.). The liability arising from the received dividend advance payment from Vema, a.s. CZK (2018 – CZK 0 thous.) is presented in Other liabilities - short-term.

Loans accepted are recognized in current liabilities and represent loans from related parties.

In 2019 and 2018, the members of the governing, supervisory, and administrative bodies received no advances, debts, loans, credits, guarantees or other benefits, and do not own any shares/ stakes in the Company.

## **12. CONTINGENT LIABILITIES**

Based on the contract on the sale and purchase of 100% shares in the company Vema a.s., the purchase price may be raised pursuant to points 3.3. and 3.5 of the contract. These increases are subject to certain future conditions and will be quantified based on future data. Therefore, the Company may incur a liability in the following periods.

## **13. MAJOR SUBSEQUENT EVENTS**

On 4 July 2019, an agreement was concluded for the acquisition of a stake in Dotykačka Holding a.s.

The shareholders decided to provide the company with a surcharge outside the registered capital on 8 August 2019 in the amount of CZK 258,259 thous.

On 2 December 2019, Solitea, a.s. purchased a 100% stake in Clever Decision, spol. s r.o, Czech Republic.

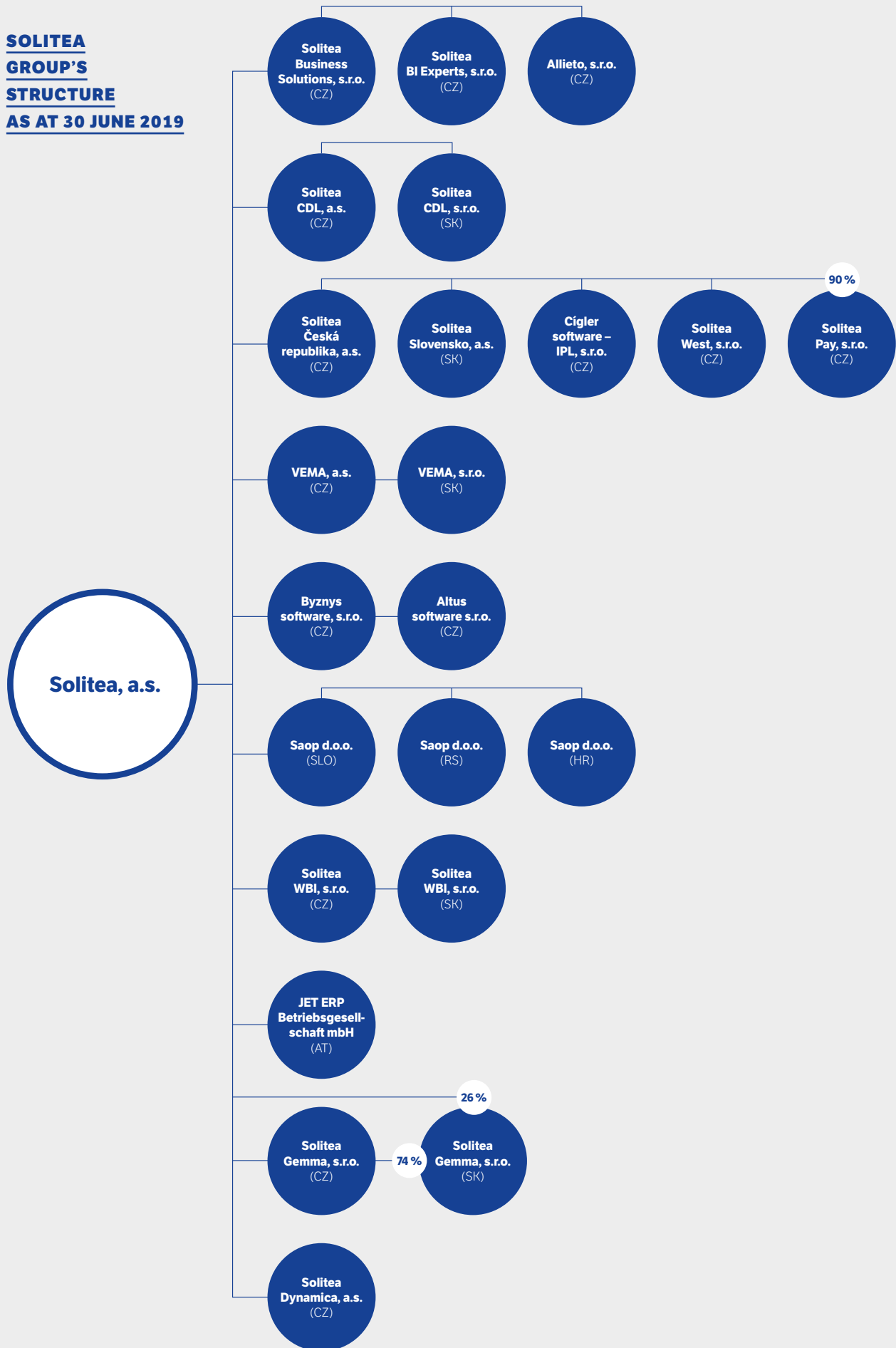
On 6 December 2019, Saop d. O. O. acquired a 100% stake in MIT informatika d.o.o, Slovenia.

**Compiled on 17 December 2019**



**Martin Cígler**  
**Board of Directors chairman**

**SOLITEA  
GROUP'S  
STRUCTURE  
AS AT 30 JUNE 2019**



# REPORT ON RELATIONS BETWEEN THE CONTROLLING AND CONTROLLED ENTITY AND OTHER RELATED ENTITIES AS AT 30 JUNE 2019

The Report has been prepared in accordance with Section 82 et seq. of Act No. 90/2012 Coll. on Business Corporations. The report's data is based

on the accounting documents of the entity (accounting documents, accounting logs, and other accounting records and documents available to the entity).

The report has been prepared for the accounting period beginning on 1 July 2018 and ending on 30 June 2019.

## **1. BASIC DATA ON ACCOUNTING ENTITY**

### **NAME OF CONTROLLED ACCOUNTING ENTITY:**

#### **SOLITEA, A.S.**

**Seat:** Drobného 555/49, Ponava,  
602 00 Brno

#### **Company registration number:**

015 72 377

**Legal form:** joint-stock company

**Registered:** with the Regional Court  
in Brno, file no. 7072, section B

**Main subjects of activity:** production,  
trade and services not listed in Annexes 1  
to 3 of the Trade Licensing Act

#### **Company establishment date:**

10 April 2013

### **CONTROLLING ENTITY**

**Company:** LIGELTA HOLDINGS LTD

**Registration number:** HE 315086

**Seat:** Kyriakou Matsi, 16, EAGLE HOUSE  
8<sup>th</sup> floor, Agioi Omologites, 1082, Nicosia,  
Cyprus

The controlling entity Ligelta holdings, Ltd.  
(Registration number: HE315086) is part  
of the Sandberg Capital investment fund.

### **OTHER RELATED PERSONS**

- Allieto, s.r.o.,  
Reg. No.: 06734502,
- Altus software s.r.o.,  
Reg. No.: 61681202,
- Solitea BI Experts, s.r.o.,  
Reg. No.: 28263901  
(formerly BI Experts, s.r.o.),
- Byznys software, s.r.o.,  
Reg. No.: 18608001,
- ČIGLER SOFTWARE – IPL, s.r.o.,  
Reg. No.: 25045041,

- Solitea Dynamica, a.s.,  
Reg. No.: 26221322  
(formerly Dynamica, a.s.),
- Solitea Gemma, s.r.o.,  
Reg. No.: 60710772 (formerly GEMMA  
Systems, spol. s r.o.),
- Solitea Business Solutions s.r.o.,  
Reg. No.: 64946274,
- Solitea CDL, a.s., Reg. No.: 63148439,
- Solitea Česká republika, a.s.,  
Reg. No.: 25568736,
- Solitea WBI, s.r.o., Reg. No.: 04098501  
(formerly WBI Solutions s.r.o.),
- Solitea West, s.r.o.,  
Reg. No.: 25246241,
- Vema, a.s., Reg. No.: 26226511,
- Solitea Pay, s.r.o., Reg. No.: 25595091
- Solitea Slovensko, a.s.,  
Reg. No.: 36237337,
- Solitea Gemma, s.r.o.,  
Reg. No.: 35706988 (formerly GEMMA  
SYSTEMS, s.r.o.),
- Solitea CDL, s.r.o., Reg. No.: 35942444,
- Solitea WBI, s.r.o., Reg. No.: 35685018,  
(formerly WBI, s.r.o.),



- Vema, s. r. o., Reg. No.: 31355374,
- JET ERP Betriebsgesellschaft mbH, Reg. No.: 352084x,
- Saop d.o.o, Reg. No.: 5383129.

