

**COVID-19 pandemic
changes IT world**

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COVID-19 pandemic changes IT world

2020 Consolidated Annual Report
1 July 2019 to 30 June 2020

Martin Cígler
Chairman of the Board, Solitea, a.s.
In Brno on 5 January 2021

 **Solitea**

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Key data

IN THOUSANDS OF CZK	2019	2020	Change
Revenues	1,363,403	1,792,902	32 %
EBITDA	129,911	156,206	20 %
Personnel costs	725,102	900,400	24 %
Pre-tax profit	27,453	38,202	39 %
Assets	1,392,691	2,193,859	58 %
Equity	865,219	1,385,186	60 %
Short-term liabilities	246,056	473,807	93 %
Long-term liabilities	70,908	12,676	-82 %
Employee base	743	975	31 %

Data are presented without Dotykačka holding (of which 58 % is owned by Solitea) and its subsidiaries.

Last year, we achieved sales of

1,792,902

thousands of CZK.

The increase in sales amounts to

32 %

compared to last year.

Earnings before interest, taxes, depreciation, and amortisation amounted to

156,206

thousands of CZK.

Profit before taxation grew by

39 %

year-on-year.

Our Company's assets amount to

2,193,859

thousands of CZK.

The number of employees increased to

975

The first member company of the Group was established in

1946

in Austria.

Solitea Holding has been on the market for

7

years.

Company history



1946

The oldest company in the group, Data Systems Austria, now JET ERP Betriebsgesellschaft mbH, 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

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

Solitea continues to strengthen its brand by rebranding CÍGLER 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

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

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.

2020

Solitea underwent substantial restructuring in preparation for the merger in the Czech Republic and Slovakia and is newly internally divided into four divisions. The Company continues in strong acquisition activities both in the Czech Republic and abroad. By acquiring AXIOM PROVIS Int. and Clever Decision, it has reinforced its position of Microsoft's most significant Czech partner in the business solutions area. By acquiring Dotykačka and Smart software, Solitea has become the POS systems leader on the Czech market. The Company managed to tackle the situation caused by the COVID-19 outbreak successfully. The holding's consolidated revenues are close to CZK 1.8 billion (growth of 32% compared to fiscal year 2019); EBITDA amounts to CZK 156 million (growth of 20%).

COVID-19 pandemic changes IT world



Martin Cigler | CEO

01

The COVID-19 pandemic has changed the economic world. It has also changed things that we have so far considered unchangeable. Over the last few decades, no other event has changed society more, and a number of significant world economies closed the second quarter of 2020 with a record decline. Today, the crisis' further development is difficult to predict and the repercussions of the pandemic will most definitely have a significant effect on some of our customers. However, the crisis can also prove to be an opportunity. The pandemic is changing the IT world, customers are coping with government lockdowns by working from home and need to have support for related processes. These demands accelerate the significance of the cloud, a solution making the management of company possible from anywhere. Thanks to our strong orientation to cloud solutions and long-term efforts to understand the needs of our customers, Solitea is doing well even in these difficult times.

The fiscal year 2020 was a year of reconstructing the internal structure of Solitea in the Czech Republic and Slovakia and preparing it for a merger, whose decisive date in both countries was 1 July 2020. In the Czech Republic, 15 companies merged; among our larger subsidiaries, only Dotykačka Holding and its subsidiaries did not participate in the merger. Six companies took part in the merger in Slovakia. Solitea also changed its internal structure, which is now divided into four divisions: Small Business, Medium-sized Business, Payroll & Human Resources and Enterprise & Public. The unification of our activities in the Czech Republic and Slovakia will simplify Company management, make internal processes more effective and enable us to faster share know-how and internal synergies. Externally, we have become a larger, more respected and clearer partner for all customers and suppliers.

The merger, with no equal on the Czech-Slovak IT market as for scope, has attracted the interest of a number of good-quality managers who have chosen to start working for Solitea. Thanks to this, we formed a management board and set up internal processes during the fiscal year so as to steer clear of most negatives accompanying company mergers, in particular in the human resources area and the merging of different intercompany cultures. A big thank you is due to the people who actively participated in the merger process with above-standard energy.

In fiscal year 2020, Solitea and its subsidiary companies achieved a 31% increase in sales compared to fiscal year 2019. EBITDA grew by 34% to CZK 179.4 million despite extensive investments in R&D, removal costs in Prague, Brno and Bratislava and costs relating to the merger. Company growth was not only organic, but also significantly affected by strategic acquisitions. The outstanding results are also the result of our rapid response to the COVID-19 pandemic, together with the acceleration of revenues from our 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 Axiom, CDL, Clever Decision, Dynamica and WBI 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 14,5% to EUR 3.136 million, and further strengthened its lead position on the Slovenian market. iDoklad achieved revenues of CZK 35 million in 2020. In addition, the number of its customers increased by 19% year-on-year in the Czech Republic and Slovakia; as at 30 June 2020, iDoklad registered over 275,000 active accounts and 24,500 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 20%, and wage outsourcing showed growth of 18%.

Solitea was again very successful in the segment of on-premise ERP systems, which make up a large portion of its revenues. Despite the decline in world economies, high sales of Byznys, Vario, Money S4, Money S5 and iCenter systems were accelerated especially by a high level of services rendered to customers, who then like to recommend our products and solutions.

The retail and POS grew significantly up to the beginning of the COVID-19 pandemic when this part of our activities became the only affected segment. The lockdown and the related postponement of the start of amendments to acts on POS systems in Poland, the Czech Republic and Slovakia resulted in revenues amounting to 9% below the planned revenues in this segment. In March and April, the decline in sales was considerable and started to first approach expected revenues only before the summer holidays. Solitea serves 25,000 POS customers in the Czech Republic, making us the leader in this market with a big margin.

In the field of Microsoft products, Solitea closely cooperated with the international Kion Group, in particular with its Linde Material Handling (MH) part, which is one of the world's largest producers of forklift trucks and warehouse equipment. The cooperation is based on deliveries of the Microsoft Dynamics 365 Business Central economic information system, including the MD Truck integrated solution, which was developed directly for

the needs of the Linde MH Group. In 2020, an upgrade of the solution for Linde MH Ireland was carried out and the implementation project for Linde Vilicar Slovenia was started. The supplied solution is continuously supplemented by other products of the Microsoft Eco system, such as Business Intelligence, Dynamics 365 for Sales etc. Apart from the above-mentioned projects, the economic information system in Linde MH Czech Republic is being significantly supported and developed. By collaborating with the Linde MH Group, Solitea demonstrates its ability to successfully render its services and to support supplied solutions in a strongly competitive international environment.

In the field of Dynamics 365 F&O, we acquired and implemented the solution of consolidation, elimination and controlling for GGE, a significant player on both Slovak and international market, one of the leading Slovak energy groups investing in various fields of the power industry, from manufacture and distribution to energy supply. The group comprises not only companies from Slovakia, but also from Poland and the Czech Republic. A solution built on Dynamics 365 F&O and Power BI enables the customer to unify the database of approximately 35 group companies equipped with different information systems, as well as to automate consolidation and elimination processes. An important part of the project is also controlling, which is rather demanding with such a large number of companies. The project will continue with implementations in other areas of the ERP system.

We all know the top brands in the Czech automotive and financial services field. They include such names as Mercedes (Mercedes-Benz Cars Czech Republic s.r.o.) and UniCredit leasing CZ&SK. During the previous fiscal year, we managed to upgrade both customers to a new version of the ERP system that they use for their daily routine. UniCredit leasing CZ&SK transferred from the original, now obsolete Microsoft Dynamics NAV 2009 version to the latest version of the Dynamics 365 Business Central system. The system currently serves the entire administration of the lease and loan contract life cycle (contract activation, contract administration, various changes and adjustments of contracts within the life cycle, their regular and extraordinary termination, enforcement and penalties, all with an overlap into accounting). Mercedes-Benz Cars transferred from a very old version of the Incadea system to the current 7.2 version. Incadea services the entire dealership agenda at the customer, from purchasing a new car, its service, purchasing its spare parts, the sale and purchase of used cars to car rentals.

A significant achievement in the area of Infor products was the closure of a contract on the project of new information system implementation for the ŠKODA TRANSPORTATION group, connected with a transition to the latest version of Infor LN software. The closure of the contract was preceded by an independent project of analysis and solution design, whose results the ŠKODA TRANSPORTATION Group accepted as the plan of business information system development for the entire group. The first phase of the multi-business centralised solution implementation for the entities of ŠKODA TRANSPORTATION and ŠKODA Vagónka is scheduled to take place in 2020 and 2021. In connection with the completion of the first phase, a roll-out of the project is planned for other group companies in the Czech Republic and abroad. Although the new ERP reimplementation project was launched exactly one week before the introduction of strict quarantine measures, its progress was not affected by this in any way. Within 48 hours, both parties transferred to an online work regime. The project thus continued with increased effort on the part of the customer's and Solitea's teams while its deadlines were met, and its budget and quality were maintained. An important part of the project is the extension of the Infor solutions to other business management areas, which will secure income from commissions for the sale of licenses for new software components and users. In the next period, we are expecting an increase in the revenue from maintenance and support services.

Other achievements include the continuation of cooperation in the extension and optimisation of the Infor LN business system in Aircraft Industries with the aim to transfer to the 10.8 Infor LN version in the next calendar year.

An important step in reinforcing the cooperation with Infor Global Solutions was signing the new partnership agreement providing us with access to further products from Infor and enabling us to provide an even more comprehensive solution to information systems in the segment of large manufacturing companies.

In the field of data analytics, we successfully launched the project of data warehouse and reporting for Zentiva. Thanks to our agile approach to the project, we managed to effectively respond to the customer's requests and deliver reporting for Poland as the first region. Following several successfully managed iterations for Poland, the delivery for another region, Romania, started in parallel. At the same time, we started to provide

support to already implemented parts of the project in production.

Czech Property Investment (CPI) continues to be a significant customer in the field of data analytics, where the supply and development of data warehouse, reporting, planning and forecasting solution is underway. This solution belongs to business critical applications in CPI and more than 500 users work with it, including the company's top management.

Simultaneously, Solitea managed to commence the supply of further services for Česká spořitelna, specifically in the field of Microsoft Azure cloud technologies. With the same technologies, we started the project of data warehouse and reporting for Lasvit, where several phases of supply have already been implemented with an agile project approach.

In the field of infrastructure, Solitea proved that it is not afraid of new trends or big challenges. In cooperation with its technological partner, Hewlett Packard Enterprise, it commissioned the server and storage equipment for the data centre of the main applications operation of AGC Glass Europe SA/NV in Brussels, Belgium. All technology is delivered to our large European customer as a service based on payment for capacity used. We help other large customers with their transition to the cloud, e.g. Globus Czech Republic in the unification of the MS Office 365 tenants of the German head office, and their Czech and Russian branches.

Solitea's most visible success in the public administration sector was the commissioning of the shared medication record as part of the eReceipt solution, which Solitea supplied in the past and has continuously developed and operated for the State Institute for Drug Control. Based on the patient's consent, the shared medication record lets attending physicians, pharmacists and other health professionals peruse a patient's medication record, and thus prevent duplication or medicine interactions that may seriously affect a patient's life. Another important functionality implemented by Solitea as part of the electronic prescription is the possibility of dispensing a prescribed medicinal product only upon the presentation of an ID card or passport. By reading the bar code or copying the number of the ID, the pharmacist obtains a list of all prescribed and currently valid eReceipts. This is the next step leading to improving the quality and modernising the eReceipt system so that it can bring as many benefits as possible to all groups of its users.

Another significant success is the commissioning of the first part of the Import National system for the Finnish customs administration. This part of the system supports customs procedure processes concerning the release of goods for free circulation for individuals. This is another key milestone in the long-term programme whose aim is the modernisation and a higher level of automation of the customs procedure in Finland.

Cloud computing drives further growth

The COVID-19 pandemic only confirms our notion that the ERP world will undergo major changes over the next few years. Investments in new product development and innovation are key factors for the Company's success. Solitea is therefore investing in new cloud solutions and 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 2003 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 other acquisitions of Microsoft partners AXIOM PROVIS Int. and Clever Decision. Today, we have the biggest team in the Czech Republic, consisting of over 250 members, capable of implementing Microsoft cloud solutions.

Acquisitions

Completed acquisitions contributed to Solitea Holding's huge year-on-year growth in the 2020 fiscal year. Solitea's ambition is to be one of Microsoft's largest regional partners, and many acquisitions have therefore targeted Microsoft partners. Companies are now massively investing in information processing, and the logical step was the strengthening of business intelligence

competence through the acquisition of Clever Decision. The acquisition of AXIOM PROVIS Int. and its subsidiary companies not only reinforced our position as the leader in the Microsoft Dynamics segment, but also supplemented our portfolio by including the One Core product for companies in the finance sector, providing finance and loan services (finance leases, operating leases, loans, borrowings, etc.) and by representing Incadea, the world's number one in software for car dealerships. The acquisitions of Dotykačka and Smart software in the summer months of 2019 made the Company the leader of the POS system market in the Czech Republic. In Slovenia, the acquisition of MIT expanded the Company's portfolio to include manufacturing software for medium-sized companies in the Balkan region, and the acquisition of Opal Informatika, completed in September 2020, reinforced the Company's position of the local market leader in the segment of large accounting and tax offices.

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 autumn 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 entered did not significantly invest in communication. Moreover, most of them promoted individual product brands in their communications, and the company name was neglected; 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 spring 2016, the Company started prioritising the Solitea brand. 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.

At the very end of the fiscal year, Solitea's logo was modernised in connection with the merger of Solitea's Czech and Slovak subsidiaries, and new unified brand promotion was prepared, supported by new corporate webpages. Rebranding also started in the Balkans, with SAOP changing its name to Solitea as of 2021.

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

The success of the Company lies in its employees. Finding and retaining the right people is a key element in Solitea's success. Therefore, promising talent is sought at the university level through internships for students, professional supervision 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. 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.

The integration of most internal systems into a common tenant environment in the Microsoft Azure cloud allowed us to maximise teamwork synergies in sharing the resources of the members of the Holding in developing new products and supporting existing ones. All companies that are part of the planned merger have now already been fully transferred into a common tenant and make use of the services of Office 365, Microsoft 365 or Dynamics 365.

To protect quite extensive common data, a cutting-edge 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, as well as 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

Although we approach the COVID-19 pandemic with great respect and humility, we perceive it as an opportunity for growth. Strong growth in demand for SaaS solutions is expected and to continue 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



Vasky

iDoklad

“iDoklad helps us keep our invoices in order so that we can focus on substantially more important matters, such as customer care. In this, we are in keeping with the Baťa tradition – our customer is our master.”

Václav Staněk | Founder

Solitea solution for self-employed and small businesses



Vasky (photo: Lucie Urban)

02

Software is going to play an increasingly more strategic role also in the self-employed and small business segment. From being the necessary evil needed to submit an income tax return, it will transform itself into the role of a significant facilitator of doing business. At the same time, the cloud as a manner of software development, distribution, and application is changing the paradigm and established practices. It enables companies to work with data in a new way, facilitates communication and brings a competitive edge.

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.

Solitea wants to be present when this happens and wants to be one of the market leaders of cloud invoicing and accounting software for the self-employed and small businesses. With iDoklad, JET REWE, Minimax and Money S3 products and services we belong to accounting software market leaders in the Czech Republic, Slovakia and Slovenia, and we have a strong position in other Balkan countries and Austria. Our software is used by hundreds of thousands of self-employed and small businesses. We benefit from high functionality combined with an agreeable user interface.