## **2. MUTUAL RELATIONSHIPS AND CONTRACTS, AND OVERVIEW OF ACTIONS TAKEN IN THE LATEST FINANCIAL YEAR AT THE STIMULUS OR IN THE INTEREST OF THE CONTROLLING ENTITY OR ENTITIES CONTROLLED BY THE CONTROLLING ENTITY, IF SUCH CONDUCT WAS RELATED TO ASSETS EXCEEDING 10% OF THE CONTROLLED ENTITY'S EQUITY AS DETERMINED IN THE LAST FINANCIAL STATEMENTS**

The controlled entity Solitea, a.s., received dividends from other related parties in the amount of CZK 111,862 thous.

The controlled entity Solitea, a.s., entered into loan agreements with the controlling person under usual terms.

The controlled entity Solitea, a.s., entered into loan agreements with related persons under usual terms.

The controlled entity Solitea, a.s., did not enter into other agreements with the controlling entities during the last period.

In the accounting period, performances were rendered for consideration between the controlled entity and related entities in the group. All such transactions were undertaken based on valid and legally concluded agreements or partial orders and under the usual price and business conditions, i.e. in adherence with the arm's length principle.

The controlled entity provides consulting services, marketing support and related hardware purchases to related entities and their subsidiaries. These transactions were executed based on valid contracts concluded under normal price and business conditions.

No other legal acts were concluded. The above relationship indicates that the controlled entity or the controlling entity did not incur any damage.

In the course of the accounting period, performance and compensation were exchanged between the controlled entity and related entities in the group. All transactions were executed based on valid concluded contracts or partial orders under usual price and business conditions.

Any and all mutual transactions will be disclosed in the notes to the financial statements, Note 10.

## **3. METHOD OF CONTROL AND ROLE OF THE CONTROLLED COMPANY**

The controlled entity's task is to manage long-term financial assets in individual holding companies. The Company is controlled by voting at the general meeting.

## **4. BENEFITS AND DISADVANTAGES FROM MUTUAL RELATIONS**

The controlled entity further states that based on the assessment conducted, the benefits arising from the relationships between the entities prevail.

At the same time, the controlled entity states that the above relationships do not entail any material risks to it, except for normal business risks.

## **5. STATUTORY BODY'S DECLARATION**

The controlled entity did not incur any detriment as a result of the conclusion of the above-mentioned contracts, the above-mentioned other legal acts, other measures and provided goods or services, or received performance or compensation. The amount of received and provided performance corresponds to the compensation provided and received.

On 30 September 2019



**Martin Cigler**  
**Chairman of the Board**



**KPMG Česká republika Audit, s.r.o.**

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Czech Republic  
+420 222 123 111  
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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 2019, 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 2019, 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 Information**

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

As described in Note 1 to the financial statements, Solitea, a.s. has not prepared an annual report as at 30 June 2019, as it plans to include the respective information in a consolidated annual report. Consequently, this auditor's report does not include our statement on the other information.

### **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 overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Kocik is the statutory auditor responsible for the audit of the financial statements of Solitea, a.s. as at 30 June 2019, based on which this independent auditor's report has been prepared.

Prague  
17 December 2019

*KPMG Česká republika Audit, s.r.o.*  
KPMG Česká republika Audit, s.r.o.  
Registration number 71

*M. Kocik*  
Martin Kocik  
Partner  
Registration number 2335

# 10

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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# FINANCIAL STATEMENTS

## CONSOLIDATED BALANCE SHEET – FULL AS AT 30 JUNE 2019

Identification number

**015 72 377**

### Name and regist. office of the Company

Solitea, a.s.

Drobného 555/49, Ponava, 602 00 Brno

Czech Republic

The numbers are in CZK thousands.

Ident.	A S S E T S	line	Current period			Prior period
			Gross	Adjust.	Net	Net
a	b	c	1	2	3	4
	<b>TOTAL ASSETS</b>	1	<b>1,982,795</b>	<b>-590,103</b>	<b>1,392,691</b>	<b>1,265,332</b>
B.	Fixed assets	2	<b>1,466,399</b>	<b>-580,787</b>	<b>885,612</b>	<b>835,403</b>
B.I.	Intangible fixed assets	3	279,500	-268,465	11,035	17,817
B.II.	Tangible fixed assets	13	222,903	-144,135	78,768	69,659
B.III.	Long-term investments	24	18,569	-3,150	15,419	13,729
B.IV.	Consolidation difference	28	945,428	-165,037	780,391	734,197
C.	Current assets	28	<b>499,080</b>	<b>-9,316</b>	<b>489,764</b>	<b>418,501</b>
C.I.	Inventories	29	43,455	-229	43,226	38,569
C.II.	Receivables	36	245,067	-9,087	235,980	155,371
C.II.1.	Long-term receivables	37	10,695		10,695	5,703
C.II.2.	Short-term receivables	43	234,372	-9,087	225,284	149,669
C.III.	Short-term financial assets	53	642		642	68,330
C.IV.	Cash	55	209,916		209,916	156,231
D.	Deferrals	58	<b>17,315</b>		<b>17,315</b>	<b>11,429</b>

**CONSOLIDATED STATEMENT  
OF FINANCIAL POSITION  
AS AT 30 JUNE 2019**

Identification number

**015 72 377****Name and regist. office of the Company**

Solitea, a.s.

Drobného 555/49, Ponava, 602 00 Brno

Czech Republic

The numbers are in CZK thousands.

Ident.	LIABILITIES	line	Current period	Prior period
			Net	Net
a	b	c	5	6
	<b>TOTAL LIABILITIES AND EQUITY</b>	61	<b>1,392,691</b>	<b>1,265,332</b>
A.	Equity	62	<b>865,219</b>	<b>847,396</b>
A.I.	Registered capital	63	814,000	814,000
A.II.	Premium, capital contributions and funds from profit	66	12,917	-1,133
A.IV.	Retained earnings (+/-)	75	32,318	2,995
A.V.	Profit (loss) for the current period (+/-)	79	5,949	31,487
A.VII.	Equity attributable to non-controlling interests	108	35	47
B. + C.	Liabilities	81	<b>345,563</b>	<b>265,180</b>
B.	Provisions	82	<b>28,599</b>	<b>29,022</b>
B.II.	Income tax provision	84		2,773
B.IV.	Other provisions	85	28,599	26,249
C.	Liabilities	86	<b>316,964</b>	<b>236,158</b>
C.I.	Long-term liabilities	87	70,908	50,665
C.II.	Short-term liabilities	92	246,056	185,493
D.	Accruals	105	<b>181,909</b>	<b>152,756</b>

**CONSOLIDATED INCOME STATEMENT**  
**CLASSIFICATION BY NATURE**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**Name and regist. office of the Company**

Solitea, a.s.

Drobného 555/49, Ponava, 602 00 Brno

Czech Republic

The numbers are in CZK thousands.

Identification number

**015 72 377**

Ident.	CONSOLIDATED INCOME STATEMENT	line	Current period	Prior period
a	b	c	1	2
I.	Revenue from products and services	1	1,159,126	998,412
II.	Revenue from goods	2	176,783	137,005
A.	Cost of sales	3	478,570	411,899
B.	Change in inventory of own production (+/-)	7	-1,044	215
C.	Own work capitalised (-)	8	-1,381	
D.	Personnel expenses	9	725,102	591,680
E.	Adjustments relating to operating activities	14	85,440	70,030
III.	Other operating revenues	21	12,914	5,939
F.	Other operating expenses	25	13,374	17,439
*	Operating profit (loss) (+/-)	31	<b>48,762</b>	<b>50,093</b>
V.	Revenue from other long-term investments	34	0	354
H.	Expenses related to other long-term investments	36	0	3
VI.	Interest revenue and similar revenue	37	752	2,403
I.	Adjustments and provisions relating to financial activity	38	3,150	
J.	Interest expense and similar expense	40	2,022	2,018
VII.	Other financial revenues	43	13,830	3,317
K.	Other financial expenses	44	30,719	3,935
*	Profit (loss) from financial operations	45	<b>-21,309</b>	<b>117</b>
**	Profit (loss) before tax (+/-)	46	<b>27,453</b>	<b>50,211</b>
L.	Income tax	47	21,515	18,722
**	Profit (loss) after tax (+/-)	50	<b>5,949</b>	<b>31,487</b>
	Profit attributable to non-controlling interests	51	<b>-12</b>	<b>1</b>
***	Profit (loss) for the accounting period (+/-)	52	<b>5,937</b>	<b>31,488</b>
*	Net turnover for the accounting period = I. + II. + III. + IV. + V. + VI. + VII.	53	<b>1,363,403</b>	<b>1,147,429</b>



**CONSOLIDATED STATEMENT  
OF CASH FLOW FOR THE YEAR  
ENDED 30 JUNE 2019**

Identification number

**015 72 377****Name and regist. office of the Company**

Solitea, a.s.

Drobného 555/49, Ponava, 602 00 Brno

Czech Republic

The numbers are in CZK thousands.

<b>CASH FLOWS FROM MAIN GAINFUL ACTIVITY</b>		<b>Current period</b>	<b>Prior period</b>
P.	Cash and cash equivalents, beginning of period	<b>156,231</b>	<b>130,733</b>
<b>NET OPERATING CASH FLOW</b>			
Z:	Accounting profit (loss) from ordinary activities	27,453	50,210
A.1.	Non-cash transactions	121,400	72,140
A.1.1.	Depreciation and amortisation of fixed assets and consolidation difference	81,151	69,057
A.1.2.	Change in:	9,791	17,064
A.1.2.2.	provisions and other adjustments	9,791	17,064
A.1.3.	Profit(-) Loss(+) on sale of fixed assets	-3,488	-2,154
A.1.7.	Other non-cash transactions	33,946	-11,827
A.*	Net operating cash flow before taxation and changes in working capital	<b>148,852</b>	<b>122,350</b>
A.2.	Changes in working capital	38,290	-17,209
A.2.1.	Change in receivables from operating activities, estimated receivables and deferrals	-84,889	21,938
A.2.2.	Change in short-term liabilities from operating activities, estimated payables and accruals	61,669	27,494
A.2.3.	Change in inventories	-4,709	2,587
A.2.4.	Change in short-term financial assets, other than cash and cash equivalents	66,218	-69,228
A.**	Net operating cash flow before taxation	<b>187,142</b>	<b>105,141</b>
A.3.	Interest paid excluding amounts capitalised	660	241
A.5.	Income tax paid on ordinary income and income tax relating to prior periods	-30,254	-18,603
A.***	Net operating cash flow	<b>157,548</b>	<b>86,779</b>
<b>INVESTING ACTIVITIES</b>			
B.1.	Acquisition of fixed assets	-46,556	-27,693
B.2.	Proceeds from sales of fixed assets	5,676	3,176
B.2.1.	Proceeds from sales of tangible and intangible fixed assets	5,676	3,176
B.4.	Acquisitions of subsidiary, net of cash acquired	-69,385	-41,624
B.***	Net cash flow from investing activities	<b>-110,265</b>	<b>-66,141</b>

**FINANCING ACTIVITIES**

C.1.	Change in long-term resp.short-term liabilities from financing	6,443	4,900
C.2.	Increase and decrease in equity from cash transactions	-40	-40
C.***	Net cash flow from financing activities	<b>6,403</b>	<b>4,860</b>
F.	Net increase or decrease in cash balance	<b>53,686</b>	<b>25,498</b>
R.	Cash and cash equivalents, end of period	<b>209,916</b>	<b>156,231</b>

**CONSOLIDATED STATEMENT  
OF CHANGES IN EQUITY  
FOR THE YEAR ENDED  
30 JUNE 2019**

**Name and regist. office of the Company**

Solitea, a.s.

Drobného 555/49, Ponava, 602 00 Brno

Czech Republic

The numbers are in CZK thousands.

Identification number

**015 72 377**

	Share capital	Premium, capital contributions and funds from profit	Retained earnings (+/-)	Profit (loss) for the current period (+/-)	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance as at 1 July 2018	<b>814,000</b>	<b>-1,133</b>	<b>2,995</b>	<b>31,487</b>	<b>847,349</b>	<b>47</b>	<b>847,396</b>
Profit or loss for the period	--	--	--	5,949	5,949	-12	5,937
Revaluation reserve	--	13,856	--	--	13,856	--	13,856
Other comprehensive income for the period	--	--	-2,842	--	-2,842	--	-2,842
Transfers to (from) retained earnings	--	194	-194	--	--	--	--
Transfers in equity	--	--	31,487	-31,487	--	--	--
Translation reserve	--	--	912	--	912	--	912
Royalties	--	--	-40	--	-40	--	-40
Balance as at 30 June 2019	<b>814,000</b>	<b>12,917</b>	<b>32,318</b>	<b>5,949</b>	<b>865,184</b>	<b>35</b>	<b>865,219</b>

	Share capital	Premium, capital contributions and funds from profit	Retained earnings (+/-)	Profit (loss) for the current period (+/-)	Negative consolidation difference	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance as at 1 July 2017	<b>814,000</b>	<b>871</b>	<b>-17,519</b>	<b>21,231</b>	<b>3,641</b>	<b>822,224</b>	<b>46</b>	<b>822,270</b>
Profit or loss for the period	--	--	--	31,487	--	31,487	1	31,488
Revaluation reserve	--	-2,004	786	--	--	-1,218	--	-1,218
Accounting changes and error corrections	--	--	-1,463	--	-3,641	-5,104	--	-5,104
Transfers in equity	--	--	21,231	-21,231	--	--	--	--
Royalties	--	--	-40	--	--	-40	--	-40
Balance as at 30 June 2018	<b>814,000</b>	<b>-1,133</b>	<b>2,995</b>	<b>31,487</b>	--	<b>847,349</b>	<b>47</b>	<b>847,396</b>

# **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 CORE ACTIVITIES**

### **COMPANY FORMATION AND CHARACTERISTICS**

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

The Company's core business activities are:

- provision of software
- production, trade and services not listed in Annexes 1 to 3 of the Trade Licensing Act
- management of own property
- rental of properties, apartments and non-residential premises.

### **COMPANY OWNERS**

The Company's shareholders as at 30 June 2019 are:

#### **Ligelta Holdings, LTD**

67,0 %

#### **CSW Holding s.r.o.**

25,0 %

#### **Others**

8,0 %

### **COMPANY HEADQUARTERS**

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

### **Registration number**

015 72 377

### **MEMBERS OF THE BOARD OF DIRECTORS AND SUPERVISORY BOARD AS AT 30 JUNE 2019**

#### **Members of the Board of Directors**

Martin Cígler (chairman)  
Michal Rybovič (deputy chairman)

#### **Members of the Supervisory Board**

Ing. Michal Máčel (chairman)  
Tomáš Loukota  
Petr Franc

### **CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements of the Company as at 30 June 2019 are prepared for the Parent Company and its subsidiaries (the "Group") - see Note 5 of the notes.

The consolidated financial statements have been prepared for the period from 1 July 2018 to 30 June 2019 ("2019").

### **CHANGES IN COMMERCIAL REGISTER**

No changes were made to the Parent Company's entry in the Commercial Register in 2019.

## **2. METHOD AND MEANS OF CONSOLIDATION**

### **METHOD OF CONSOLIDATION**

The consolidated financial statements were prepared using direct consolidation.

### **CONSOLIDATION MEANS**

The financial statements of the consolidated group are consolidated according to the consolidation methods,

considering the degree of influence of the Parent company. The financial statements of companies in which the Parent has a controlling influence, and are material, are consolidated using the full consolidation method.

The full consolidation method includes the items of the balance sheet, profit and loss statement, cash flow statement, and statement of changes in equity from the consolidated entities' financial statements in full, excluding any significant intra-consolidated inter-company transactions, reclassifications, or adjustments to the balance sheet, profit and loss statement, cash flow statement and statement of changes in equity of the consolidating accounting entity.

### **CONSOLIDATION PROCESS**

Consolidation was performed at the Parent Company level 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, the items were reclassified and adjusted according to the principles announced in the consolidation rules.

The compilation of the consolidated balance sheet, consolidated profit and loss account, and consolidated cash flow statement excludes transactions of significant amounts relating to the sale of inventories, fixed assets and services within the consolidation group.

The consolidation difference arising from a new acquisition is amortised equally over a period of up to 20 years.