A significant part of our customers consists of accounting companies and their clients, cooperating very often in a hybrid regime when the customer uses one of our cloud solutions (iDoklad, Minimax), and a full accounting or even robust ERP software (Money, Vario, Byznys, Minimax, iCenter) is run on the part of the accounting office. Thanks to this, even the smallest clients are able not only to communicate online with their accountant, often through a mobile application, but also to have a constant online overview of their company. This saves time to the accounting office, as copying original documents is no longer necessary in this regime.

iDoklad

iDoklad is the most popular online invoicing service on the Czech market. This is evidenced by the 275,000 self-employed and small businesses that to date have opened an account. And while the real number of active users remains slightly 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 50,000 entities use

iDoklad actively, with approx. 50% 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 which of them they will 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 POS system 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. The mobile application is available free of charge for iOS and Android.

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.

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.

A novel solution for 2020 is JET IRIS, which allows the setup and administration of the user authorisation system across all modules and mandators of JET REWE and JET DMS in an innovative and very flexible manner.

Minimax

Minimax is the leading online accounting software used by more 12,000 users in Slovenia, Croatia and Serbia. It runs in cloud and allows entrepreneurs, accountants and consultants to cooperate in one system regardless of their location and time.

Thanks to easy use, many intuitive functions and strong accounting, Minimax is the perfect solution for small and medium-sized companies. Easy integration of third parties' applications removes manual data entry from CRM, POS and other solutions commonly used by small businesses.

Minimax is not only accounting software, but over time it has also become a community that helps build loyal business relationships through knowledge base and good-quality electronic books, articles, webinars and events.

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.

Our strength is stability



Nohel Garden

Byznys

“System Byznys? For us it is above-standard care and a system that we can modify based on our new and continuously growing needs.”

Jiří Laipold | Head of IT Department



Solitea solutions for medium-sized businesses



Nohel Garden

03

Companies look for ways of maintaining operations and competitiveness. They improve and accelerate their internal processes. This is the reason behind Solitea's vision not only in the segment of solutions for medium-sized companies: Solitea wants to provide its customers with solutions enabling them to be at the cutting edge worldwide in data processing effectiveness and internal process control.

Software will play an increasingly strategic role in business. The cloud, a manner of developing, distributing and using software, changes paradigms and established practices. 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.

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.

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.

Solitea provides advanced and highly scalable ERP systems to companies for which tailor-made internal process solutions are the key requirement. It offers solutions both for companies active in the business and services segment (Money S4, Money S5, iCenter) and solutions for manufacturing companies (Vario, Byznys, iCenter, JET ORBIT). Solitea also has a strong position in information systems for government and budgetary organisations (iCenter, Vema 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. We help our customers increase their growth and profitability through the automation of business processes. The full range of Solitea's ERP portfolio is complemented by DMS, BI and workflow solutions.

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 authorisation-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 for 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.

Byznys

A robust ERP system for medium-sized 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, and 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 Byznys 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. Multiple companies can be processed under one access account.

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.

Customers of the iCenter system are guaranteed that they will be able to do their business more efficiently. The intelligent system gathers all important data providing users with a complete overview of business and detailed reports. It also offers a wide range of advanced functions, in particular in the warehouse management, business intelligence and document management area, enables process automation and simplifies report preparation for management.

The development of the iCenter system is based not only on Saop's 33 years of experience, but also on user practice that is a key part of the extensive development process. Our goal is to improve iCenter using the latest development methods with special emphasis on user environment design. An innovated iCenter will continue in its mission of 'simplifying business for customers for many years to come'.

JET ORBIT and JET BI

JET ORBIT is a robust ERP system used by companies with 50 to 500 employees in Austria and other nine European countries. The software benefits industries such as the food industry, mechanical engineering, wood processing and metalworking, as well as electrical engineering industry, waste management and wholesale. In 2020, JET ORBIT's options for new customers expanded, including customers from the construction production and wholesale with building materials. The system currently has almost 900 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 tried and tested interfaces to various systems, such as CAD, and diverse warehouse and logistics software are processed in the JET ORBIT system. A significant new feature, especially appreciated by clients with intensive international business relations, is the possibility of using B2B web shops or an interface for a forwarding agency.

Using the integrated solution JET BI (business intelligence) based on Qlik technology, 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 2,400 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 deployed 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 relevant 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. In the first half-year of 2020, during the beginning of the COVID-19 crisis, the Austrian government focused on the support to companies for the introduction and development of digitalisation. These stimuli considerably contributed to clients becoming increasingly interested in JET DMS and JET ECM and to the renewal of client investments in this area.

Money S4 and 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.

Vario

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

The 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 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.

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.

In general, the system specialises in the non-commercial segment, especially 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.

Our strategy is respect

Lasvit

IT infrastructure

“Our workplaces are located all over the world and the majority of our processes are fully controlled by information systems. Ensuring a good-quality infrastructure from America to China was a demanding task. I am glad that we managed it together with experts from Solitea.”

Jakub Svárovský | IT Manager



Solitea solutions for big customers and the public sector



Lasvit

04

For large companies and the public sector, Solitea has been a traditional and reliable partner. Our ambition is to further develop our position as the preferred partner for solutions that advance the continuing development of digital companies in the countries where we operate. In the eGovernment area, Solitea focuses on supporting the performance of the state institutions' specific agendas. At the end of the 2020 fiscal year, enterprise customers and the public sector accounted for 33% of Solitea's revenue.

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 key segment specialisations comprise customs duties, agriculture, and health care. In the customs duty area, we offer comprehensive process support and solutions for customs duty management automation. Our long-term customers include the General Directorate of Customs, and in the last decade, also customs administrators in Serbia, Montenegro and Finland. In agriculture, we provide agricultural registers, systems supporting the processing of applications for agricultural subsidies, and monitoring and information systems for the supervisory bodies of the Ministry of Agriculture. In health care, we offer systems for e-prescriptions, information systems for health insurance companies, and Access Points – information systems for cross-border information sharing on health and social benefits insurance.

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. As a result, our customers achieve greater efficiency and profitability.

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 employing 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 solutions

All products are tailored to meet the needs of customers from commercial, governmental, and public sectors. The HR system includes all support, (e.g., the Civil Service Act, specialised statistics); Ekos has all the means for monitoring and reporting budgets and their spending within legislative requirements. Our customers therefore include organisations such as the Government

Office, the Ministry of Finance and the General Financial Directorate. Among our customers are also nearly 2,000 schools and most large hospitals.

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

Data analytics

Transforming companies into efficient data-driven organisations.

We provide digitalised support solutions for managerial decision-making processes for medium and large corporations. We offer comprehensive services and products for data analytics, from strategic consultations to identifying improvement opportunities, to business analysis requirements, solution proposals, implementation, and training and support. Our solutions comprise all key areas of data analytics: data warehousing and data integration, business intelligence, advanced analytics and visualisation, reporting portals, self-service BI, master data management, applications for planning/budgeting/forecasting, and data science.

Infor

Infor is a world leader of company cloud software products for companies in industrial markets, building comprehensive cloud solutions for any segment and efficiently implementing technology to provide its user with first impressions, using data analytics. The system can be easily integrated into existing systems. Infor solutions are used by over 67,000 companies worldwide.

Solitea is exceptional due to its 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

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 under its original name, Baan. 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.

Infor Visual

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. We have been localising and implementing ERP Infor Visual for almost 20 years.

Infor OS

Infor OS is an integration platform of company information systems built on Infor products, with optional use of products from other contractors. It enables the integration of individual parts of the information system without any complex programming, and expands the basic ERP functionalities with a wide range of tools, including workflow, DMS, mobile client, web-portal interface, etc.

Infor CPQ

Infor CPQ is a top product and price configuration tool enabling customers to maximally adapt a required product to their individual needs. Infor CPQ represents an ideal tool for anyone offering their products or services to customers online or through authorised distributors and needing an automatic and seamless ERP order transfer to the production company.

Microsoft Dynamics 365

Microsoft Dynamics 365 is a global company software tool by Microsoft, including all tools for medium and large company management. Microsoft Dynamics 365 is a combination of CRM and ERP systems and other practical applications in both online and on-premise environments. 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 the integration of third-party solutions.

Dynamics 365 for Finance and Supply Chain Management

This is currently the most state-of-the-art Microsoft ERP platform available in an on-premise version and primarily advanced in an progressive online environment. Solitea uses it to implement robust solutions in the banking sector, in international and large companies with complex individual adjustment requirements. It offers a strong vertical solution for the provision of professional services (project oriented companies) in both production and retail. The platform is implemented on Microsoft – LCS Portal (Lifecycle Services) modern technologies, thus offering the maximum quality of the required adjustments, implementation documentation for any customer changes, and a process review option.

Thanks to the wide portfolio of Microsoft-certified partner solutions presented on a Microsoft partner portal (AppSource), it is possible to design effective solutions for large customers with minimum demands to customer modifications, thus simplifying all subsequent system upgrades.

Microsoft Dynamics Finance & Supply Chain Management 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, providing an overview of all financial and accounting data and information on activities with customers, and simplifying basic HR administration. It also includes marketing support tools and many other functionalities for modern company management.

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 Microsoft Dynamics 365 Business Central name. The application is also available for on-premise environments, namely for extensive and intensely customised projects. In the Czech Republic and Slovakia, Solitea has implemented this application for over 400 customers, becoming Microsoft's most significant partner in the region.

Microsoft Dynamics 365 Business Central is a comprehensive localised software ERP solution for medium-sized, all-in-one organisations, comprising company activities in logistics, finance, production and HR, if required. It can be speedily implemented, and easily configured and used.

Microsoft Dynamics 365 Business Central attributes help managers to identify new profit opportunities and respond accordingly and quickly. At each moment in time, the system provides up-to-date information on the company so that business and financial information is always linked to all sales and marketing data. Microsoft Dynamics 365 Business Central helps to understand what the company figures mean, thus helping with business management. It also helps to recognise new trends and identify new business opportunities. It can be successfully deployed in an international environment.

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 Sales CRM solution improves the efficiency of business processes and helps reduce operating costs. Customer relationship management provides the organisation with necessary information about each customer and helps automate business processes. CRM through Microsoft Dynamics 365 for Sales results in improving customer experience and increasing their loyalty. Microsoft Dynamics 365 for Sales provides comprehensive CRM, tools and functionalities necessary to maintain a comprehensive overview from the first contact, through the contractual relationship and business activities, to after-sale services in all fundamental areas including sales, marketing, and services.

Dynamics 365 for Customer Service

The application focuses on agendas related to seamless and proactive customer service.

Dynamics 365 for Field Service

This application is designed to manage field services such as maintenance, repairs, etc. It creates an information service for operators 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 email messages and online

support for marketing incentives, as well as event management, and the creation and administration of customer surveys.

Dynamics 365 Talent

This application supports HR departments and recruitment agencies. It helps select new employees and manage a company's complete HR agenda. It can also be linked with LinkedIn.

OneCore Suite

The OneCore for Microsoft Dynamics 365 Business Central is designed as a comprehensive financial services solution for all products in the segment, including finance and operating leases, loans, credits, mortgages, insurance, and many others. Importantly, it is our own product prepared as an extension of the Dynamics 365 Business Central system. The OneCore Suite product family comprises the following independent applications:

- **OneCore** – a robust CORE system for large financial and credit companies
- **OneCore Loans Express** – application for complete credit agreement processing in the Microsoft AppSource
- **OneCore Calculation Engine** – a tool for calculation of instalments, interest and financial indicators
- **OneCore Business Portal** – a tool for fast calculation of FL, OPL and credit offers, and their forwarding via email

Incadea

The incadea.dms system (Dealer Management System) is a product of our partner Incadea GmbH, based on the Microsoft Dynamics NAV (currently named Business Central) platform and adjusted for the needs of car sales. This solution is international, flexible and can be easily adjusted to the requirements of each customer. Individual modules in the incadea.dms system are interconnected to prevent duplicities and reduce error rates, providing dealership management with comprehensive financial information about company operations.

Microsoft 365

The ever-growing trend of cloud environment moves our DMS, workflow, HR app, and Intranet portal solutions from the MS SharePoint on-premise platform into the Microsoft 365 cloud environment, offering the expansion of SharePoint functionalities in file management

and information, and adding communication tools for team cooperation and other application functionalities.

We build Intranet portals, DMS system, applications for data-sharing with customers, knowledge bases, and other solutions within the Microsoft technologies. Our teams serve companies with customers in the lower hundreds, as well as large companies who see this platform as critical for cooperation.

During the crisis arising from the COVID-19 outbreak, the MS Teams application became a key tool for remote working. A negative event has brought about a positive impulse to spread this excellent solution which has since become an integral part of many projects.

Solitea infrastructure solutions

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 subsequently maintain an ICT infrastructure that is always reliable, accessible, and operable, as well as to facilitate the seamless operation of all important applications. Today, this does not involve just on-premise solutions. Cloud services are becoming increasingly 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.

Central infrastructure

At the core of every IT solution lies a suitably designed central infrastructure including computational performance, data storage and security. We build comprehensive data centres that include supporting technologies and security for our customers. However, our portfolio has been mainly growing in the infrastructure area, involving on-premise or cloud services. Often, we provide hybrid scenarios, i.e. key infrastructure is installed at the customer's premises but other necessary computational performance or backup are performed in the cloud.

Data communication

Connectivity is at the core of IT and therefore our portfolio must include a full range of network solutions for LAN, WAN, Wi-Fi as well as correct communication between

on-premise systems and cloud infrastructure. We supply active elements, security tools, build cable distribution systems, and provide management for large networks.

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.

Intelligent Edge

To ensure that users can access applications easily and that production and other data are collected, it is necessary to have proper IT interface equipment. We provide full end-station equipment for office and industrial workplaces – PC end stations, notebooks, thin clients, and other mobile elements and printers, including high-performance 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. To ensure the quality and safety of remote working, we are able to virtualise systems and operate them in the cloud.

Infrastructure service outsourcing

Important activities include the outsourcing of infrastructure services within which we ensure the operability of 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 companies do not have any local IT staff (then we are often a partner to the central IT at foreign headquarters), and also can be the 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.

Our vision is cooperation

Ikem

Vema

“We have been using the Vema programme for a number of years. The system of individual, professionally focused modules largely facilitates our demanding work of calculating wages and HR records.”

Libuše Puchingerová | Deputy Director
for finance and operations



Solitea HR management systems



Ikem

05

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 of large corporations and government. Measured in both sales and the number of employees receiving their salaries through IS VEMA, we are the obvious market leader.

Vema V4 Cloud

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

The Vema V4 Cloud service has nearly 1,700 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.

Vema HR

The Vema HR system is suitable for all organisation types and sizes in the Czech Republic and Slovakia as it supports all valid versions of wage legislation. The system is currently used by over 7,000 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 new employees selection, through comprehensive employee training agendas, to regular employee performance evaluation. Everything is supported by several automated functions, such as personnel event tracking, online communication with authorities, and electronic approval within defined processes (workflow).

Significant 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 Komplet (Wages Complete) includes comprehensive payroll processing, statistical reports linked to the given department, documentation of changes for 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 added functions for HR management, personnel document management, and the monitoring and reporting of personnel events. It also contains a HR Portal defining employee access to personal data according to authorisation.

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

In addition to the core functionality included in each of the three 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). Highly automated interfaces to government systems are a significant part of the Vema systems, including e.g. eNeschopenka (e-sick note) and the sickness insurance register.