The consolidation difference is recorded

as a positive consolidation difference, and negative consolidation difference debit is recorded as expenses or revenues from current activities.

Goodwill arose as the difference between the valuation of a business unit (or part of thereof) acquired through a remuneration transfer or deposit, and the valuation of assets and liabilities of the business corporation's transfer. This is excepting changes in legal form and the sum of individually revalued asset components, less debt assumed.

Goodwill is recorded in the case of positive values to expenses and in the case of negative values, recorded to revenues. The consolidation excludes the effect of dividends or profit shares received and paid out between the Parent Company and its subsidiaries.

Items included in the consolidated financial statements, which are or were originally denominated in a foreign currency, have been converted into Czech crowns (the currency in which the consolidated financial statements are prepared) at the exchange rate prevailing on the balance sheet date.

Consolidated accounting entities that had not prepared ordinary financial statements as at 30 June 2019 provided the required information in the form of interim financial statements and other information required by the consolidating accounting entity.

### **3. GENERAL ACCOUNTING PRINCIPLES, ACCOUNTING METHODS AND THEIR CHANGES AND DEVIATIONS**

These consolidated financial statements have been prepared in accordance with Act No. 563/1991 Coll. On Accounting, as amended (hereinafter referred to as the "Act on Accounting") and with

the Decree of the Ministry of Finance of the Czech Republic No. 500/2002 Coll. which implement certain provisions of the Accounting Act, as amended, for entities that are entrepreneurs using the double-entry bookkeeping accounting system (hereinafter referred to as the "Decree").

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

The financial statements are presented in thousands of Czech crowns (TCZK), unless stated otherwise.

### **TANGIBLE AND INTANGIBLE FIXED ASSETS**

Tangible and intangible fixed assets are registered at the acquisition price.

Tangible fixed assets costing less than CZK 20,000 are not reported in the balance sheet and recorded as expenses in the year of acquisition.

Valuation of fixed assets of own production includes direct materials, direct wages and overhead directly related to its production until its activation.

### **NON-CURRENT FINANCIAL ASSETS**

Non-current financial assets consist of equity investments in controlled persons and debt securities in respect of which the Company has the intent and ability to hold to maturity, and other long-term securities in respect of which the Company's intent is generally not known at the time of acquisition. Non-current financial assets also include long-term loans provided between controlled and controlling persons and accounting entities under substantial effect and other provided long-term loans.

Non-current financial assets are recorded at their acquisition price. The acquisition price includes direct costs related to the acquisition, such as fees and commissions to brokers, advisors, stock exchanges.

### **SHORT-TERM FINANCIAL ASSETS**

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

### **PROVISIONS**

Material is valued at acquisition cost. The acquisition cost includes the purchase price, customs duties, shipping and delivery charges. Material loss is valued by the weighted arithmetic mean method.

Ongoing production and finished products are valued at actual cost, including direct costs of production or attributable indirect costs relating to production. Direct costs include the acquisition cost of materials, consumed outputs, and other production costs directly incurred. The reduction in ongoing production and finished products is valued at standard prices.

Goods are valued at acquisition prices. The acquisition cost includes the purchase price, customs duties, shipping charges and freight charges for delivery to the warehouse. Loss of goods is valued using the weighted arithmetic average method.

### **DETERMINATION OF ADJUSTING ENTRIES AND PROVISIONS**

Tangible fixed assets:

The Group creates provisions/adjusting entries for tangible fixed assets by comparing the residual values of buildings and land with their recoverable amounts. Creation and settlement of adjusting entries is recognised in the profit and loss account line "Adjustments to operating values."

Receivables:

The Group establishes provisions/adjusting entries for dubious receivables based on its own analysis of the solvency of its customers and the age structure of receivables. The creation and settlement of adjustments is recognised in the profit and loss account line "Value Adjustment of Receivables."

**THE FOLLOWING TABLE LISTS DEPRECIATION METHODS AND PERIODS BY ASSET GROUP:**

<b>Assets</b>	<b>Method</b>	<b>Depreciation period</b>
Structures	Straight-line	40–50 years
Hardware (servers, projectors)	Straight-line	3–5 years
Furniture	Straight-line	5 years
Cars (up to TCZK 1 500 )	Straight-line	4 years
Cars (over TCZK 1 500 )	Straight-line	6 years
Security devices	Straight-line	5 years
Patents and other intangible assets (know-how)	Straight-line	6 years
Software	Straight-line	3 years
Small tangible fixed assets (TCZK 20–40 )	Straight-line	2 years
Small intangible fixed assets (TCZK 0–60 )	Straight-line	2 years

Depreciation is recognised in the profit and loss account line “Adjustments of operating values.”

#### Inventory:

Adjusting entries are created when the cost used in accounting is temporarily higher than the selling price of inventories less costs to sell.

The adjusting entry for slow-moving and obsolete inventory or other temporarily impaired inventory is created based on an analysis of the turnover of inventory and an individual assessment of inventory.

Creation and accounting of adjusting entries is recognised in the profit and loss account line “Value Adjustment of Inventory.”

#### Provisions:

As of the balance sheet date, a provision for outstanding vacation days is created based on an analysis of outstanding vacation days for the previous calendar year (i.e., as at 31 December) and average wage costs, including social security and health insurance costs per employee.

If employees are entitled to annual bonuses or other annually paid remuneration, a provision for the full

remuneration of employees, including social security and health insurance costs, is recognised as at the balance sheet date.

The Group recognises a provision for income tax as the moment the preparation of the financial statements precedes the moment of the determination of the amount of tax liability. In the following accounting period, the Group dilutes the provision and recognises the determined tax liability.

In the balance sheet, the income tax provision is reduced by income tax advances paid; any resulting receivable is recognised in “State - tax receivables.”

#### FOREIGN CURRENCY CONVERSION

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

Assets and liabilities denominated in foreign currencies are converted on the balance sheet date using the foreign exchange market rate announced by the CNB.

Realised and unrealised foreign exchange gains and losses are depicted in the results in financial costs or financial revenue.

#### DERIVATIVES

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

- its fair value changes depending on the change in interest rate, price of security, commodity price, exchange rate, price index, credit rating or index, or depending on another variable (the so-called underlying asset),
- requires little or no initial investment compared to other types of contracts that have a similar response to changes in market conditions,
- will be settled in the future and the period from the trade’s arrangement to its settlement is longer than for spot operations.

Derivatives are recognised on the balance sheet at fair value. Positive derivative fair values are reported as assets under “Other receivables”. Negative derivative

fair values are reported as liabilities under "Other liabilities". The fair value of derivative financial instruments is determined as the present value of the anticipated cash flows arising from these transactions.

Fair value hedging:

Changes in the fair value of derivatives that are classified as fair value hedges are charged or credited to profit or loss or revenues, together with the relevant change in the fair value of the hedged asset or liability that is attributable to the hedged risk.

Cash flow hedging:

Changes in the fair value of derivatives that are classified as cash flow hedges are recognised in equity and recognised on the balance sheet through the revaluation provision on assets and liabilities. The ineffective part of the hedge is charged directly to financial expenses or to revenue.

Derivatives held for trading:

Derivatives held for trading are reported at fair value on the balance sheet. Gains and losses arising from changes in fair values are recognised in the income statement line "Other financial revenues" or "Other financial costs".

#### **LEASED ASSETS**

The Group recognises leased assets by including lease payments as expenses evenly over the term of the lease. Upon termination of the lease and exercise of the option to purchase, the leased asset is included in the Group's assets at the purchase price.

#### **REVENUE AND EXPENSE**

##### **RECOGNITION**

Revenues and expenses are recognised on an accrual basis, i.e., in the period to which they relate.

Costs of less than CZK 5,000 are not accrued and are recognised in the year of their expense.

#### **INCOME TAX**

Income tax for the period comprises payable tax and the change in deferred tax.

Payable tax includes the tax estimate calculated from the tax base using the tax rate valid on the first day of the accounting period as well as any additional tax and refunds for previous periods.

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

A deferred tax asset is recognised only when it is probable that it will be utilised in future periods.

#### **CLASSIFICATION OF LIABILITIES**

The Group classifies the part of non-current liabilities, bank loans and borrowings with a maturity of less than one year to the balance sheet date as short-term.