A right-of-use (license) with regular monthly payments paid for the entire period of use of the products can be purchased for all Vema HR information system applications to run on existing IT infrastructure. The second option is to use Vema V4 Cloud services, in which all Vema products are also available. Many customers also use an outsourced payroll processing service.

The Vema product family expands every year with new modules reflecting current trends as well as the requirements of our customers. In this fiscal year, this principally included new workflow processes for employee inductions and exits, the Attendance mobile application and an interface for file services systems in compliance with the national standard.



Mansson

Dotykačka

“What I like about Dotykačka is that I can also use it for better monitoring and more efficient control of the entire business operations. It allows us to connect with accounting and warehouse management, which is definitely a valuable benefit. It is also possible to remotely monitor the POS system and to gather various analyses from it.”

Lars Mansson | Owner



Solitea POS for gastro, retail and services



Mansson

06

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 resellers and service providers need sophisticated new tools, information, and partners to enable them to remain competitive and provide their customers with modern access to services or shopping. The COVID-19 outbreak increased the pressure on small enterprises to digitise. Automation and artificial intelligence working in tandem with online information gathered through big data analysis enter the process. Finally, market opportunities are also accelerated by legislative changes; in 2021, legislative changes are expected in the Czech Republic, Poland and Slovakia, and new legislation is also being prepared in Slovenia and Germany. Solitea's portfolio currently includes POS solutions for all customer sizes and verticals. The Company is by far the Czech market leader in POS for SMEs and operates in Poland, Slovakia, Germany, and Slovenia.

POS solutions for medium and large corporations and chains

Prodejna SQL (SQL Store)

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 POS 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.

Its 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 and food chains, and franchise retail concepts. The system is designed to be deployed in companies with units of 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 has been 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, booking, employee administration, and online orders stems from SmartPOS. In the course of 2019, self-service kiosks were also installed in live operation by customers, along with 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 Apple's App 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 business digitisation platforms 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 through a wide range of functions and services for individual verticals today represents a full-fledged POS system for the gastronomy segment, small retailers and services.

Services are provided on a commitment-free subscription basis with three monthly tariffs, each differing from the others in features, integration options, and support service levels. The Dotykačka POS solution is implemented on the Android platform, either on supplied hardware or with the option of using one's own device. The system replicates data to the cloud and may also be used offline without a stable internet connection. It offers the benefits of a cloud-based solution where data is stored in the cloud over the internet and a POS can be set up centrally from anywhere via remote management. This includes uploading items into the system, managing stock, and adjusting the system from anywhere, as well as securing offline operations in case of internet connection outages. The product is designed to be unpacked from the box and launched in 10-15 minutes without the need for complex implementation. Users have long appreciated its reliability and ease of use. The Dotykačka application 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 POS 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 20 years of experience in the development and implementation of the SmartPOS 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 print media distributors, 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, providing information on sales and stock management.

A superstructure built above the Markeeta system for the full-fledged handling of events, such as concerts or festivals, in a cashless mode, enables customers to top up funds onto electronic identifiers (cards, bracelets, etc.), which are used to make cashless payments at all points of sale. Festival operators thus obtain detailed overviews 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.

Solitea Pay

Solitea Pay introduces payment solutions at POS terminals running on Android. In the first half of 2020, Solitea successfully certified the Landi Android terminal for Visa and Mastercard payment cards, and launched integration with the Dotykačka and Markeeta POS systems and the Profi Účtenka application.

Solitea Pay offers its payment solutions within the Group as well as independently and to third persons. Its offer currently comprises the Landi A8 terminal, and in cooperation with Dotykačka and Smart Software offers both standard sales or leases of payment terminals.

Under the auspices of the Czech Ministry of Industry and Trade and in cooperation with Mastercard and Visa, it offers discounted payment terminals for SMEs in the Czech Republic Pays by Card project. Solitea Pay is an Independent Sales Organisation (ISO) partner of SIA Central Europe and as such may offer its services on the Czech and Slovak markets. In 2020 and 2021, the Company plans to build on its customer portfolio in the Czech Republic and Slovakia and to expand into Poland and Germany and offer new terminals.

Multi-platform ERS 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 for the simple issuance of a receipt and its automatic forwarding (individually or in batches) to the Tax Authority's server. It supports printing receipts on Wi-Fi or Bluetooth printers and their sending via email or social networks. Monetisation is indirect; it is possible to use iDoklad to archive 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.

Our priority is the system

Solitea's management



07

BOARD OF DIRECTORS

Martin Cígler

**Chairman of the Board
& Chief Executive Officer**

Martin founded Cígler software 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 2013, he founded Solitea Holding and has participated in all subsequent acquisitions. Under his leadership, the Company has reached a turnover of almost CZK 2 billion. In June 2020, he led the Czech and Slovak companies to a merger, making Solitea one of the biggest regional software producers. In 2007, he was named IT Person of the Year; in 2019, he received an award from the Faculty of Information Technologies of Brno Technical University for the development of information technologies in the Czech Republic.

BOARD OF DIRECTORS



Michal Rybovič

Vice-Chairman

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. He is also involved in all decisions that affect the holding group's financial results.



Petr Franc

**Executive Director, Enterprise & Public,
Member of the Board of Directors**

Petr is a manager with more than twenty years of experience in ICT. Since 2002 he has been with Solitea Business Solutions (formerly Aquasoft). Nowadays, he is responsible for defining and meeting key strategic goals in the preparation of solutions for large enterprises and the public sector.



Tomáš Loukota

**Executive Director, Small Business,
Member of the Board of Directors**

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 Cigler software), first as a regular technical sales support employee and later as sales director and executive director. He stood behind the successful business strategy of the market launch of the new Money S5 ERP system and iDoklad's monetisation. Nowadays, in Solitea, he has been promoting a strong pro-customer approach.

BOARD OF DIRECTORS



Martin Kudrna

**Executive Director, Medium-Sized Business,
Member of the Board of Directors**

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 sphere. At Solitea, he is responsible for the development of the ERP solution segment for medium-sized businesses.



Jan Tomíšek

**Executive Director, Payroll & Human resources,
Member of the Board of Directors**

Jan took advantage of the tech experience he gained at the Department of Computer Science of Brno Technical University, 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 vast experience, and since 2016 he has focused on strengthening the Company's position on the Czech and Slovak markets as its CEO. In Solitea, he is mainly responsible for solutions concerning the management of human resources.

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.



Vítězslav Kotrs

Member of the Supervisory Board

Vítězslav started his own IT business 28 years ago when he co-founded CDL SYSTEM. In 1997, he helped establish the ERP division offering information systems from Microsoft. Under his management, CDL SYSTEM turned into an IT company with a turnover exceeding CZK 200 million, a large number of interesting customers, and dealing in ERP, CRM, ICT and SharePoint. Since July 2019, he has been holding the position of director of part of Enterprise & Public, a division offering Microsoft technologies. Since 1 June 2020, he has been a member of the supervisory board of Solitea, a.s.



Jana Šufajzlová

Member of the Supervisory Board

After graduating from the Faculty of Law of Charles University, Jana worked as a corporate lawyer for several years, gradually turning her interest to human resources. She has been involved in HR since 2001, acting in various executive and top management positions in companies such as Komerční banka, Honeywell, IBM, AVG (current AVAST) and Home Credit. In May 2019, after a longer health-related break, she joined Solitea Czech Republic as HR manager. After the merger, she assumed the position of HR Business Partner.

TOP MANAGEMENT



Milan Smutný

Chief Financial Officer

Milan is a manager with fifteen years of experience of working at top management positions in corporate finance. For ten years he was the finance director of Seznam, being in charge of a comprehensive portfolio of financial processes including legal services and merger and acquisition projects in the Czech market. Before joining Solitea, for a number of years, he was involved in the management of software projects focusing on the development of web applications and customised software and the provision of payroll and personnel system to Nugget.



Jindra Háchová

Chief People Officer

Jindra has over twenty years of HR experience in IT, telecommunications, and financial services. In 2015–2018, she was involved in the expansion of Home Credit India on the Indian market. She is a graduate of the Coach For Life programme under the guidance of Peter Reding. At Solitea, she is the director of human resources for the Czech Republic and Slovakia. In preparing the merger of both organisations, she focused on the harmonisation and integration of basic processes; at a united Solitea, she focuses on profiling the Company as an attractive employer, creating employee development conditions and opportunities, and developing corporate culture.



Marek Kavan

Internal Services Director

In mid-1990s, Marek was one of the founders of Solitea Business Solutions (formerly Aquasoft), in which he served as operating and finance director. Since December 2019, he has been the director of Solitea's internal services, making use of his long-term experience in the management of internal operations and the ensuring of external services. His major task is to centrally manage all back office agendas.

TOP MANAGEMENT



Daniel Šturm

Chief Marketing Officer

Daniel has over 25 years of experience in the management of business and marketing teams in B2B and B2C. He is the former marketing director of Česká spořitelna, Home Credit, and AAA Auto, and was involved in successful projects such as Erste Premier, Super.cz and Zonky. He launched an operating lease project for mobile phones in Indonesia and managed the marketing activities of a company providing loans to buy motorcycles in Myanmar. He joined Solitea in June 2020, and his task is to fully utilise the overarching power of one common brand. He has initiated our brand's transformation as well as the centralisation of our individual sub-brands.



Boris Bělousov

Chief Information Officer

After university, Boris joined PVT as an administrator of Unix-based servers. In 1994, he helped found internet service provider PVT.net, where he held the position of product manager. From 1998 to 2001, he served as a member of the executive committee at NIX.CZ. 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. In 2009, the Microsoft Solutions division was separated from GEMMA Systems into stand-alone Dynamica (now Solitea Dynamica), which Boris managed until 2018. Since 1 October 2019, he serves as Solitea's CIO.





We stand behind Solitea

A word from the CEO

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Board report on the company's business activity and status of assets

The 2020 fiscal year (1 July 2019 to 30 June 2020) was another strong year for Solitea despite the worldwide COVID-19 pandemic. Organic growth was supported by acquisition growth; major projects completed during the fiscal year included the acquisitions of Axiom Provis International and its subsidiaries, Clever Decision, Dotykačka holding and its subsidiaries, MIT, and Smart software. The Group generated turnover of CZK 1.783 billion, which is a 32% increase over the 2019 fiscal year. EBITDA grew by 20% to CZK 156 million despite extensive investments into research and development. The excellent results have been especially driven by the Company's ability to cope with the pandemic's negative effects. In accordance with its strategic concept, the drivers of Solitea's organic growth are cloud services supported by acquisition activities.

Human resources

The Solitea Group companies apply varying solutions to human resource management. Differences are mainly caused by a company's territory, local legislation and the applied HR system. The state of emergency declared in the Czech Republic in spring 2020 tested our ability to respond to restrictions of movement and personal communication. Practically overnight, the majority of our employees started to work from home, but due to our technological equipment and our colleagues' personal accountability and discipline we continued to fulfil our tasks and maintain the quality of our services without faltering.

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. In the 2020 fiscal year, we focused on centralising our human resources using key HR roles: HR business partners who provide support to line managers and are process owners; HR specialists in charge of personnel and payroll agendas; and recruitment specialists focusing on the IT labour market. Payroll processing and personnel agendas have been integrated into the Vema HR system while also integrating basic legislative documents. We have created a functional infrastructure that will effectively serve to perform activities relating to corporate values and employee development as well as the development of corporate culture and the Solitea brand as an attractive employer. We will also focus on the selection of major partners with whom we will carry out corporate social responsibility projects.

Solitea's ownership structure as at 30 June 2020

Solitea is not a publicly traded company. It is directly or indirectly owned by Czech and Slovak natural persons.

Ligelta Holdings Ltd.

with its registered office on Kyriakou Matsi, 16, Eagle House, 8th floor, Agioi Omologites, 1082, Nicosia, Republic of Cyprus, holding a 72.8% stake. 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,

Acquisition history: Acquisitions as at 31 October 2020

<p>Altus software s.r.o. (CZ) CÍGLER SOFTWARE, a.s. (CZ)</p> <ul style="list-style-type: none"> • CÍGLER SOFTWARE, a.s. (SK) • CÍGLER SOFTWARE – IPL, s.r.o. (CZ) • CÍGLER SOFTWARE West, s.r.o. (CZ) 	<p>2013</p>
<p>JET ERP Betriebsgesellschaft mbH (AT) J.K.R. spol. s r.o. (CZ)</p>	<p>2014</p>
<p>CDL SYSTEM a.s. (CZ)</p> <ul style="list-style-type: none"> • CDL SYSTEM, s.r.o. (SK) 	<p>2015</p>
<p>Billans, d.o.o. (RS) (only the purchase of assets, now part of SAOP Srbsko d.o.o.) Clever Decision (CZ) Dotykačka Holding a.s. (CZ, 58 %)</p> <ul style="list-style-type: none"> • Dotykačka Polska Sp. Z o.o. (PL) • DotyPOS DE GmbH (DE) • Data Analytics (CZ) • Smart software s.r.o. (CZ) <p>MIT, d.o.o. (SI) WBI, s.r.o. (SK)</p> <ul style="list-style-type: none"> • WBI Solutions s.r.o. (CZ) 	<p>2016</p>
<p>education and retail. The value of assets under its management exceeds EUR 250 million.</p>	<p>2017</p>
<p>CSW Holding s.r.o. with its registered office at Brno, Drobného 555/49, 602 00, Czech Republic, holding a 20% stake. CSW Holding is an investment company fully owned by Martin Cigler, former owner of CÍGLER SOFTWARE and founder and CEO of Solitea (for more information, please see the chapter on Solitea's management). Apart from investing in the IT sector, the holding company also invests in real property via its subsidiary, Office Buildings s.r.o.</p>	<p>2018</p>
<p>58</p>	<p>2019</p>
<p>AQUASOFT spol. s r.o. (CZ) Vema,a.s. (CZ)</p> <ul style="list-style-type: none"> • Vema, s. r. o. (SK) 	<p>SAOP d.o.o. Slovinsko (SI)</p> <ul style="list-style-type: none"> • Saop d.o.o. (HR) • Saop d.o.o. (RS)
<p>Allieto, s.r.o. (CZ) BI Experts, s.r.o. (CZ) GEMMA Systems, spol.s r.o. (CZ)</p> <ul style="list-style-type: none"> • GEMMA SYSTEMS, s.r.o. (SK) <p>Dynamica, a.s. (CZ)</p>	<p>AXIOM PROVIS Int., s.r.o. (CZ)</p> <ul style="list-style-type: none"> • AXIOM Praha spol. s r.o. (CZ) • AXIOM Bratislava, s. r. o. (SK) • P R O V I S s.r.o. (CZ, 30 %) <p>Opal Informatika, d.o.o. (SI) (closing 4 September 2020)</p>

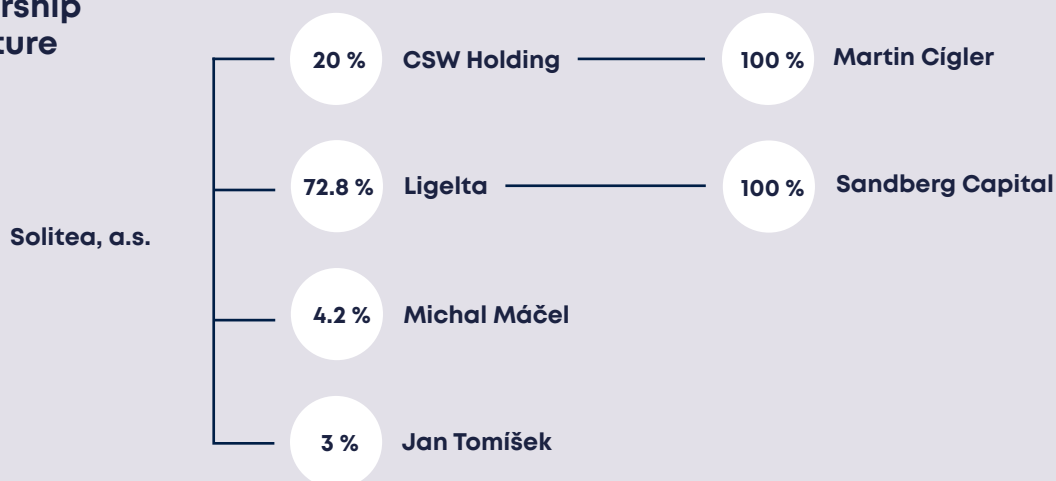
Other information

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

Ownership structure



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 92,779 in the period from 1 July 2019 to 30 June 2020. 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

With the decisive date as of 1 July 2020, a merger was implemented in the Czech Republic, with 15 companies merging into successor company Solitea, a.s.; namely Byznys software, s.r.o., Altus software, s.r.o., Solitea Dynamica, a.s., Solitea Gemma, s.r.o., Solitea Business Solutions, s.r.o., Solitea BI Experts, s.r.o., Allieto, s.r.o., Solitea CDL, a.s., Solitea Česká republika, a.s., Solitea WBI, s.r.o., Vema, a.s., Clever Decision, spol. s r.o., AXIOM PROVVIS, Int., s.r.o., and AXIOM Praha spol. s r.o.

With the decisive date as of 1 July 2020, a merger was implemented in the Slovak Republic, with 5 companies merging into successor company Solitea Slovensko, a.s.; namely Solitea Gemma, s.r.o., Solitea CDL, s.r.o., Solitea WBI, s.r.o., Vema, s.r.o., AXIOM Bratislava, s.r.o.

In September 2020, SAOP d.o.o., a Slovenian company, completed the acquisition of a 100% share in Opal Informatika, thus strengthening its position as a leading provider of information solutions in the Balkans.

With effect from 1 January 2021, Solitea, a.s. acquired parts of the business of VHsoft s.r.o. on the basis of a contract.

The Group operates in the IT sector that has not been significantly affected by the outbreak of COVID-19. Over the last few months, the Group realised relatively stable or even temporarily increasing sales, and its operations including supplies were uninterrupted. Based on publicly available information, management considered the potential development of the outbreak and its expected impact on the Group and its economic environment, including the measures already taken by the Czech government and governments in other countries where the Group's major business partners are located. Considering the information currently publicly available, the Group's current KPIs and in view of the actions initiated by the management, we do not anticipate a direct immediate and significant adverse impact of the COVID-19 outbreak on the Group, its operations, financial position and operating results. However, a longer lock-down, the adoption of more stringent measures or the subsequent negative impact of these measures on the economy and environment in which the Group operates might have a negative impact on the Group, its financial situation and profit and loss in mid- and long-term horizons. The Group's management continues to monitor the situation closely and will respond to mitigate the negative effect of such events and circumstances as they occur.

The Group's management is not aware of any events that have occurred since the balance sheet date that would have any material impact on the financial statements as at 30 June 2020.

Consolidated statements

Consolidated statement of financial position

as at 30 June 2020 (in thousands of Czech crowns)

Name and reg. office of the Company

Solitea, a.s. Drobného 555/49, Ponava
602 00 Brno, Czech Republic

Ident.	ASSETS	line	Current period			Prior period
			Gross	Adjust.	Net	Net
a	b	c	1	2	3	4
	TOTAL ASSETS	1	2,856,774	-662,915	2,193,859	1,392,691
B.	Fixed assets	3	2,033,638	-644,293	1,389,345	885,612
B.I.	Intangible fixed assets	4	328,498	-269,738	58,760	11,035
B.II.	Tangible fixed assets	14	292,824	-151,190	141,634	78,768
B.III.	Long-term investments	27	17,444	--	17,444	15,419
B.IV.	Consolidation difference	37	1,394,872	-223,365	1,171,507	780,391
C.	Current assets	42	761,123	-18,622	742,501	489,764
C.I.	Inventories	43	133,856	-2,885	130,971	43,226
C.II.	Receivables	51	275,339	-15,737	259,602	235,980
C.II.1.	Long-term receivables	52	8,854	--	8,854	10,695
C.II.2.	Short-term receivables	62	266,485	-15,737	250,748	225,284
C.III.	Short-term financial assets	73	--	--	--	642
C.IV.	Cash	76	351,928	--	351,928	209,916
D.	Deferrals	79	62,013	--	62,013	17,315

Identification number: 015 72 377

Consolidated statement of financial position

as at 30 June 2020 (in thousands of Czech crowns)

Name and regist. office of the Company

Solitea, a.s. Drobného 555/49, Ponava
602 00 Brno, Czech Republic

Identification number: 015 72 377

Ident.	LIABILITIES	line	Current period	Prior period
a	b	c	5	6
	TOTAL LIABILITIES AND EQUITY	83	2,193,859	1,392,691
A.	Equity	84	1,385,186	865,219
A.I.	Registered capital	85	814,000	814,000
A.II.	Premium, capital contributions and funds from profit	89, 97	394,303	12,917
A.IV.	Retained earnings	101	45,519	32,318
A.VI.	Profit (loss) for the accounting period without minority interests	105	33,274	5,949
A.VII.1.	Share of profit (loss) of equity-accounted investees	106	-4,790	--
A.VII.2.	Equity attributable to non-controlling interests	108	102,881	35
A.VII.3.	Minority registered capital	109	5,627	12
A.VII.2.	Minority capital contribution	110	200,372	--
A.VII.3.	Minority funds from profit including retained profits and accumulated losses	111	-72,706	35
A.VII.4.	Minority profit (loss) for the current period	112	-30,412	-12
B. + C.	Liabilities	113	536,295	345,563
B.	Provisions	114	49,813	28,599
B.II.	Income tax provision	116	8,104	--
B.IV.	Other provisions	115 117 118	41,709	28,599
C.	Liabilities	119	486,482	316,964
C.I.	Long-term liabilities	120	12,676	70,908
C.II.	Short-term liabilities	135	473,807	246,056
D.	Accruals	153	272,377	181,909

A word from the CEO

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Management report

Consolidated income statement

classification by nature for the year ended
30 June 2020 (in thousands of Czech crowns)

Name and regist. office of the Company

Solitea, a.s. Drobného 555/49, Ponava
602 00 Brno, Czech Republic

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	1,489,739	1,159,126
II.	Revenue from goods	2	260,785	176,783
A.	Cost of sales	3	688,103	478,570
B.	Change in inventory of own production (+/-)	7	13,143	-1,044
C.	Own work capitalised (-)	8	-20,185	-1,381
D.	Personnel expenses	9	900,400	725,102
E.	Adjustments relating to operating activities	14	114,880	85,440
III.	Other operating revenues	22	17,762	12,914
F.	Other operating expenses	26	26,540	13,374
*	Operating profit (loss) (+/-)	32	45,404	48,762
IV.	Revenue from other long-term investments	33	4,359	--
V.	Revenue from other long-term investments	37	739	--
H.	Expenses related to other long-term investments	36	--	--
VI.	Interest revenue and similar revenue	41	2,625	752
I.	Adjustments and provisions relating to financial activity	44	-3,150	3,150
J.	Interest expense and similar expense	45	6,349	2,022
VII.	Other financial revenues	48	16,893	13,830
K.	Other financial expenses	49	28,621	30,719
*	Profit (loss) from financial operations	50	-7,202	-21,309
**	Profit (loss) before tax (+/-)	51	38,202	27,453
L.	Income tax	52	40,130	21,515
**	Profit (loss) after tax (+/-)	57	-1,928	5,938
**thereof	Profit attributable to non-controlling interests	59	-30,412	-12
**thereof	Share of profit (loss) of equity-accounted investees	60	-4,790	--
**thereof	Profit (loss) for the accounting period without minority interests (+/-)	58	33,274	5,949
*	Net turnover for the accounting period = I. + II. + III. + IV. + V. + VI. + VII.	61	1,792,902	1,363,403

Consolidated statement of cash flow

for the year ended 30 June 2020
(in thousands of Czech crowns)

Name and regist. office of the Company

Solitea, a.s. Drobného 555/49, Ponava
602 00 Brno, Czech Republic

Identification number: 015 72 377

Ident.	CONSOLIDATED STATEMENT OF CASH FLOW	Current period	Prior period
P.	Cash and cash equivalents, beginning of period	209,916	156,231
NET OPERATING CASH FLOW			
Z:	Accounting profit (loss) from ordinary activities	38,202	27,453
A.1.	Non-cash transactions	87,117	121,400
A.1.1.	Depreciation and amortisation of fixed assets and consolidation difference	110,802	81,151
A.1.2.	Change in:	10,891	9,791
A.1.2.2.	provisions and other adjustments	10,891	9,791
A.1.3.	Profit (-) Loss (+) on sale of fixed assets	7,261	-3,488
A.1.7.	Other non-cash transactions	-41,837	33,946
A.*	Net operating cash flow before taxation and changes in working capital	125,319	148,852
A.2.	Changes in working capital	-740	38,290
A.2.1.	Change in receivables from operating activities, estimated receivables and deferrals	-75,601	-84,889
A.2.2.	Change in short-term liabilities from operating activities, estimated payables and accruals	162,741	61,669
A.2.3.	Change in inventories	-89,648	-4,709
A.2.4.	Change in short-term financial assets, other than cash and cash equivalents	1,767	66,218
A.**	Net operating cash flow before taxation	124,578	187,142
A.3.	Interest paid excluding amounts capitalised	-3,723	660
A.5.	Income tax paid on ordinary income and income tax relating to prior periods	-27,800	-30,254
A.***	Net operating cash flow	93,055	157,548
INVESTING ACTIVITIES			
B.1.	Acquisition of fixed assets	-163,306	-46,556
B.2.	Proceeds from sales of fixed assets	4,877	5,676
B.2.1.	Proceeds from sales of tangible and intangible fixed assets	4,877	5,676
B.3.	Loans and borrowings to related parties	198,588	--
B.4.	Acquisitions of subsidiary, net of cash acquired	-353,288	-69,385
B.***	Net cash flow from investing activities	-313,129	-110,265
FINANCING ACTIVITIES			
C.1.	Change in long-term resp. short-term liabilities from financing	3,727	6,443
C.2.	Increase and decrease in equity from cash transactions	358,360	-40
C.2.3.	Other cash contribution of shareholders and members	358,360	--
C.2.6.	Dividends paid including withholding tax and royalties	--	-40
C.***	Net cash flow from financing activities	362,087	6,403
F.	Net increase or decrease in cash balance	142,013	53,686
R.	Cash and cash equivalents, end of period	351,930	209,916

A word from the CEO

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Consolidated statement of changes in equity

for the year ended 30 June 2020
(in thousands of Czech crowns)

Name and regist. office of the Company

Solitea, a.s. Drobného 555/49, Ponava
602 00 Brno, Czech Republic

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Premium, capital contributions and funds from profit	Retained earnings	Profit (loss) for the accounting period without minority interests
Balance as at 1. 7. 2019	814,000	12,917	32,318	5,949
Profit or loss for the period	--	--	--	33,274
Revaluation reserve	--	--	--	--
Other comprehensive income for the period	--	--	-643	--
Transfers to (from) retained earnings	--	--	--	--
Dopady z titulu nových akvizic	--	--	--	--
Capital contributions	--	380,010	--	--
Other movements	--	-147	5,077	--
Transfers in equity	--	--	5,949	-5,949
Translation reserve	--	1,523	2,830	--
Royalties	--	--	-12	--
Balance as at 30. 6. 2020	814,000	394,303	45,519	33,274
Balance as at 1. 7. 2018	814,000	-1,133	2,995	31,487
Profit or loss for the period	--	--	--	5,949
Revaluation reserve	--	13,856	--	--
Other comprehensive income for the period	--	--	-2,842	--
Transfers to (from) retained earnings	--	194	-194	--
Transfers in equity	--	--	31,487	-31,487
Translation reserve	--	--	912	--
Royalties	--	--	-40	--
Balance as at 30. 6. 2019	814,000	12,917	32,318	5,949

Consolidated statement of changes in equity

for the year ended 30 June 2020
(in thousands of Czech crowns)

Name and regist. office of the Company

Solitea, a.s. Drobného 555/49, Ponava
602 00 Brno, Czech Republic

Identification number: 015 72 377

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share of profit (loss) of equity-accounted investees	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance as at 1. 7. 2019	--	865,184	35	865,219
Profit or loss for the period	-4,790	28,484	-30,412	-1,928
Revaluation reserve	--	--	--	--
Other comprehensive income for the period	--	-643	--	-643
Transfers to (from) retained earnings	--	--	--	--
Dopady z titulu nových akvizic	--	--	133,258	133,258
Capital contributions	--	380,010	--	380,010
Other movements	--	4,930	--	4,930
Transfers in equity	--	--	--	--
Translation reserve	--	4,353	--	4,353
Royalties	--	-12	--	-12
Balance as at 30. 6. 2020	-4,790	1,282,306	102,881	1,385,187
Balance as at 1. 7. 2018	--	847,349	47	847,396
Profit or loss for the period	--	5,949	-12	5,937
Revaluation reserve	--	13,856	--	13,856
Other comprehensive income for the period	--	-2,842	--	-2,842
Transfers to (from) retained earnings	--	--	--	--
Transfers in equity	--	--	--	--
Translation reserve	--	912	--	912
Royalties	--	-40	--	-40
Balance as at 30. 6. 2019	--	865,184	35	865,219

A word from the CEO

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Management report

Notes to the Czech consolidated financial statements

1. Description and principal activities

Establishment and description of the Company

Solitea, a.s. (“the Company” or “the Parent Company”) was incorporated on 10 April 2013 by being recorded 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 and again recorded in the Commercial Register maintained by the Regional Court in Brno under file number 7072, section B. The principal activities of the Company include:

- software provision
- manufacturing, trade and services not specified in appendixes 1 to 3 of the Trade Licensing Act
- own assets administration
- lease of property, residential and non-residential premises

Ownership structure

As at 30 June 2020, shareholders of the Company were:

- LIGELTA HOLDINGS, LTD: 72.8 %
- CSW Holding s.r.o.: 20.0 %
- Other: 7.2 %

Registered office

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

Identification number

015 72 377

Members of the board of directors and supervisory board as at 30 June 2020

Members of the board of directors

- Martin Cigler (chairman)
- Michal Rybovič (vice-chairman)
- Tomáš Loukota
- Petr Franc
- Dipl. Ing. Martin Kudrna, MBA
- Ing. Jan Tomíšek

Members of the supervisory board

- Ing. Michal Máčel, CSc. (chairman)
- Mgr. Jana Šufajzlová
- Ing. Vítězslav Kotrs

Consolidated financial statements

The consolidated financial statements of the Company as at 30 June 2020 are prepared for the Parent Company and its subsidiaries (“the Group”) – see note 5. The consolidated financial statements are prepared for the period from 1 July 2019 to 30 June 2020 (“2020”).