#### **SUBSIDIES/INVESTMENT INCENTIVES**

A subsidy is recognised once the indisputable right to its reception is gained. Subsidies received to cover expenses are charged to operating revenues. Subsidies received for the acquisition of fixed assets, including technical improvements, and for payments of interest included in the assets' cost, reduce the price or acquisition cost of the asset.

#### **USE OF ESTIMATES**

In preparing the financial statements, the Group's management utilises

estimates and assumptions that affect the application of accounting policies, and the amount of assets, liabilities, income and expenses recognised in the financial statements. These estimates and assumptions are based on historical experience and various other factors that are deemed appropriate on the balance sheet date and used when the accounting values of assets and liabilities are not clearly evident from other sources, or in cases of uncertainty regarding the application of individual accounting policies. The final results may differ from the estimates.

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

#### **4. CHANGE OF ACCOUNTING METHODS AND PROCEDURES**

There were no significant changes in accounting policies and procedures in the period from 1 July 2018 to 30 June 2019.

#### **5. DEFINITION OF CONSOLIDATION GROUP**

The following companies became part of the consolidation group during the accounting period: Solitea BI Experts, s.r.o., Solitea Gemma, s.r.o. (CZ), Solitea Gemma, s.r.o. (SK), Solitea WBI, s.r.o. (SK), Solitea WBI, s.r.o. (CZ), Solitea Dynamica, a.s.

Solitea, a.s. holds a 100% stake in all subsidiaries, with the exception of Solitea Česká republika, a.s., where the stake amounts to 99.9279%. For this reason, the consolidated entity's equity and financial result was divided

## ACCOUNTING ENTITIES INCLUDED IN THE CONSOLIDATION GROUP

Company	Seat	Share in equity	Consolidation method
<b>Parent Company</b> Solitea, a.s.	Drobného 555/49, Ponava, Brno	–	–
<b>Controlled and managed companies</b> Solitea Česká republika, a.s.	Drobného 555/49, Ponava, Brno	99,9279 %	Full
Solitea Slovensko, a.s.	Plynárenská 7/C, Bratislava, Slovensko	100 %	Full
Altus software s.r.o.	Rubeška 215/1, Vysočany, Praha 9	100 %	Full
Solitea Business Solutions s.r.o.	Rubeška 215/1, Vysočany, Praha 9	100 %	Full
Vema, a.s.	Okružní 871/3a, Lesná, Brno	100 %	Full
Vema, s. r. o.	Plynárenská 7/C, Bratislava, Slovensko	100 %	Full
JET ERP Betriebsgesellschaft mbH	Liesinger-Flur-Gasse 2c, Vídeň, Rakousko	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.	Klišská 1810/31, Ústí nad Labem	100 %	Full
Solitea BI Experts, s.r.o.	Masarykova 412/32, Brno	100 %	Full
Solitea Gemma, s.r.o.	Vídeňská 181/102i, Dolní Heršpice, Brno	100 %	Full
Solitea Gemma, s.r.o.	Repašského 20, Bratislava, Slovensko	100 %	Full
Solitea WBI, s.r.o.	Pluhová 50/A, Bratislava - Nové Mesto, Slovensko	100 %	Full
Solitea WBI, s.r.o.	Drobného 555/49, Ponava, Brno	100 %	Full
Solitea Dynamica, a.s.	Vídeňská 181/102i, Dolní Heršpice, Brno	100 %	Full

into controlling entity and minority shareholders' stakes.

#### ENTITIES NOT INCLUDED IN THE CONSOLIDATION GROUP WITH EXPLANATION FOR THEIR NON-INCLUSION

As per the Parent Company's decision, the following companies did not enter into the consolidation group and the consolidation. Their contribution to the total balance sheet, net turnover and equity of the consolidation group was insignificant, and the information necessary for consolidation could not be obtained without unnecessary delay or disproportionate cost.

(The companies were regarded as a whole in the assessment of the significance of the holdings).

In the course of 2019, the investment in VEMA počítače a projektování spol. s r.o. of TCZK 8,528 was excluded. This company was not included in the consolidated group for both 2019 and 2018. The value of the liquidation balance was recognised in the income statement as other financial income of TCZK 8,528. The acquisition cost of the investment and the revaluation difference were recognised as other financial expenses of TCZK 23,100.

The following subsidiaries were excluded from consolidation in the current accounting period due to their insignificance:

- Allieto, s.r.o., Masarykova 412/32, Brno-město, Brno 602 00, Reg. No.: 067 34 502
- CÍGLER SOFTWARE – IPL, s.r.o., 1. máje 97/25, Liberec 3, 460 01, Reg. No.: 250 45 041
- Solitea Pay, s.r.o., Drobného 555/49, Ponava, Brno 602 00, Reg. No.: 255 95 091
- Solitea West, s.r.o., Drobného 555/49, Ponava, Brno 602 00, Reg. No.: 252 46 241



- Solitea CDL, s.r.o., Boženy Němcovej 8/1057, Bratislava 811 04, Reg. No.: 35 942 444
- SAOP d.o.o. Zagreb, Puževa ulica 13, Zagreb 100 00, Hrvatska, Reg. No.: 42584526821, ID 02890631. 100% stake. No controlling or profit transfer agreement was concluded with this company.
- SAOP DOO NOVI SAD, Slobodana Bajića 10, Novi Sad 21 000, Serbia, Reg. No.: 20665327, TIN 106713309. 100% stake. No controlling or profit transfer agreement was concluded with this company.

In the financial statements, the stakes in these companies remained in long-term financial assets at their acquisition cost of TCZK 17,012.

## **6. CONSOLIDATION DIFFERENCE**

The consolidation difference in gross value as at 30 June 2019 in the amount

of TCZK 945,428 (TCZK 854,378 as at 30 June 2018) due to the acquisitions of the subsidiaries Solitea Czech Republic, a.s., Vema, a.s., SAOP Računalništvo d. o. o. and Solitea CDL, a.s. and other new acquisitions as described in the following paragraph, consists of a positive consolidation difference of TCZK 957,658 (TCZK 866,609 as at 30 June 2018) and a negative consolidation difference of TCZK 12,231 (TCZK 12,231 as at 30 June 2018).

The increase of TCZK 91,049 consists of a positive consolidation difference arising from the acquisition of Solitea Dynamica, a.s., Solitea Gemma, s.r.o. (CZ), Solitea Gemma, s.r.o. (SK), Solitea WBI, s.r.o. (CZ), Solitea WBI, s.r.o. (SK) and Solitea BI Experts, s.r.o. (CZ).

The Group decided to write off the consolidation difference over a period of 20 years. Depreciation of the positive (or negative) consolidation difference is reported in "Adjustments to operating

activities" in the consolidated profit and loss statement.

The annual depreciation of the positive consolidation difference totals TCZK 45,521 (TCZK 41,912 as at 30 June 2018) and the accumulated depreciation amounts to TCZK 174,570 (TCZK 129,103 as at 30 June 2018). The annual depreciation of the negative consolidation difference is TCZK 612 (TCZK 612 as at 30 June 2018) and the accumulated depreciation amounted to TCZK 9,533 (TCZK 8,922 as at 30 June 2018).

The net value of the positive consolidation difference totals TCZK 783,088 (TCZK 737,506 as at 30 June 2018) and the net value of the negative consolidation difference totalled TCZK 2,697 (TCZK 3,309 as at 30 June 2018).