Changes in the Commercial Register

In 2020, the following changes were made in the Commercial Register for the Parent Company:

New record: members of the board of directors

- Tomáš Loukota (recorded on 1 June 2020)
- Petr Franc (recorded on 1 June 2020)
- Dipl. Ing. Martin Kudrna, MBA (recorded on 1 June 2020)
- Ing. Jan Tomíšek (recorded on 1 June 2020)

New record: members of the supervisory board

- Mgr. Jana Šufajzlová (zapsáno 1. června 2020)
- Ing. Vítězslav Kotrs (zapsáno 1. června 2020)

New deletion: members of the supervisory board

- Tomáš Loukota (deleted on 1 June 2020)
- Petr Franc (deleted on 1 June 2020)

2. Manner and method of consolidation

Manner of consolidation

The consolidated financial statements were prepared using direct consolidation.

Method of consolidation

The financial statements of the companies included in the consolidated group are consolidated in line with consolidation methods considering the level of the Parent Company's influence. The financial statements of the companies in which the Parent Company has controlling influence and which are material are consolidated using the full consolidation method.

The full consolidation method includes items of the consolidated entities' balance sheets, income statements, cash flow statements, and statements of changes in equity in full, eliminating any material intra-group transactions, their reclassifications and adjustments in the consolidating entity's balance sheet, income statement, cash flow statement and statement of changes in equity.

Consolidation process

Consolidation was carried out on the Parent Company level without creating individual sub-units, and all consolidated entities were included using the full consolidation method. Items in the consolidated entities' financial statements were reclassified and adjusted in accordance with the principles stated in the consolidation rules.

Intra-group transactions relating to the sale of inventories, fixed assets and services within the consolidated group are eliminated from the preparation of the consolidated balance sheet, consolidated income statement and cash flow statement if the amounts are material.

The consolidation difference created in a new acquisition is amortised to the profit and loss account on a straight line basis over a maximum of 20 years. The consolidation difference is presented in the "Settlement of a positive (negative) consolidation difference" item and respectively debited to expenses or credited to revenues from ordinary activities.

Goodwill results from the difference between the measurement of a business enterprise (or its part) acquired by transfers for consideration or by contributions to a company or by measuring assets and liabilities as part of business corporation transformations excepting changes in the legal form, and the sum of individually revalued asset items reduced by transferred debts.

Positive goodwill is amortised as a debit to expenses, while negative goodwill is amortised as a credit to revenues.

The influence of received and paid-out dividends or shares of profit between the Parent Company and controlled and managed companies is eliminated in consolidation.

Items presented in the consolidated financial statements that are or were originally stated in foreign currency are translated into Czech crowns (the currency in which the consolidated financial statements are prepared) at the exchange rate official and valid as at the day of preparation of the consolidated financial statements.

Consolidated entities that do not prepare ordinary financial statements as at 30 June 2020 provided the required data in the form of interim financial statements and other information required by the consolidating entity.

3. General accounting principles, accounting policies and their changes and deviations

These consolidated financial statements have been prepared in compliance with Act No. 563/1991 Coll., on Accounting, as amended, ("the Act on Accounting") and Decree of the Czech Ministry of Finance No. 500/2002 Coll., implementing certain provisions of the Act on Accounting, as amended, for business entities using double-entry bookkeeping, ("the Decree") as amended for 2020.

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

All amounts in these financial statements and the related notes are reported in thousands of Czech crowns (TCZK).

Tangible and intangible fixed assets

Tangible and intangible fixed assets are stated at acquisition cost. Tangible fixed assets costing up to TCZK 20 are not recognised in the balance sheet and are expensed in the year that they are acquired.

ASSETS ARE DEPRECIATED USING THE FOLLOWING METHODS OVER THE FOLLOWING PERIODS

Assets	Method	Period
Buildings	Straight-line	40–50 years
Hardware (servers, projectors, etc.)	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 systems	Straight-line	5 years
Patents and other intangibles (know-how)	Straight-line	6 years
Software	Straight-line	3 years
Low value tangible fixed assets (TCZK 20–40)	Straight-line	2 years
Low value intangible fixed assets (TCZK 0–60)	Straight-line	2 years

The cost of internally produced fixed assets includes direct materials, direct wages and overheads directly related to the creation of the asset until it is put into use.

In the income statement, depreciation is presented in “Adjustments relating to operating activity”.

Long-term investments

Long-term investments comprise equity investments in subsidiaries and associated companies, debt securities that the Group has the intent and ability to hold to maturity, and other long-term securities for which the Group’s intent is not known upon acquisition. Long-term investments also include long-term loans provided to group undertakings and associated companies and other long-term loans granted.

Long-term investments are stated at acquisition cost, which includes expenses directly incurred in connection with the acquisition, such as fees and commissions paid to brokers, advisors and stock exchanges.

Inventories

Raw materials are stated at cost, which includes the purchase price of the materials and related customs duties and in-transit storage and freight costs incurred in delivering the materials to the manufacturing facility. Cost is determined using the weighted average method.

Work-in-progress and finished goods inventories are stated at actual cost, which includes direct production costs and, where applicable, allocable indirect production costs. Direct costs include the cost of materials and consumables, and other costs directly incurred in connection with the production process. The cost of work-in-progress and finished goods is determined using standard cost.

Goods for resale are stated at cost, which includes the purchase price of the goods and related customs duties and in-transit storage and freight costs incurred in delivering the goods to the warehouse. Cost is determined using the weighted average method.

Establishment of adjustments and provisions

Tangible fixed assets

The Group establishes adjustments to tangible fixed assets to reduce the net book value of buildings and land to their recoverable amount. In the income statement, the establishment and release of adjustments is presented in “Adjustments relating to operating activity”.

Receivables

The Group establishes adjustments for doubtful receivables based on an analysis of the credit status of customers and the ageing structure of receivables.

In the income statement, the establishment and release of adjustments is presented in “Adjustments relating to operating activity”.

Inventories

Adjustments are established to reduce the cost of inventory to net realisable value.

An adjustment to slow-moving, obsolete and otherwise impaired inventory is established based on an analysis of inventory turnover and an assessment of each inventory item.

In the income statement, the establishment and release of adjustments is presented in “Adjustments relating to operating activity”.

Provisions

As at the balance sheet date, a provision for untaken holidays is established based on an analysis of untaken holidays in the past calendar year (i.e. as at 31 December) and average payroll expenses, including social security and health insurance expenses per employee.

If employees are entitled to annual or other annually paid-out bonuses, a provision for employee bonuses is recorded in the full amount of payroll expenses, including social security and health insurance expenses as at the balance sheet date.

An income tax provision is established as the financial statements are prepared before the tax liability is determined. In the subsequent accounting period, the Group releases this provision and records the actual tax liability determined.

In the balance sheet, the income tax provision is reduced by income tax prepayments, and the net receivable (if any) is recorded in tax receivables.

Foreign currency translation

Assets and liabilities acquired in foreign currency are measured in CZK based on the exchange rate as at the date of their realisation.

As at the balance sheet date, foreign currency monetary assets and liabilities are translated at the prevailing Czech National Bank official rates. Unrealised foreign exchange gains and losses are recognised in profit or loss in financial expenses or revenues.

Derivatives

A derivative is a financial instrument that meets all of the following conditions.

- Its fair value changes in response to the change in a specified interest rate, price of a security, commodity price, foreign exchange rate, price index, credit rating or credit index, or other variable (“the underlying asset”).
- It requires a small or no initial net investment compared with other types of contract based on a similar response to changes in market factors.
- It is settled at a future date, with the period from the trade date to the settlement date exceeding that of a spot transaction.

Derivatives are recognised in the balance sheet at fair value. Positive fair values of derivatives are recognised in assets under “Other receivables”. Negative fair values of derivatives are recognised in liabilities under “Other payables”. The fair value of financial derivatives is the present value of expected cash flows from these transactions.

Fair value hedges

Changes in the fair value of derivatives that are classified as fair value hedges are recorded in financial expenses or revenues together with the relevant change in the fair value of the hedged asset or liability that relates to the hedged risk.

Cash flow hedges

Changes in the fair value of derivatives that are classified as cash flow hedges are recorded in equity under “Revaluation of assets and liabilities” in the balance sheet. The ineffective hedge portion is recognised directly in financial expenses or revenues.

Trading derivatives

Derivatives held for trading are recognised in the balance sheet at fair value. Gains/losses from changes in fair value are recorded in the income statement under “Other financial revenues”/ “Other financial expenses”.

Leased assets

Lease payments are expensed on a straight-line basis over the lease term. Where an asset is purchased at the end of the lease, it is recorded at its purchase price.

Recognition of revenues and expenses

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

Expenses lower than TCZK 5 are not accrued and are recognised in the year they were expended.

Income tax

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

Current tax comprises an estimate of tax payable calculated based on the taxable income, using the tax rate valid as at the first day of the accounting period, and any adjustments to taxes payable for previous periods.

Deferred tax is based on all temporary differences between the carrying and tax value of assets and liabilities, and other temporary differences (tax losses carried forward, if any), multiplied by the tax rate expected to be valid for the period in which the tax asset/liability is utilised.

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

Classification of liabilities

The Group classifies as short-term any part of long-term liabilities, bank loans and overdrafts that is due within one year of the balance sheet date.

Subsidies / Investment incentives

A subsidy is recorded at the moment the entitlement to its receipt unquestionably arises. A subsidy received for the payment of expenses is recorded in operating revenues. A subsidy received for the acquisition of fixed assets, including technical improvement and the payment of interest included in the acquisition cost of assets, reduces the acquisition cost or own acquisition expenses.

Use of estimates

In preparing the financial statements, the Group's management uses estimates and makes assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses recognised in the financial statements. These estimates and assumptions are based on past experience and various other factors deemed appropriate as at the date of preparation of the financial statements and are used where the carrying amounts of assets and liabilities are not readily available from other sources or where uncertainty exists in applying the individual accounting policies. Actual results may differ from the estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised either in the period in which the estimate is revised, providing that the revision relates only to the current accounting period, or in the revision period and future periods, providing the revision affects both the current and future periods.

4. Change in accounting policies and procedures

In the year from 1 July 2019 to 30 June 2020, no significant changes were made in accounting policies and procedures.

5. Definition of the consolidated group

The following companies became part of the consolidated group in the current accounting period: MIT informatika d.o.o. (SI), Clever Decision, spol. s r.o. (CZ), Dotykačka Holding a.s. (CZ), Smart software s.r.o. (CZ), Dotykačka ČR s.r.o. (CZ), MARKEETA Slovensko, s.r.o. (SK), Dotykačka Polska Sp. z o.o. (PL), Solitea pay, s.r.o. (CZ), AXIOM PROVIS Int., s.r.o. (CZ), AXIOM Praha spol. s r.o. (CZ) and AXIOM Bratislava, s.r.o. (SK). Solitea pay, s.r.o. was part of the Group already in the prior accounting period; however, as it was considered immaterial, it first entered the consolidated group in this period.

Solitea, a.s. has a 100% share in all subsidiary companies, with the exception of Dotykačka Holding a.s., Smart software s.r.o., Dotykačka ČR s.r.o., MARKEETA Slovensko, s.r.o., Dotykačka Polska Sp. z o.o. and Solitea pay, s.r.o., where it has a share of 58.50%. For this reason, equity of these consolidated entities and their profit/loss were divided into the share attributable to the controlling company and the share of minority shareholders.

Entities not included in the consolidated group with justification for their non-inclusion

Based on the Parent Company's decision, the below-mentioned companies neither entered the consolidated group nor its consolidation. Their share in the total of the balance sheet, net turnover and equity of the consolidated group was immaterial, and, at the same time, the information necessary for consolidation could not be obtained without an undue delay or excessive costs (the companies were considered as a whole in the assessment of materiality).

ENTITIES INCLUDED IN THE CONSOLIDATED GROUP

Company name	Registered office	Share in equity	Method of consolidation
PARENT COMPANY			
Solitea, a.s.	Drobného 555/49, Ponava, Brno	--	--
CONTROLLED AND MANAGED COMPANIES			
Solitea Česká republika, a.s.	Drobného 555/49, Ponava, Brno	100 %	Full
Solitea Slovensko, a.s.	Plynárenská 7/C, Bratislava, Slovakia	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, Slovakia	100 %	Full
JET ERP Betriebsgesellschaft mbH	Liesinger-Flur-Gasse 2c, Vídeň, Austria	100 %	Full
Byznys software, s.r.o.	Žižkova 708, Příbram	100 %	Full
SAOP Računalništvo d.o.o	Cesta Goriške fronte 46, 5290, Šempeter pri Gorici	100 %	Full
Solitea CDL, a.s.	Klíšská 1810/31, Ústí nad Labem	100 %	Full
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, Slovakia	100 %	Full
Solitea WBI, s.r.o.	Pluhová 50/A, Bratislava – Nové Mesto, Slovakia	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
MIT informatika d.o.o.	Smledniška cesta 140, 4000 Kranj, Slovenia	100 %	Full
Clever Decision, spol. s r. o.	Sokolovská 695/115b, Karlín, 186 00 Praha 8	100 %	Full
AXIOM PROVIS Int., s.r.o.	Pod Vrškem 5360, 760 01 Zlín	100 %	Full
AXIOM Praha spol. s r.o.	Vodnická 390/39, 149 00, Praha 4 – Újezd	100 %	Full
AXIOM Bratislava, s.r.o.	Mlynské nivy 48, 821 09 Bratislava – Ružinov, Slovensko	100 %	Full
Dotykačka Holding a.s.	Plzeňská 3217/16, Smíchov, 150 00 Praha 5	58.50 %	Full
Dotykačka ČR s.r.o.	Plzeňská 3217/16, Smíchov, 150 00 Praha 5	58.50 %	Full
Dotykačka Polska Sp. z o.o.	Grzybowska 87, 00-844 Warszawa, Poland	58.50 %	Full
Solitea pay, s.r.o.	Drobného 555/49, Ponava, 602 00 Brno	58.50 %	Full
Smart software s.r.o.	Závodu míru 435/40, Stará Role, 360 17 Karlovy Vary	58.50 %	Full
Markeeta Slovensko, s.r.o.	Plynárenská 7/C, 821 09 Bratislava – Ružinov, Slovakia	58.50 %	Full

RentPoly, s.r.o., which was established by spinning off a training centre from Byznys software, s.r.o., was sold during 2020. The result of this sale to the original owners of Byznys software, s.r.o. is the recognition of the gain of TCZK 4 359 from the sale in "Revenues from long-term investments – equity investments".

The following subsidiaries were eliminated from consolidation in the current accounting period:

- CÍGLER SOFTWARE – IPL, s.r.o., 1. máje 97/25, Liberec 3, 460 01, Reg. No.: 250 45 041
- Solitea Pay SK, s.r.o., 28. októbra 7689/2A, Trenčín 911 01, Reg. No.: 52 528 766
- Solitea West, s.r.o., Drobného 555/49, Ponava, Brno 602 00, Reg. No.: 252 46 241
- Allieto, s.r.o., Masarykova 412/32, Brno-město, 602 00 Brno, Reg. No.: 067 34 502
- 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. A 100% share. No controlling or profit transfer agreements were concluded with this company.
- SAOP DOO NOVI SAD, Slobodana Bajčića 10, Novi Sad 21 000, Serbia, Reg. No.: 20665327, TIN 106713309. A 100% share. No controlling or profit transfer agreements were concluded with this company.
- P R O V I S s.r.o., Jiráskova 1127, 755 01 Vsetín, Reg. No.: 451 95 129
- DotyPOS DE GmbH, Tauentzienstr. 13, 10789 Berlin, Germany, ID: DE 321055043
- Dotypos Analytics s.r.o., Plzeňská 3217/16, Smíchov, 150 00 Praha 5, Reg. No.: 081 55 402

Equity investments in these companies remained recognised in long-term investments at an acquisition cost of TCZK 16,369 in the financial statements.