## 7. INTANGIBLE AND TANGIBLE FIXED ASSETS

<b>A) INTANGIBLE FIXED ASSETS (CZK THOUSANDS)</b>						
	<b>Software</b>	<b>Other valuable rights</b>	<b>Unfinished fixed intangible assets</b>	<b>Goodwill</b>	<b>Other fixed intangible assets</b>	<b>TOTAL</b>
<b>ACQUISITION PRICE</b>						
Initial balance as at 1 July 2018	192,500	4,464	105	40,924	1,934	<b>239,927</b>
Increments	2,213	76	--	--	34	<b>2,323</b>
Decreases	-335	--	--	--	--	<b>-335</b>
Impact of acquisitions	39,805	--	--	--	--	<b>39,805</b>
Reclassification	--	29	-29	--	--	<b>--</b>
Exchange rate difference	-990	--	--	-1,230	--	<b>-2,220</b>
<b>End balance as at 30 June 2019</b>	<b>233,193</b>	<b>4,569</b>	<b>76</b>	<b>39,694</b>	<b>1,968</b>	<b>279,500</b>
<b>ADJUSTED ENTRIES AND ACCUMULATED DEPRECIATION</b>						
Initial balance as at 1 July 2018	-183,602	-3,366	--	-33,222	-1,920	<b>-222,110</b>
Depreciation	-5,727	-222	--	-7,521	-17	<b>-13,487</b>
Decreases	333	--	--	--	--	<b>333</b>
Impact of acquisitions	-35,240	--	--	--	--	<b>-35,240</b>
Reclassification	--	--	--	--	--	<b>--</b>
Exchange rate difference	990	--	--	1,049	--	<b>2,039</b>
<b>End balance as at 30 June 2019</b>	<b>-223,246</b>	<b>-3,588</b>	<b>--</b>	<b>-39,694</b>	<b>-1,937</b>	<b>-268,465</b>
<b>Residual value 1 July 2018</b>	<b>8,898</b>	<b>1,098</b>	<b>105</b>	<b>7,702</b>	<b>14</b>	<b>17,817</b>
<b>Residual value 30 June 2019</b>	<b>9,948</b>	<b>981</b>	<b>76</b>	<b>--</b>	<b>30</b>	<b>11,035</b>

**A) INTANGIBLE FIXED ASSETS (CZK THOUSANDS)**

	Software	Other valuable rights	Unfinished fixed intangible assets	Goodwill	Other fixed intangible assets	T O T A L
<b>ACQUISITION PRICE</b>						
<b>Initial balance as at 1 July 2017</b>	<b>221,544</b>	<b>4,283</b>	<b>616</b>	<b>40,864</b>	<b>2,477</b>	<b>269,784</b>
Increments	1,862	181	105	--	--	<b>2,148</b>
Decreases	-33,230	--	-92	--	-483	<b>-33,805</b>
Impact of acquisitions	1,800	--	--	--	--	<b>1,800</b>
Reclassification	524	--	-524	60	-60	--
<b>End balance as at 30 June 2018</b>	<b>192,500</b>	<b>4,464</b>	<b>105</b>	<b>40,924</b>	<b>1,934</b>	<b>239,927</b>
<b>ADJUSTED ENTRIES AND ACCUMULATED DEPRECIATION</b>						
<b>Initial balance as at 1 July 2017</b>	<b>-210,901</b>	<b>-2,686</b>	<b>--</b>	<b>-29,371</b>	<b>-2,210</b>	<b>-245,168</b>
Depreciation	-4,374	-680	--	-3,851	-12	<b>-8,917</b>
Impact of acquisitions	-1,557	--	--	--	--	<b>-1,557</b>
Decreases	33,230	--	--	--	302	<b>33,532</b>
Reclassification	--	--	--	--	--	--
<b>End balance as at 30 June 2018</b>	<b>-183,602</b>	<b>-3,366</b>	<b>--</b>	<b>-33,222</b>	<b>-1,920</b>	<b>-222,110</b>
<b>Residual value 1 July 2017</b>	<b>10,643</b>	<b>1,597</b>	<b>616</b>	<b>11,493</b>	<b>267</b>	<b>24,616</b>
<b>Residual value 30 June 2018</b>	<b>8,898</b>	<b>1,098</b>	<b>105</b>	<b>7,702</b>	<b>14</b>	<b>17,817</b>

**B) TANGIBLE FIXED ASSETS (CZK THOUSANDS)**

	Land and structures	Machinery and equipment	Other fixed tangible assets	Valuation difference on acquired assets	Provided advances and unfinished fixed tangible assets	TOTAL
<b>ACQUISITION PRICE</b>						
<b>Initial balance as at 1 July 2018</b>	<b>26,430</b>	<b>136,154</b>	<b>17,398</b>	<b>3,000</b>	<b>873</b>	<b>183,855</b>
Increments	--	20,189	374	--	1,025	<b>21,588</b>
Decreases	-720	-18,323	-269	--	--	<b>-19,312</b>
Impact of acquisitions	--	37,472	--	97	--	<b>37,569</b>
Reclassification	--	873	--	--	-873	--
Exchange rate difference	-257	-540	--	--	--	<b>-797</b>
<b>End balance as at 30 June 2019</b>	<b>25,453</b>	<b>175,825</b>	<b>17,503</b>	<b>3,097</b>	<b>1,025</b>	<b>222,903</b>
<b>ADJUSTED ENTRIES AND ACCUMULATED DEPRECIATION</b>						
<b>Initial balance as at 1 July 2018</b>	<b>-2,220</b>	<b>-96,966</b>	<b>-12,243</b>	<b>-2,767</b>	<b>--</b>	<b>-114,196</b>
Depreciation	-582	-20,459	-1,508	-207	--	<b>-22,756</b>
Accumulated depreciation	141	16,774	269	--	--	<b>17,184</b>
Impact of acquisitions	--	-24,783	--	-58	--	<b>-24,841</b>
Exchange rate difference	18	373	83	--	--	<b>474</b>
<b>End balance as at 30 June 2019</b>	<b>-2,643</b>	<b>-125,061</b>	<b>-13,399</b>	<b>-3,032</b>	<b>--</b>	<b>-144,135</b>
<b>Residual value 1 July 2018</b>	<b>24,210</b>	<b>39,188</b>	<b>5,155</b>	<b>233</b>	<b>873</b>	<b>69,659</b>
<b>Residual value 30 June 2019</b>	<b>22,810</b>	<b>50,764</b>	<b>4,104</b>	<b>65</b>	<b>1,025</b>	<b>78,768</b>

Increments of non-current assets in 2019 mainly consisted of the purchase of cars and IT equipment, as well as the classification of assets due to new acquisitions.

**B) TANGIBLE FIXED ASSETS (CZK THOUSANDS)**

	Land and structures	Machinery and equipment	Other fixed tangible assets	Valuation difference on acquired assets	Provided advances and unfinished fixed tangible assets	TOTAL
<b>ACQUISITION PRICE</b>						
Initial balance as at 1 July 2017	26,929	107,008	16,335	--	165	<b>150,437</b>
Increments	--	19,230	1,411	--	708	<b>21,349</b>
Decreases	-499	-16,859	-348	--	--	<b>-17,706</b>
Impact of acquisitions	--	26,776	--	3,000	--	<b>29,776</b>
<b>End balance as at 30 June 2018</b>	<b>26,430</b>	<b>136,154</b>	<b>17,398</b>	<b>3,000</b>	<b>873</b>	<b>183,855</b>
<b>ADJUSTED ENTRIES AND ACCUMULATED DEPRECIATION</b>						
Initial balance as at 1 July 2017	-1,580	-82,739	-10,494	--	--	<b>-94,813</b>
Depreciation	-1,139	-15,601	-1,932	-167	--	<b>-18,839</b>
Impact of acquisitions	--	-14,792	--	-2,600	--	<b>-17,392</b>
Accumulated depreciation	499	16,166	183	--	--	<b>16,848</b>
Reclassification	--	--	--	--	--	<b>--</b>
<b>End balance as at 30 June 2018</b>	<b>-2,220</b>	<b>-96,966</b>	<b>-12,243</b>	<b>-2,767</b>	<b>--</b>	<b>-114,196</b>
<b>Residual value 1 July 2017</b>	<b>25,349</b>	<b>24,269</b>	<b>5,841</b>	<b>--</b>	<b>165</b>	<b>55,624</b>
<b>Residual value 30 June 2018</b>	<b>24,210</b>	<b>39,188</b>	<b>5,155</b>	<b>233</b>	<b>873</b>	<b>69,659</b>

The Group does not have any fixed assets subject to lien.

## **8. FINANCIAL ASSETS**

### **LONG-TERM FINANCIAL ASSETS**

The Group records non-current financial assets totalling TCZK 18,569 (TCZK 13,729 as at 30 June 2018). These are interests in subsidiaries, including the advance payment for long-term financial assets in the amount of TCZK 1,557. As of 30 June 2019,

the Company has an allowance of TCZK 3,150 for these assets.

### **SHORT-TERM FINANCIAL ASSETS**

The Group records short-term financial assets in the amount of TCZK 642 (TCZK 68,330 as at 30 June 2018). In 2018, other short-term assets consisted of bills of exchange due on 12 September 2018 from J&T Private Equity B.V.

## **9. INVENTORY**

Unfinished production consists mainly of capitalised costs associated with work in progress for customers.

As of 30 June 2019, the Group has an allowance of TCZK 229 (TCZK 177 as at 30 June 2018) for these assets.

### **INVENTORY - NET VALUE**

<b>Inventory</b>	<b>as at 30 June 2018</b>	<b>as at 30 June 2019</b>
Material	200	299
Goods	11,315	11,357
Unfinished production	27,054	31,569
<b>Total</b>	<b>38,569</b>	<b>43,226</b>

## **10. INVESTMENT INCENTIVES AND SUBSIDIES**

The Group did not receive any investment incentives in 2019. In 2018, the Group received a subsidy for the purchase of an electric vehicle totalling TCZK 270.

## **11. SHORT-TERM RECEIVABLES**

Short-term receivables consist mainly of short-term trade receivables of TCZK 188,609 (TCZK 133,975 as at 30 June 2018), of which TCZK 25,944 (TCZK 34,389 as at 30 June 2018) are overdue receivables. As at 30 June 2019, an adjusting entry for dubious receivables was created in the amount of TCZK 9,087 (TCZK 2,857 as at 30 June 2018).

Short-term receivables - controlled or controlling person total TCZK 10,202.

The receivables consist of loans provided to Solitea Pay, s.r.o. not included in the consolidation group. The loans are interest bearing.

Short-term receivables also consist of short-term advances provided, representing advances provided to Rustonka Development s.r.o. for additional rent according to the lease agreement for business premises in the amount of TCZK 7,433.

Other short-term receivables primarily include tax receivables.

The Group does not record long-term receivables with maturity longer than five years (TCZK 0 as at 30 June 2018).

## **12. ACCRUALS OF ASSETS**

Accruals and deferrals primarily include accrued expenses of TCZK 17,115 (TCZK 8,389 as at 30 June 2018).

## **13. DERIVATIVES**

The Group held open currency forwards as at 30 June 2019. The fair value of these forwards in the amount of TCZK 230 is reported in Short-term Liabilities (TCZK 39 as at 30 June 2018).

## **14. EQUITY**

Movements in equity accounts are presented in the "Equity Changes Overview".

## **15. PROVISIONS**

Other provisions include provisions for bonuses, provision for pensions, provision for untaken holidays and provision for guarantees. Estimated tax due of TCZK 26,837 was reduced by the deduction of paid income tax advances of TCZK 27,028 and the resulting receivable was reported in Short-term receivables.

## PROVISIONS

	Provision for income tax	Other provisions	Total
Balance as at 1 July 2018	2 773	26 249	29 022
Change of status	-2 773	2 350	-423
Balance of provisions as at June 30 2019	--	28 599	28 599

### 16. LONG-TERM LIABILITIES

Long-term liabilities mainly consist of unpaid parts of the purchase price of investments in long-term financial assets in the amount of TCZK 61,853 (TCZK 47,500 as at 30 June 2018). These are non-interest-bearing liabilities due after 1 July 2020.

The Group registers no long-term liabilities with maturities longer than five years (TCZK 0 as at 30 June 2018).

### 17. SHORT-TERM LIABILITIES

a) Short-term trade liabilities amount to TCZK 52,600 (TCZK 48,559 as at 30 June 2018), of which TCZK 2,992 are liabilities after the due date (TCZK 603 as at 30 June 2018).

b) Tax liabilities to the state are included in the amount of TCZK 28,271 (TCZK 16,557 as at 30 June 2018).

c) Liabilities to employees and liabilities from social security and health insurance total TCZK 78,971 (TCZK 59,414 as at 30 June 2018).

d) Other liabilities consist primarily of short-term liabilities arising from the unpaid portion of the purchase price of financial investments of TCZK 73,126 (TCZK 33,439 as at 30 June 2018).

### 18. LIABILITIES TO CREDIT INSTITUTIONS

As of 30 June 2019, the Group registers a short-term liability to a credit institution in the amount of TCZK 8,000 in respect of a loan received. The liability is due on April 22, 2020.

The Group also records a long-term liability of TCZK 5,273 with a maturity of up to 5 years.

### 19. ACCRUALS OF LIABILITIES

Časové rozlišení pasiv ve výši 181 909 tis. Kč (152 756 tis. Kč k 30. 6. 2018) představují zejména výnosy příštích období ve výši 180 060 tis. Kč (149 339 tis. Kč k 30. 6. 2018). Výnosy příštích období tvoří výnosy z poplatků za užívání softwaru, za údržbu systémů a poskytované služby.

### 20. CONTINGENT LIABILITIES

Based on a contract for the sale and purchase of 100% of the shares of Vema, a.s., a subsequent increase in the purchase price may occur. These increases are subject to certain future conditions and will also be quantified depending on future data. Therefore, the Group may incur a liability in the following periods.

### 21. INFORMATION ON REVENUES

## BREAKDOWN OF GROUP REVENUES FROM SALES OF PRODUCTS, GOODS AND SERVICES FROM ORDINARY ACTIVITIES (CZK THOUSANDS)

Revenues	2018	2019
<b>Sales of products and services</b>	<b>998,412</b>	<b>1,159,126</b>
Domestic	648,444	741,948
International	349,968	417,178
<b>Sales of goods</b>	<b>137,005</b>	<b>176,783</b>
Domestic	95,733	125,518
International	41,272	51,265
<b>Total</b>	<b>1,135,417</b>	<b>1,335,909</b>

## 22. OUTPUT CONSUMPTION

The output consumption mainly includes service items of TCZK 328,342 (2018 – CZK 297,790), as well as costs of goods sold, and consumption of materials and energy of TCZK 145,673 (2018 – TCZK 114,108).

The most significant items of services are mainly IT consulting services, subcontracting services

and development services totalling TCZK 198,146 (2018 – TCZK 187,573). Other significant services include the rental and management costs of buildings, and marketing activities in the amount of TCZK 72,235 (2018 – TCZK 70,712).

## 23. OTHER OPERATING REVENUES AND EXPENSES

a) Other operating revenues  
Other operating revenues amounted

to TCZK 12,914 (2018 – TCZK 5,939), of which TCZK 5,676 (2018 – TCZK 3,178) were revenues from sold assets.

b) Other operating expenses  
Other operating expenses totalled TCZK 13,374 (2018 – TCZK 17,439) and are mainly due to the sale of fixed assets, insurance costs and the creation of operating provisions.

## 24. INFORMATION ON REMUNERATION FOR STATUTORY AUDITORS

### INFORMATION ON REMUNERATION FOR STATUTORY AUDITORS

	2018	2019
Mandatory audit	1,592	1,771
Other verification services	-	-
Tax consulting	-	-
Other non-audit services	-	-
<b>Total</b>	<b>1,592</b>	<b>1,771</b>

## 25. EMPLOYEES AND MEMBERS OF MANAGEMENT, SUPERVISORY AND ADMINISTRATIVE BODIES

### EMPLOYEES AND MEMBERS OF MANAGEMENT, SUPERVISORY AND ADMINISTRATIVE BODIES

2019	Average converted number	Wage costs	Statutory social security and health insurance	Other personnel costs	Total
Employees	720	494,969	152,032	23,435	670,436
Managers*	23	43,566	10,435	664	54,666
<b>Total</b>	<b>743</b>	<b>538,535</b>	<b>162,467</b>	<b>24,099</b>	<b>725,102</b>

\* Wage costs of members of the management, control and administrative bodies represent remuneration to the members of those bodies based on their function.



**EMPLOYEES AND MEMBERS OF MANAGEMENT, SUPERVISORY AND ADMINISTRATIVE BODIES**

2018	Average converted number	Wage 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
<b>Total</b>	<b>614</b>	<b>450,899</b>	<b>130,938</b>	<b>9,843</b>	<b>591,680</b>

\* Wage costs of members of the management, supervisory and administrative bodies represent remuneration to the members of those bodies based on their function

Remuneration to members of the management, control or administrative organs on account of their functions are paid based on duly concluded and approved contracts.

The Group has no liabilities to former members of the board of directors, supervisory or administrative bodies from the pension title.

**26. INCOME TAX**

a) Due

Currently due income tax comprises tax for the tax period ending

30 June 2019 of TCZK 26,837 (2018 – TCZK 20,163).

b) Deferred

In accordance with the accounting procedure described in Note 3j), a tax rate of 19% (2018 – 19%) was used to calculate deferred tax. For foreign companies, the relevant country's tax rate was applied.

The Group records a deferred tax asset of TCZK 6,647. As at 30 June 2018, the Group had a deferred tax asset of TCZK 926.

The income tax in the income statement includes revenue from the change in deferred tax of TCZK 5,322.