6. Consolidation difference

As at 30 June 2020, the consolidation difference in the gross amount of TCZK 1,394,872 (TCZK 945,428 as at 30 June 2019), arisen in the acquisition of the subsidiaries Solitea Česká republika, a.s., Vema, a.s., SAOP Računalništvo d.o.o., Solitea CDL, a.s., 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), as well as new acquisitions described in the next paragraph, consists of a positive consolidation difference of TCZK 1,407,103 (TCZK 957,658

as at 30 June 2019) and a negative consolidation difference of TCZK 12,231 (TCZK 12,231 as at 30 June 2019).

Additions of TCZK 453,196 (gross) consist of a positive consolidation difference that was established by the acquisition of MIT informatika d.o.o., Clever Decision, spol. s r. o., AXIOM PROVIS Int., s.r.o., AXIOM Praha spol. s r.o., AXIOM Bratislava, s.r.o., Solitea pay, s.r.o., Dotykačka Holding a.s., Dotykačka ČR s.r.o., Dotykačka Polska Sp. z o.o., Smart software s.r.o. and Markeeta Slovensko, s.r.o. The increase in the consolidation difference of TCZK 10,000 (gross) is caused by the adjustment of the investment amount in Vema, a.s. as a result of terms defined by the sales contract. The decrease in the consolidation difference of TCZK 13,750 is caused by the sale of RentPoly, s.r.o, which was established by a spin-off from Byznys software, s.r.o.

The Group decided to amortise the consolidation difference for a period of 20 years. The amortisation of a positive (or negative) consolidation difference is recognised in "Adjustments relating to operating activity" in the consolidated income statement.

The annual amortisation of the positive consolidation difference amounts to TCZK 61,808 (TCZK 45,521 as at 30 June 2019) and the accumulated amortisation amounts to TCZK 233,456 (TCZK 174,570 as at 30 June 2019). The annual amortisation of the negative consolidation difference amounts to TCZK 557 (TCZK 612 as at 30 June 2019) and the accumulated amortisation amounts to TCZK 10,091 (TCZK 9,533 as at 30 June 2019).

The net amount of the positive consolidation difference is TCZK 1,173,647 (TCZK 783,088 as at 30 June 2019) and the net amount of the negative consolidation difference is TCZK 2,140 (TCZK 2,697 as at 30 June 2019).

7. Intangible and tangible fixed assets

INTANGIBLE FIXED ASSETS	(in thousands of Czech crowns TCZK)					
	Software	Other intellectual property rights	Intangible fixed assets under construction	Goodwill	Other intangible fixed assets	Total
ACQUISITION COST						
Opening balance as at 1 July 2019	233,193	4,569	76	39,694	1,968	279,500
Additions	26,706	--	17,565	--	1,526	45,797
Disposals	-46,757	-423	--	--	-181	-47,361
Effect of acquisitions	49,933	438	--	--	191	50,562
Transfers	--	--	--	--	--	--
Foreign exchange difference	--	--	--	--	--	--
Closing balance as at 30 June 2020	263,075	4,584	17,641	39,694	3,504	328,498
ADJUSTMENTS AND ACCUMULATED AMORTISATION						
Opening balance as at 1 July 2019	-223,246	-3,588	--	-39,694	-1,937	-268,465
Amortisation expense	-18,936	-227	--	--	-45	-19,207
Disposals	45,916	424	--	--	181	46,521
Effect of acquisitions	-28,110	-420	--	--	-57	-28,587
Transfers	--	--	--	--	--	--
Foreign exchange difference	--	--	--	--	--	--
Closing balance as at 30 June 2020	-224,375	-3,811	--	-39,694	-1,858	-269,738
Net book value 1 July 2019	9,948	981	76	--	30	11,035
Net book value 30 June 2020	38,700	773	17,641	--	1,646	58,760
ACQUISITION COST						
Opening balance as at 1 July 2018	192,500	4,464	105	40,924	1,934	239,927
Additions	2,213	76	--	--	34	2,323
Disposals	-335	--	--	--	--	-335
Effect of acquisitions	39,805	--	--	--	--	39,805
Transfers	--	29	-29	--	--	--
Foreign exchange difference	-990	--	--	-1,230	--	-2,220
Closing balance as at 30 June 2019	233,193	4,569	76	39,694	1,968	279,500
ADJUSTMENTS AND ACCUMULATED AMORTISATION						
Opening balance as at 1 July 2018	-183,602	-3,366	--	-33,222	-1,920	-222,110
Amortisation expense	-5,727	-222	--	-7,521	-17	-13,487
Disposals	333	--	--	--	--	333
Effect of acquisitions	-35,240	--	--	--	--	-35,240
Transfers	--	--	--	--	--	--
Foreign exchange difference	990	--	--	1,049	--	2,039
Closing balance as at 30 June 2019	-223,246	-3,588	--	-39,694	-1,937	-268,465
Net book value 1 July 2018	8,898	1,098	105	7,702	14	17,817
Net book value 30 June 2019	9,948	981	76	--	30	11,035

TANGIBLE FIXED ASSETS

(in thousands of Czech crowns TCZK)

	Land and buildings	Machin. and equip.	Other tangible fixed assets	Adjustments to acquired fixed assets	Advance payments and tang. fixed assets under construction	Total
ACQUISITION COST						
Opening balance as at 1 July 2019	25,453	175,825	17,503	3,097	1,025	222,903
Additions	2,347	42,103	288	--	9,305	54,043
Disposals	--	-47,466	-2,399	--	-2	-49,867
Effect of acquisitions	-13,750	25,436	1,105	53,016	--	65,807
Transfers	--	950	--	--	-950	--
Foreign exchange difference	57	-119	--	--	--	-62
Closing balance as at 30 June 2020	14,107	196,729	16,497	56,113	9,378	292,824
ADJUSTMENTS AND ACCUMULATED DEPRECIATION						
Opening balance as at 1 July 2019	-2,643	-125,061	-13,399	-3,032	--	-144,135
Depreciation expense	-617	-26,091	-357	-3,279	--	-30,344
Disposals	1,579	43,629	2,470	--	--	47,678
Impairment losses	--	-163	--	--	--	-163
Effect of acquisitions	--	-16,002	-1,538	-6,775	--	-24,315
Foreign exchange difference	--	89	--	--	--	89
Closing balance as at 30 June 2020	-1,682	-123,599	-12,824	-13,085	--	-151,190
Net book value 1 July 2019	22,810	50,764	4,104	65	1,025	78,768
Net book value 30 June 2020	12,425	73,130	3,674	43,028	9,378	141,634

In 2020, additions to fixed assets primarily included the procurement of cars and IT equipment and putting assets into use as an effect of new acquisitions.

ACQUISITION COST						
Opening balance as at 1 July 2018	26,430	136,154	17,398	3,000	873	183,855
Additions	--	20,189	374	--	1,025	21,588
Disposals	-720	-18,323	-269	--	--	-19,312
Effect of acquisitions	--	37,472	--	97	--	37,569
Transfers	--	873	--	--	-873	--
Foreign exchange difference	-257	-540	--	--	--	-797
Closing balance as at 30 June 2019	25,453	175,825	17,503	3,097	1,025	222,903
ADJUSTMENTS AND ACCUMULATED DEPRECIATION						
Opening balance as at 1 July 2018	-2,220	-96,966	-12,243	-2,767	--	-114,196
Depreciation expense	-582	-20,459	-1,508	-207	--	-22,755
Disposals	141	16,774	269	--	--	17,184
Effect of acquisitions	--	-24,783	--	-58	--	-24,841
Foreign exchange difference	18	373	83	--	--	474
Closing balance as at 30 June 2019	-2,643	-125,061	-13,399	-3,032	--	-144,135
Net book value 1 July 2018	24,210	39,188	5,155	233	837	69,659
Net book value 30 June 2019	22,810	50,764	4,104	65	1,025	78,768

No Group fixed assets are pledged.

8. Investments

Long-term investments

The Group records long-term investments totalling TCZK 17,444 (TCZK 18,569 as at 30 June 2019). These include equity investments in subsidiaries of TCZK 14,989, loans to group undertakings of TCZK 675, equity investments in associated companies of TCZK 1,380 and other long-term investments of TCZK 400. As at 30 June 2020, the Group established an adjustment to equity investments in subsidiaries of TCZK 0 (2019 – TCZK 3,150).

Short-term investments

The Group does not record any short-term investments (TCZK 642 as at 30 June 2019).

9. Inventories

Work-in-progress primarily consists of capitalised expenses relating to customer orders that are still in progress.

As at 30 June 2020, the Group established an adjustment to inventories of TCZK 2,885 (TCZK 229 as at 30 June 2019).

INVENTORIES	(in thousands of Czech crowns TCZK)	
	as at 30 June 2019	as at 30 June 2020
Raw materials	299	212
Goods for resale	11,357	111,585
Work-in-progress	31,569	19,175
Total	43,226	130,971

10. Investment incentives and subsidies

The Group received no investment incentives and subsidies in 2020 and 2019.

11. Long-term receivables

The Group's long-term receivables primarily consist of long-term provided advances of TCZK 4,690 (TCZK 0 as at 30 June 2019) and trade receivables of TCZK 1,811 (TCZK 898 as at 30 June 2019).

Apart from a deferred tax asset, other long-term receivables also consist of receivables from group undertakings and other receivables.

The Group does not record any long-term receivables with a due date longer than 5 years (TCZK 0 as at 30 June 2019).

12. Short-term receivables

Short-term receivables primarily consist of short-term trade receivables of TCZK 214,273 (TCZK 188,609 as at 30 June 2019), of which TCZK 51,135 (TCZK 25,944 as at 30 June 2019) consist of overdue receivables. As at 30 June 2020, an adjustment for doubtful receivables of TCZK 15,737 was established (TCZK 9,087 as at 30 June 2019).

Short-term receivables – group undertakings total TCZK 1,266 (TCZK 10,202 as at 30 June 2019). In 2019, this line item included loans provided to Solitea Pay, s.r.o., which newly entered the consolidated group in 2020.

Short-term receivables further consist of short-term provided advances of TCZK 6,144 (TCZK 7,433 as at 30 June 2019).

Other short-term receivables primarily consist of tax receivables of TCZK 14,887 (TCZK 4,989 as at 30 June 2019) and estimated receivables of TCZK 3,392 (TCZK 1,081 as at 30 June 2019).

Other receivables primarily consist of a receivable relating to the loan to RWC Investment of TCZK 7,200.

13. Deferrals active

Deferrals primarily consist of prepaid expenses of TCZK 55,545 (TCZK 17,115 as at 30 June 2019). Prepaid expenses primarily include purchase costs of customer licences, subscription fees, insurance premiums, servicing support and rent.

14. Derivatives

As at 30 June 2020, the Group held no currency forwards. Last year, the fair value of currency forwards of TCZK 230 was recognised in short-term liabilities.

15. Equity

Movements in the equity account are presented in the statement of changes in equity.

16. Provisions

Other provisions primarily include bonus provisions, a pension provision, a provision for untaken holiday and a guarantee provision. In 2020, the income tax provision of TCZK 34,679 (TCZK 26,837 for 2019) was reduced by income tax prepayments of TCZK 26,575 (TCZK 27,028 for 2019). The resulting liability of TCZK 8,104 was recognised in the income tax provision item (the resulting liability of TCZK 191 for 2019 was recognised in the short-term receivables item).

The change in provisions contains the creation of provisions of a given period, their release and use, as well as the effect of acquiring new companies (TCZK 2,308 for 2020, TCZK 1,227 for 2019).

17. Long-term liabilities

Long-term liabilities primarily consist of received long-term advances of TCZK 2,008 (2019 – TCZK 5,207) and other liabilities of TCZK 9,251 (2019 – TCZK 62,464), which include unpaid parts of the purchase price of investments in long-term investments of TCZK 6,000 (TCZK 61,853 as at 30 June 2019).

The Group does not record any long-term receivables with a due date longer than 5 years (TCZK 0 as at 30 June 2019).

18. Short-term liabilities

- Short-term trade liabilities total TCZK 93,135 (TCZK 52,600 as at 30 June 2019), of which TCZK 7,833 (TCZK 2,992 as at 30 June 2019) consist of overdue liabilities.
- Tax liabilities of TCZK 27,042 (TCZK 28,271 as at 30 June 2019) were included.
- Liabilities to employees and social security and health insurance liabilities total TCZK 88,710 (TCZK 78,971 as at 30 June 2019).
- Other liabilities primarily consist of short-term liabilities relating to unpaid parts of the purchase

PROVISIONS	(in thousands of Czech crowns TCZK)		
	Income tax provision	Other provisions	Total
Balance at 1 July 2019	--	28,599	28,599
Change	8,104	13,110	21,214
Balance at 30 June 2020	8,104	41,709	49,813
Balance at 1 July 2018	2,773	26,249	29,022
Change	-2,733	2,350	-423
Balance at 30 June 2019	--	28,599	28,599

price of investments of TCZK 47,520 (TCZK 73,126 as at 30 June 2019).

- Liabilities – group undertakings consist of borrowings from shareholders of TCZK 176,829 (2019 – TCZK 0).
- Short-term overdrafts consist of borrowings from individuals of TCZK 17,000 (2019 – TCZK 0).

19. Liabilities to credit institutions

As at 30 June 2020, the Group does not record any liabilities to credit institutions. As at 30 June 2019, the Group recorded a liability to a credit institution of TCZK 8,000 as a result of a received loan. This liability

was non-interest-bearing and due on 22 April 2020. Further, the Group recorded a long-term liability of TCZK 5,273 due within 5 years. All these liabilities were paid up during 2020.

20. Deferrals passive

Deferrals of TCZK 272,377 (TCZK 181,909 as at 30 June 2019) primarily consist of deferred revenues of TCZK 256,919 (TCZK 180,060 as at 30 June 2019). Deferred revenues consist of revenues from software use fees, system maintenance fees and fees for services rendered.

21. Segment information

AN OVERVIEW OF THE GROUP'S SALES FROM THE SALE OF GOOD, PRODUCTS AND SERVICES FROM REGULAR BUSINESS ACTIVITIES (IN TCZK) IS PRESENTED BELOW

Sales	2019	2020
SALE OF PRODUCTS AND SERVICES	1,159,126	1,489,739
Domestic sales	741,948	891,506
Export	417,178	598,233
SALE OF GOODS	176,783	260,785
Domestic sales	125,518	153,826
Export	51,265	106,959
Total	1,335,909	1,750,524

22. Output consumption

Output consumption primarily includes service items of TCZK 469,098 (TCZK 328,342 for 2019), further, costs of goods sold and material and energy consumption of TCZK 219,005 (TCZK 145,673 for 2019).

The most significant service items primarily include IT advisory services, subcontractor services and IT development services of TCZK 231,245 (TCZK 198,146 for 2019). Other significant services consist of rental costs, facility management costs and marketing activity costs of TCZK 107,573 (TCZK 72,235 for 2019).

23. Miscellaneous operating revenues and expenses

Miscellaneous operating revenues

Miscellaneous operating revenues total TCZK 17,762 (TCZK 12,914 for 2019), of which TCZK 4,877 (TCZK 5,676 for 2019) consist of revenues from sold assets.

Other operating expenses

Other operating expenses total TCZK 26,540 (TCZK 13,374 for 2019), which were mainly incurred due to the creation of provisions relating to operating activity, the write-off of receivables, sales of fixed assets and insurance costs.

24. Fees payable to statutory auditors

FEES PAYABLE TO STATUTORY AUDITORS	(in thousands of Czech crowns TCZK)	
	2019	2020
Statutory audit	1,771	2,445
Other assurance services	--	--
Tax advisory	--	--
Total	1,771	2,445

25. Employees and members of management, supervisory and administrative bodies

Remuneration to members of management, supervisory and administrative bodies attributable to their function is paid out based on concluded and approved contracts.

The Group has no pension liabilities in respect of the members of the above bodies.

EMPLOYEES AND MEMBERS OF MANAGEMENT, SUPERVISORY AND ADMINISTRATIVE BODIES	(in thousands of Czech crowns TCZK)				
	Average FTE number	Wages and salaries	Statutory social security and health insurance	Other social expenses	Total
2020					
Employees	931	619,161	185,705	17,078	821,944
Executives*	44	61,946	15,183	1,327	78,456
Total	975	681,106	200,888	18,406	900,400
2019					
Employees	720	494,969	152,032	23,435	670,436
Executives*	23	43,566	10,435	664	54,666
Total	743	538,535	162,467	24,099	725,102

* Wages and salaries of members of management, supervisory and administrative bodies represent the members' remuneration attributable to their function.

26. Income tax

Current tax

Current income tax comprises tax for the taxable period ended as at 30 June 2020 of TCZK 34,673 (TCZK 26,837 for 2019).

Deferred tax

In accordance with the accounting policy described in note 3i), a tax rate of 19% was used to calculate

deferred tax (2019 – 19%). Tax rates valid in the given countries were used for foreign companies. The Group records a deferred tax asset of TCZK 1,191. As at 30 June 2019, the Group recorded a deferred tax asset of TCZK 7,633. Income tax in the income statement contains revenue relating to a change in deferred tax of TCZK 5,456.

27. Related parties

The following table shows the Group's relations to members of management, supervisory and administrative bodies and other related parties

RELATED PARTIES	(in thousands of Czech crowns TCZK)			
	Shareholders		Other related parties	
	2019	2019	2020	2020
Revenues	--	--	--	3,564
Expenses	654	--	4,174	10,332
Receivables	--	--	--	9
Liabilities	--	--	180,871	742

28. Leased assets

Finance leases

The Group is committed to payments under finance leases for motor vehicles as follows.

Operating lease

The Group concludes real estate and car lease contracts. Costs relating to these contracts for 2020 totalled TCZK 52,664 (2019 – TCZK 36,944).

29. Research and development

The Group incurred software development costs of TCZK 92,779 (TCZK 100,220 as at 30 June 2019).

30. Contingencies and commitments

As at 30 June 2020, the Company does not record any off-balance sheet liabilities.

As at 30 June 2019, the Company concluded a swap deal with Komerční banka, a.s., from which a liability followed to sell a total of EUR 550,000 at the exchange rate of CZK 25.863/EUR 1 to the bank on 15 August 2019. This liability was recorded on the off-balance sheet "Forward and swap contract liabilities" account. The fair value of this swap deal amounted to TCZK 230 and was recorded in the other receivables item.

As at 30 June 2020 and 30 June 2019, the Group had no other material liabilities that are not recorded in the balance sheet, with the exception of liabilities arising from the contracts mentioned in note 28.

FINANCE LEASES FOR MOTOR VEHICLES	(in thousands of Czech crowns TCZK)				
	Total lease payments	Paid as at 31/12	Due within 1 year	Due in 1 to 5 years	Due in subsequent years
	2019	2019	2020	2020	
2020 Cars	2,697	2,697	--	--	--
2019 Cars	2,585	2,510	75	--	--

31. Cash flow statement

CASH AND CASH EQUIVALENTS AS AT THE YEAR-END	(in thousands of Czech crowns TCZK)	
	2019	2020
Cash in hand	2,243	1,811
Bank accounts	349,685	208,105
Cash and cash equivalents	351,928	209,916

For the purposes of the cash flow statement, cash and cash equivalents are defined to include cash in hand, cash in transit, cash at the bank and other financial assets whose valuation can be reliably determined and that can be readily converted to cash.

The cash flow statement was prepared using the indirect method and is part of the financial statements as a separate statement. Cash flows from operating, investing or financing activities are reported on a gross basis in the cash flow statement.

32. Material subsequent events

As at 1 July 2020 as the decisive date, a merger will be implemented, which will result in the following structure of the Group.

In September 2020, SAOP d.o.o., a Slovenian company, completed the acquisition of a 100% investment in Opal Informatika, thus strengthening its position as a leading provider of information solutions in the Balkans.

The company Solitea, a.s. acquired parts of business of the company VHsoft s.r.o. on the basis of a contract with effect from 1 January 2021.

The Group operates in the IT sector that has not been significantly affected by the outbreak of COVID-19 and over the last few months the Group realized relatively stable or even temporarily increasing sales and its operations including supplies were uninterrupted. Based on the publicly available information, the management has considered the potential development of the outbreak and its expected impact on the Group and its economic environment, including the measures already taken by the Czech government and governments in other countries, where the Group's major business partners are located. Based on currently publicly available

information, the Group's current KPIs and in view of the actions initiated by the management, we do not anticipate a direct immediate and significant adverse impact of the COVID-19 outbreak on the Group, its operations, financial position and operating results. However, longer lock-down, adoption of more stringent measures or subsequent negative impact of these measures on the economy and environment in which the Group operates might have negative impact on the Group, its financial situation and profit and loss in mid-term and long-term horizons. The Group's management continues to monitor the situation closely and will respond to mitigate the impact of such events and circumstances as they occur.

The Group's management is not aware of any events that have occurred since the balance sheet date that would have any material impact on the financial statements as at 30 June 2020.



On 5 January 2021
Martin Cigler
Chairman of the Board

GROUP STRUCTURE AFTER MERGER

Company name	Registered office
PARENT COMPANY	
Solitea, a.s.	Drobného 555/49, Ponava, Brno
CONTROLLED AND MANAGED COMPANIES	
Solitea Slovensko, a.s.	Plynárenská 7/C, Bratislava
P R O V I S s.r.o.	Jiráskova 1127, 755 01 Vsetín
CÍGLER SOFTWARE – IPL, s.r.o.	1. máje 97/25, 460 00 Liberec 3
Solitea West, s.r.o.	Drobného 555/49, Ponava, 602 00 Brno
SAOP Računalništvo d.o.o.	Cesta Goriške fronte 46, 5290 Šempeter pri Gorici
MIT informatika d.o.o.	Smledniška cesta 140, 4000 Kranj
SAOP d.o.o.	Zagreb, Puževa ulica 13, 100 00 Zagreb
SAOP DOO NOVI SAD	Puževa ulica 13, 100 00 Zagreb
JET ERP Betriebsgesellschaft mbH	Liesinger-Flur-Gasse 2c, Videň
Dotykačka Holding a.s.	Plzeňská 3217/16, Smíchov, 150 00 Praha 5
Dotykačka ČR s.r.o.	Plzeňská 3217/16, Smíchov, 150 00 Praha 5
Dotykačka Polska Sp. z o.o.	Grzybowska 87, 00-844 Warszaw
Solitea pay, s.r.o.	Drobného 555/49, Ponava, 602 00 Brno
Smart software s.r.o.	Závodu míru 435/40, Stará Role, 360 17 Karlovy Vary
Markeeta Slovensko, s.r.o.	Plynárenská 7/C, 821 09 Bratislava – Ružinov
Centrála informačních technologií pro nestátní neziskové organizace v České republice, o.p.s.	Novodvorská 1010/14, 142 00 Praha 4 – Lhotka

Report on relations between the controlling and controlled entity and other related entities as at 30 June 2020

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 2019 and ending on 30 June 2020.

1. Structure of relations between the controlling entity and the controlled entity and between the controlled entity and entities controlled by the same controlling entity

Basic data on the entity

- Name of the controlled entity: Solitea, a.s.
- Registered office: Drobného 555/49, Ponava, 602 00 Brno
- Registration number: 015 72 377
- Legal form: joint-stock company
- Registered: with the Regional Court in Brno, file no. B 7072
- Principal business activities: production, trade and services not listed in Annexes 1 to 3 of the Trade Licensing Act
- Company registration date: 10 April 2013

Controlling entity

- Corporate name: LIGELTA HOLDINGS LTD
- Registration number: HE 315 086
- Registered office: Kyriakou Matsi, 16, EAGLE HOUSE 8th floor, Agioi Omologites, 1082, Nicosia, Cyprus

The controlling entity LIGELTA HOLDINGS LTD (Registration number: HE 315 086) is part of the Sandberg Capital investment fund.

Other related parties

- Allieto, s.r.o., Reg. No.: 067 34 502
- Altus software s.r.o., Reg. No.: 616 81 202
- Solitea BI Experts, s.r.o., Reg. No.: 282 63 901
- Byznys software, s.r.o., Reg. No.: 186 08 001
- CÍGLER SOFTWARE – IPL, s.r.o., Reg. No.: 250 45 041
- Solitea Dynamica, a.s., Reg. No.: 262 213 22
- Solitea Gemma, s.r.o., Reg. No.: 607 10 772
- Solitea Business Solutions s.r.o., Reg. No.: 649 46 274
- Solitea CDL, a.s., Reg. No.: 631 48 439
- Solitea Česká republika, a.s., Reg. No.: 255 68 736
- Solitea WBI, s.r.o., Reg. No.: 040 98 501
- Solitea West, s.r.o., Reg. No.: 252 46 241
- Vema, a.s., Reg. No.: 262 26 511
- Solitea Pay, s.r.o., Reg. No.: 255 95 091
- Solitea Pay SK, s.r.o., Reg. No.: 52 528 766
- Solitea Slovensko, a.s., Reg. No.: 36 237 337
- Solitea Gemma, s.r.o., Reg. No.: 35 706 988
- Solitea CDL, s.r.o., Reg. No.: 35 942 444
- Solitea WBI, s.r.o., Reg. No.: 356 85 018
- Vema, s. r. o., Reg. No.: 31 355 374
- JET ERP Betriebsgesellschaft m.b.H., Reg. No.: 352084x
- SAOP d.o.o., Reg. No.: 5383129
- SAOP Croatia, Reg. No.: 080801111
- SAOP Serbia, Reg. No.: 20665327
- Clever Decision, spol. s r.o., Reg. No.: 274 28 761
- MIT informatika, d.o.o., Reg. No.: 7049595, VAT 38835843
- AXIOM PROVIS Int., s.r.o., Reg. No.: 440 05 351
- AXIOM Praha spol. s r.o., Reg. No.: 493 59 568
- P R O V I S s.r.o., Reg. No.: 451 95 129
- AXIOM Bratislava, s.r.o., Reg. No.: 47 435 038
- Dotykačka Holding a.s., Reg. No.: 062 70 611
- Dotykačka ČR s.r.o., Reg. No.: 062 90 914
- Dotykačka Polska Sp. z o.o., 368504764
- DotyPOS DE GmbH, (Ge), 27/265/50073
- Dotypos Analytics s.r.o., Reg. No.: 081 55 402
- Smart software s.r.o. Reg. No.: 252 92 498
- MARKEETA Slovensko, s.r.o., Reg. No.: 52 346 277

2. Mutual relationships and agreements, 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 of CZK 59,375 thousand from other related parties.

The controlled entity Solitea, a.s. entered into loan agreements with the controlling entity in accordance with the arm's length principle.

The controlled entity Solitea, a.s. entered into loan agreements with related parties in accordance with the arm's length principle.

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

In the accounting period, supplies and payments were provided between the controlled entity and related parties in the group. All transactions were undertaken based on valid agreements or partial orders in accordance with the arm's length principle.

The controlled entity provides consulting services, marketing support and related hardware purchases to related parties and their subsidiaries. Controlled entity also provides related persons renting office space and services associated with this rent. These transactions were executed based on valid agreements in accordance with the arm's length principle.

The controlled entity is the administrator of the group cash-pool account for related parties and their subsidiaries.

During the accounting period, the controlled entity generated revenues from the sale of securities and shares within the Solitea Group in the amount of CZK 116,030 thousand. The Controlled Entity also entered into an Agreement on the purchase of shares with a related party. The prices were determined by an expert opinion as of 31 December 2019.

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 accounting period, supplies and payments were provided between the controlled entity and related parties in the group. All transactions were undertaken based on valid agreements or partial orders in accordance with the arm's length principle.

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

3. Method of control and role of the controlled entity

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 resulting from the relationships between the entities prevail. The controlled entity is not aware of any disadvantages arising from the above relationships.

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.

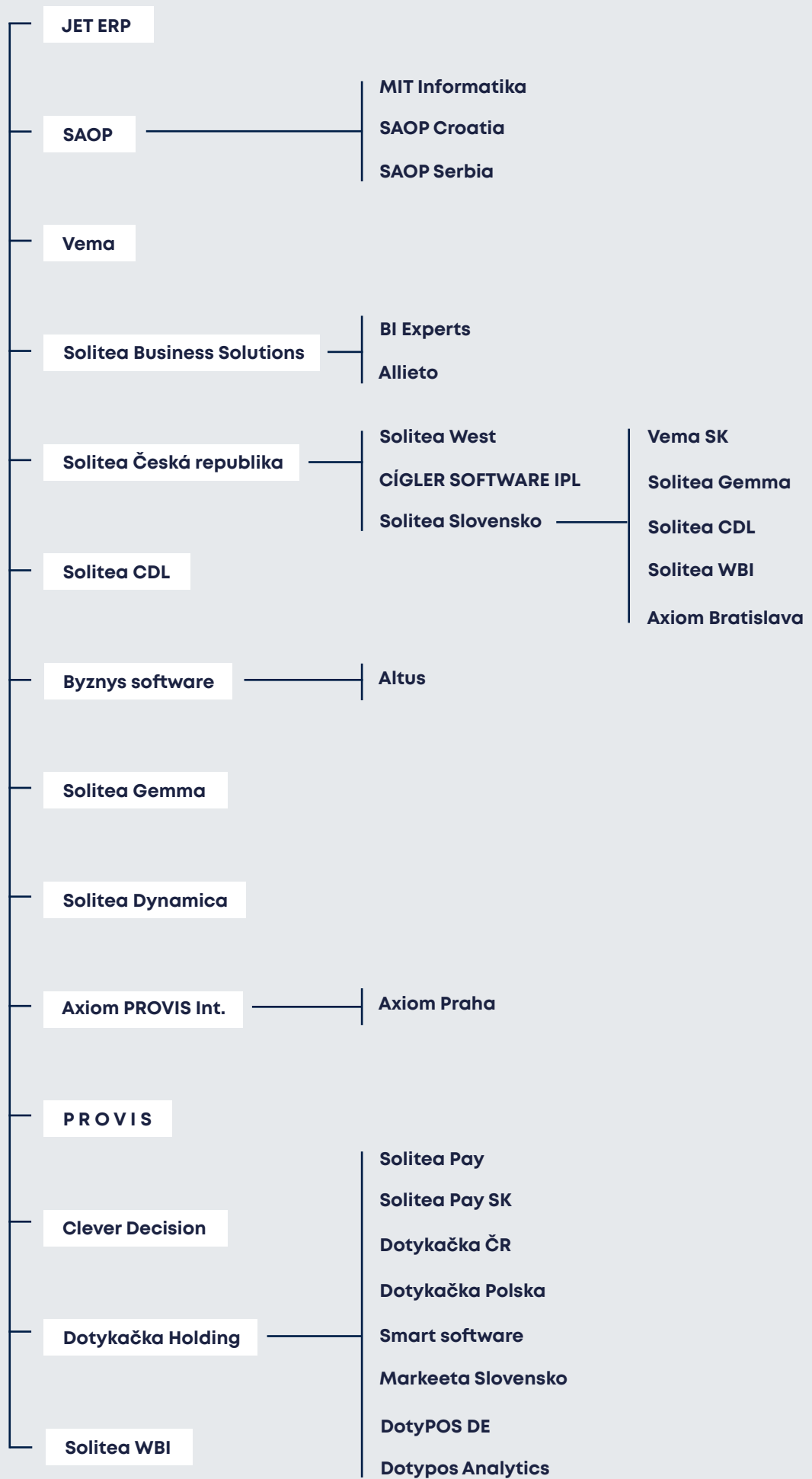
5. Statutory body's declaration

The controlled entity did not incur any detriment as a result of the conclusion of the above-mentioned agreements, the above-mentioned other legal acts, other measures and provided supplies and payments. The amount of received and provided supplies corresponds to the payments provided and received.