**27. INFORMATION ON TRANSACTIONS WITH RELATED PARTIES**

In the current or previous accounting period, members of the governing, supervisory and administrative bodies received no advances, deposits, credits loans, granted guarantees or other benefits.

**28. ACQUIRED ASSETS**

a) Financial leasing

The Group is contractually obliged to pay lease payments for financial leasing of vehicles as follows:

**ACQUIRED ASSETS**

	Leasing instalments total	Paid as at 31 December	Mature within 1 year	Mature in 1 to 5 years	Mature in subsequent years
2019 Passenger cars	2,585	2,510	75	--	--
2018 Passenger cars	1,676	1,525	150	1	--

b) Operational leasing

The Group has concluded contracts for the lease of property and cars.

Total costs related to these contracts for 2019 amounted to TCZK 36,944 (2018 – TCZK 33,405).

**29. OTHER FINANCIAL REVENUES AND EXPENSES**

The Group reported other financial revenues of TCZK 13,830 (TCZK 3,317 as at 30 June 2018) and other financial expenses totalling TCZK 30,719 (TCZK 3,935 as at 30 June 2018).

The most important items include an investment in Vema počítače a projektování s.r.o. of TCZK 8,528 of which the Group divested itself in 2019. The value of the liquidation balance was recognised in the income statement as other financial revenue of TCZK 8,528. The acquisition cost of the investment and the revaluation difference were recognised as other financial expenses of TCZK 23,100.

### **30. RESEARCH AND DEVELOPMENT**

The Group incurred software development costs totalling TCZK 100,220 (TCZK 67,528 as at 30 June 2018).

### **31. LIABILITIES NOT RECOGNISED ON THE BALANCE SHEET**

As of June 30, 2019, the Company entered into a swap deal with Komerční banka, as, which implied an obligation to sell to the Bank a total of EUR 550,000 at the rate of TCZK 25.863/EUR on 15 August 2019. This liability is recognised in the off-balance sheet account "Liabilities from forward and swap contracts." The fair value of this swap trade is TCZK 230 and

is reported in the Other receivables item. As of 30 June 2019, and as at 30 June 2018, the Group did not have any other material liabilities that are not recognised in the balance sheet, except for liabilities arising from contracts listed in Note 28.

On behalf of the Group, Komerční banka has provided the creditor Státní Pokladna Centrum Sdílených Služeb with a non-payment guarantee of TCZK 5,000. This guarantee is valid until 20 September 2019.

### **32. CASH FLOW OVERVIEW**

The cash flow statement has been prepared using the indirect method and is included in the financial statements as a separate statement.

### **33. MAJOR SUBSEQUENT EVENTS** **NÁSLEDNÉ UDÁLOSTI**

On 4 July 2019, the Group entered into a contract on the acquisition of a stake in Dotykačka Holding a.s.

On 8 August 2019, the shareholders decided to contribute TCZK 258,259 to the Company's equity outside the registered capital.

On 2 December 2019, Solitea, a.s. purchased a 100% stake in Clever Decision, spol. s r.o., Czech Republic.

On 6 December 2019, Saop d.o.o. acquired a 100% stake in MIT informatika d.o.o., Slovenia.

**In Brno, on 10 January 2020**



**Martin Cígler**  
**Chairman of the Board**



**KPMG Česká republika Audit, s.r.o.**

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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") and its subsidiaries (together "the Group"), prepared in accordance with Czech accounting legislation, which comprise the consolidated balance sheet as at 30 June 2019, 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 Group 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 consolidated financial position of the Group as at 30 June 2019, and of its consolidated financial performance and its consolidated 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 Group 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 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 Group 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the statutory body either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 2019, based on which this independent auditor's report has been prepared.

Prague  
10 January 2020

  
KPMG Česká republika Audit, s.r.o.  
Registration number 71

  
Martin Kocik  
Partner  
Registration number 2335

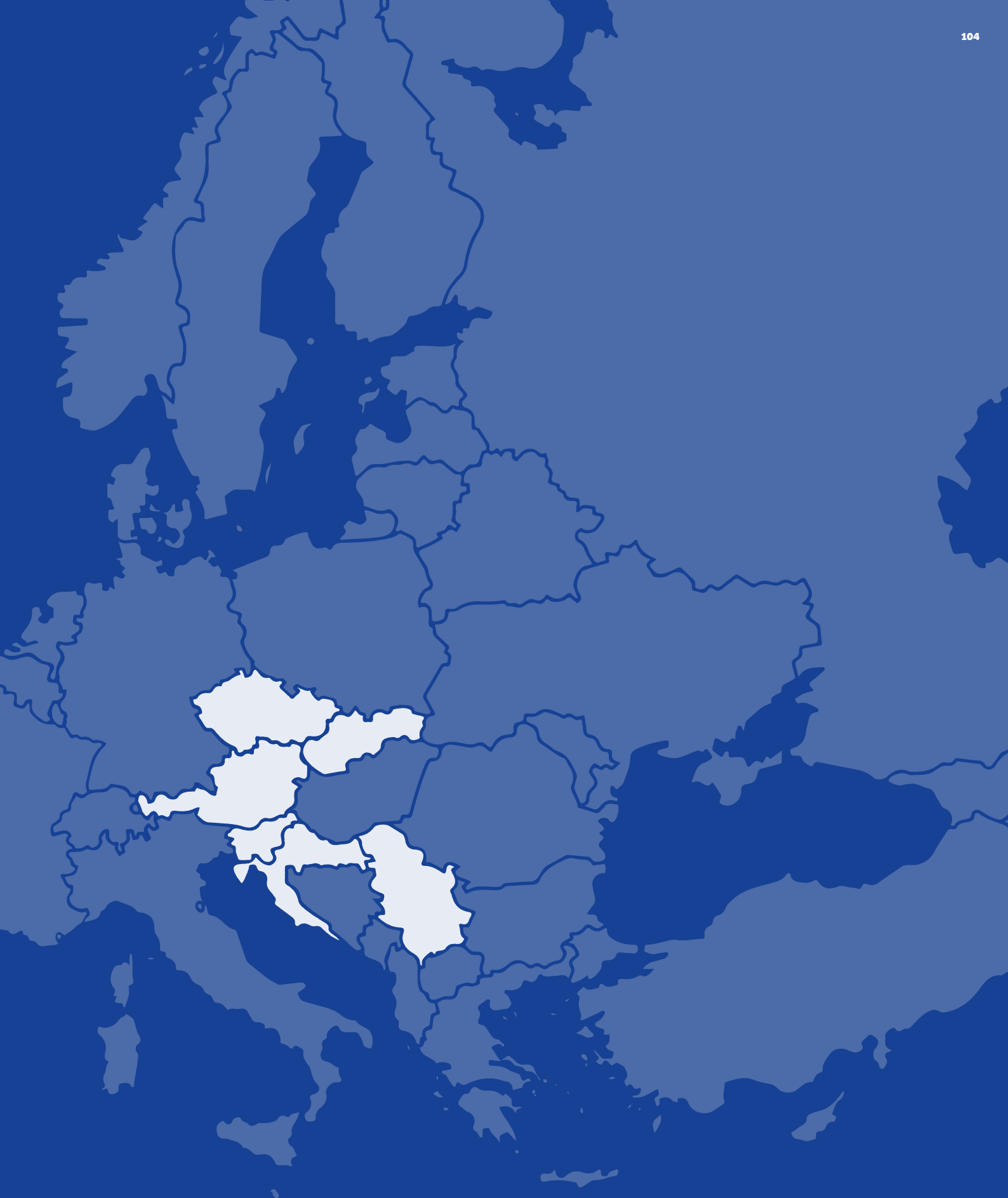


# 11

## **TERRITORIAL** **PRESENCE**

**As of the end of the 2019 fiscal year, Solitea had branches in six countries (Czech Republic, Slovakia, Slovenia, Austria, Croatia and Serbia) and served customers from 21 countries world-wide.**

**With more than 30 locations in the Czech Republic, Slovenia, Slovakia, Austria, Croatia and Serbia, Solitea serves customers from most European Union countries and other countries, and has a wide network of business and implementation partners at its disposal.**

**REGISTERED OFFICES:**

Czech Republic | Slovakia | Austria

Slovenia | Croatia | Serbia



**WE IMPROVE**  
**BUSINESSES AND LIVES.**  
**WE ARE THE SOLUTION.**  
**WE ARE SOLITEA.**

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