On 30 September 2020
Martin Cígler
Chairman of the Board

Solitea group's structure



Our mantra is performance



KPMG Česká republika Audit, s.r.o.
Pobřežní 1a
186 00 Prague 8
Czech Republic
+420 222 123 111
www.kpmg.cz

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

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

Opinion

We have audited the accompanying consolidated financial statements of Solitea, a.s. ("the Company") and its subsidiaries (together "the Group"), prepared in accordance with Czech accounting legislation, which comprise the consolidated balance sheet as at 30 June 2020, 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 and 5 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 2020, 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), which may be supplemented and 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 separate and 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 separate and 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 separate and the consolidated financial statements is, in all material respects, consistent with the separate and 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 Kocík is the statutory auditor responsible for the audit of the consolidated financial statements of Solitea, a.s. as at 30 June 2020, based on which this independent auditor's report has been prepared.

Prague
5 January 2021

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


Martin Kocík
Partner
Registration number 2335

Individual financial statements

As at 30 June 2020.

Balance sheet in full format

as at 30 June 2020 (in thousands of Czech crowns)

Name and reg. office of the Company

Solitea, a.s. Drobného 555/49, Ponava
602 00 Brno, Czech Republic

Ident.	ASSETS	line	Current period			Prior period
			Gross	Adjust.	Net	Net
a	b	c	1	2	3	4
	TOTAL ASSETS	1	2,233,433	-4,566	2,228,867	1,358,231
B.	Fixed assets	2	2,005,154	-4,566	2,000,588	1,314,922
B.I.	Intangible fixed assets	3	6,116	-214	5,902	--
B.I.2.	Intellectual property rights	4	4,379	-214	4,165	--
B.I.2.1.	Software	5	4,379	-214	4,165	--
B.I.4.	Other intangible fixed assets	6	1,493	--	1,493	--
B.I.5.	Advance payments for intangible fixed assets and intangible fixed assets under construction	7	244	--	244	--
B.I.5.2.	Intangible fixed assets under construction	8	244	--	244	--
B.II.	Tangible fixed assets	9	22,200	-4,352	17,848	2,705
B.II.2.	Plant and equipment	10	12,983	-4,352	8,631	1,755
B.II.5.	Advance payments for tangible fixed assets and tangible fixed assets under construction	11	9,217	--	9,217	950
B.II.5.2.	Tangible fixed assets under construction	12	9,217	--	9,217	950
B.III.	Long-term investments	13	1,976,838	--	1,976,838	1,312,217
B.III.1.	Equity investments - group undertakings	14	1,976,838	--	1,976,838	1,310,660
B.III.7.	Other long-term investments	15	--	--	--	1,557
B.III.7.2.	Advance payments for long-term investments	16	--	--	--	1,557

Identification number: 015 72 377

Balance sheet in full format

as at 30 June 2020 (in thousands of Czech crowns)

Name and reg. ist. office of the Company

Solitea, a.s. Drobného 555/49, Ponava
602 00 Brno, Czech Republic

Identification number: 015 72 377

Ident.	ASSETS	line	Current period			Prior period
			Gross	Adjust.	Net	Net
a	b	c	1	2	3	4
C.	Current assets	17	209,404		209,404	42,777
C.I.	Inventories	18	--	--	--	38
C.I.3.	Finished goods and goods for resale	19	--	--	--	38
C.I.3.2.	Goods for resale	20	--	--	--	38
C.II.	Receivables	21	101,701	--	101,701	24,074
C.II.1.	Long-term receivables	22	86,794	--	86,794	789
C.II.1.2.	Receivables – group undertakings	23	86,794	--	86,794	--
C.II.1.5.	Receivables – other	24	--	--	--	789
C.II.1.5.4.	Other receivables	25	--	--	--	789
C.II.2.	Short-term receivables	26	14,907	--	14,907	23,285
C.II.2.1.	Trade receivables	27	7,239	--	7,239	1,917
C.II.2.2.	Receivables – group undertakings	28	4,322	--	4,322	12,484
C.II.2.4.	Receivables – other	29	3,346	--	3,346	8,884
C.II.2.4.3.	Tax receivables	30	2,707	--	2,707	760
C.II.2.4.4.	Short-term advances paid	31	542	--	542	8,124
C.II.2.4.6.	Other receivables	32	97	--	97	
C.IV.	Cash	33	107,703	--	107,703	18,665
C.IV.1.	Cash in hand	34	1	--	1	3
C.IV.2.	Bank accounts	35	107,702	--	107,702	18,662
D.	Deferrals	36	18,875	--	18,875	532
D.1.	Prepaid expenses	37	12,306	--	12,306	113
D.3.	Accrued revenues	38	6,569	--	6,569	419

A word from the CEO

Products

Management

Management report

Balance sheet in full format

as at 30 June 2020 (in thousands of Czech crowns)

Name and reg ist. office of the Company

Solitea, a.s. Drobného 555/49, Ponava
602 00 Brno, Czech Republic

Identification number: 015 72 377

Ident.	LIABILITIES	line	Current period	Prior period
a	b	c	5	6
TOTAL LIABILITIES AND EQUITY		39	2,228,867	1,358,231
A.	Equity	40	1,570,583	1,121,427
A.I.	Registered capital	41	814,000	814,000
A.I.1.	Registered capital	42	814,000	814,000
A.II.	Premium and capital contributions	43	385,490	-14,660
A.II.1.	Premium	44	6,128	6,128
A.II.2.	Capital contributions	45	379,362	-20,788
A.II.2.1.	Other capital contributions	46	380,010	--
A.II.2.2.	Revaluation of assets and liabilities (+/-)	47	-648	-20,788
A.IV.	Retained earnings (+/-)	48	322,086	220,807
A.IV.1.	Retained profits or accumulated losses (+/-)	49	322,086	220,807
A.V.	Profit (loss) for the current period (+/-)	50	49,007	101,280
B. + C.	Liabilities	51	622,139	233,154
C.	Liabilities	52	622,139	233,154
C.I.	Long-term liabilities	53	6,333	55,186
C.I.8.	Deferred tax liability	54	333	333
C.I.9.	Liabilities – other	55	6,000	54,853
C.I.9.3.	Other payables	56	6,000	54,853
C.II.	Short-term liabilities	57	615,806	177,968
C.II.3.	Short-term advances received	58	--	7,433
C.II.4.	Trade payables	59	12,626	3,412
C.II.6.	Liabilities - group undertakings	60	525,798	100,634
C.II.8.	Liabilities – other	61	77,382	66,489
C.II.8.2.	Short-term financial liabilities	62	17,000	--
C.II.8.3.	Payables to employees	63	1,230	187
C.II.8.4.	Social security and health insurance liabilities	64	824	124
C.II.8.5.	Tax liabilities and subsidies	65	372	52
C.II.8.6.	Estimated payables	66	15	--
C.II.8.7.	Other payables	67	57,941	66,126
D.	Accruals	68	36,145	3,650
D.1.	Accrued expenses	69	19,411	3,650
D.2.	Deferred revenues	70	16,734	--

Income statement

classification by nature for the year ended
30 June 2020 (in thousands of Czech crowns)

Name and reg ist. office of the Company

Solitea, a.s. Drobného 555/49, Ponava
602 00 Brno, Czech Republic

Identification number: 015 72 377

Ident.	INCOME STATEMENT	line	Current period	Prior period
a	b	c	1	2
I.	Revenue from products and services	1	35,143	14,186
II.	Revenue from goods	2	25	83
A.	Cost of sales	3	28,895	15,555
A.1.	Cost of goods sold	4	25	83
A.2.	Materials and consumables	5	1,870	127
A.3.	Services	6	27,000	15,345
D.	Personnel expenses	7	10,556	4,675
D.1.	Wages and salaries	8	7,786	3,474
D.2.	Social security, health insurance and other expenses	9	2,770	1,201
D.2.1.	Social security and health insurance expenses	10	2,677	1,189
D.2.2.	Other expenses	11	93	12
E.	Adjustments relating to operating activities	12	1,230	781
E.1.	Adjustments to intangible and tangible fixed assets	13	1,230	781
E.1.1.	Depreciation and amortisation of intangible and tangible fixed assets	14	1,230	781
III.	Other operating revenues	15	17	--
III.3.	Miscellaneous operating revenues	16	17	--
F.	Other operating expenses	17	179	102
F.3.	Taxes and charges	18	2	--
F.5.	Miscellaneous operating expenses	19	177	102
*	Operating profit (loss) (+/-)	20	-5,675	-6,844

A word from the CEO

Products

Management

Management report

Income statement

classification by nature for the year ended
30 June 2020 (in thousands of Czech crowns)

Name and reg ist. office of the Company

Solitea, a.s. Drobného 555/49, Ponava
602 00 Brno, Czech Republic

Identification number: 015 72 377

Ident.	INCOME STATEMENT	line	Current period	Prior period
a	b	c	1	2
IV.	Revenue from long-term investments – equity investments	21	175,405	111,862
IV.1.	Revenue from equity investments – group undertakings	22	175,405	111,862
G.	Cost of equity investments sold	23	95,031	--
VI.	Interest revenue and similar revenue	24	189	372
VI.2.	Other interest revenue and similar revenue	25	189	372
J.	Interest expense and similar expense	26	11,218	4,368
J.1.	Interest expense and similar expense – group undertakings	27	11,218	4,368
VII.	Other financial revenues	28	6,208	3,661
K.	Other financial expenses	29	20,871	3,397
*	Profit (loss) from financial operations	30	54,682	108,130
**	Profit (loss) before tax (+/-)	31	49,007	101,286
L.	Income tax	32	--	6
L.2.	Deferred tax (+/-)	33	--	6
**	Profit (loss) after tax (+/-)	34	49,007	101,280
***	Profit (loss) for the accounting period (+/-)	35	49,007	101,280
*	Net turnover for the accounting period = I. + II. + III. + IV. + V. + VI. + VII.	36	216,987	130,164

Cash flow statement

for the year ended 30 June 2020
(in thousands of Czech crowns)

Name and reg ist. office of the Company

Solitea, a.s. Drobného 555/49, Ponava
602 00 Brno, Czech Republic

Identification number: 015 72 377

Ident.	CASH FLOW STATEMENT	Current period	Prior period
P.	Cash and cash equivalents, beginning of period	18,665	14,420
CASH FLOW STATEMENT			
Z:	Accounting profit (loss) from ordinary activities	49,007	101,286
A.1.	Non-cash transactions	-68,116	-107,086
A.1.1.	Depreciation and amortisation of fixed assets	1,230	781
A.1.3.	Profit (-) Loss (+) on sale of fixed assets	-20,999	--
A.1.4.	Revenue from dividends and profit distribution	-59,375	-111,862
A.1.5.	Expense and revenue interests accounted for	11,029	3,996
A.1.6.	Other non-cash transactions	-1	-1
A.*	Net operating cash flow before taxation and changes in working capital	-19,109	-5,800
A.2.	Changes in working capital	17,517	77,530
A.2.1.	Change in receivables from operating activities, estimated receivables and deferrals	-9,176	-3,251
A.2.2.	Change in short-term liabilities from operating activities, estimated payables and accruals	26,655	12,617
A.2.3.	Change in inventories	38	-38
A.2.4.	Change in short-term financial assets, other than cash and cash equivalents	--	68,202
A.**	Net operating cash flow before taxation	-1,592	71,730
A.3.	Interest paid excluding amounts capitalised	-2,421	-1,404
A.4.	Interest received	129	186
A.6.	Dividends received	45,375	111,862
A.***	Net operating cash flow	41,491	182,374
INVESTING ACTIVITIES			
B.1.	Acquisition of fixed assets	-803,923	-77,933
B.1.1.	Acquisition of tangible fixed assets	-16,373	-950
B.1.2.	Acquisition of intangible fixed assets	-5,902	--
B.1.3.	Acquisition of long-term investments	-781,648	-76,983
B.2.	Proceeds from sales of fixed assets	29,236	--
B.2.2.	Proceeds from sale of financial investments	29,236	--
B.3.	Advances and loans to related parties	60	-12,298
B.***	Net cash flow from investing activities	-774,627	-90,231
FINANCING ACTIVITIES			
C.1.	Change in long-term resp. short-term liabilities from financing	463,915	-87,898
C.2.	Increase and decrease in equity from cash transactions	358,259	--
C.2.1.	Subscription of shares and investments	358,259	--
C.***	Net cash flow from financing activities	822,174	-87,898
F.	Net increase or decrease in cash balance	89,038	4,245
R.	Cash and cash equivalents, end of period	107,703	18,665

A word from the CEO

Products

Management

Management report

Statement of changes in equity

for the year ended 30 June 2020
(in thousands of Czech crowns)

Name and reg ist. office of the Company

Solitea, a.s. Drobného 555/49, Ponava
602 00 Brno, Czech Republic

Identification number: 015 72 377

STATEMENT OF CHANGES IN EQUITY				(in thousands of Czech crowns TCZK)			
	Registered capital		Premium		Other capital contributions		
Balance as at 1. 7. 2019	814,000		6,128		--		
Transfer of the profit (loss) of prior year period	--		--		--		
Contribution made outside registered capital	--		--		--		
Change in revaluation	--		--		380,010		
Rounding	--		--		--		
Profit (loss) for the current period	--		--		--		
Balance as at 30. 6. 2020	814,000		6,128		380,010		
Balance as at 1. 7. 2018	814,000		6,128		--		
Transfer of the profit (loss) of prior year period	--		--		--		
Change in revaluation	--		--		--		
Rounding	--		--		--		
Profit (loss) for the current period	--		--		--		
Balance as at 30. 6. 2019	814,000		6,128		--		

Statement of changes in equity

for the year ended 30 June 2020
(in thousands of Czech crowns)

Name and reg. office of the Company

Solitea, a.s. Drobného 555/49, Ponava
602 00 Brno, Czech Republic

Identification number: 015 72 377

STATEMENT OF CHANGES IN EQUITY					(in thousands of Czech crowns TCZK)
	Revaluation of assets and liabilities	Retained profits or accumulated losses (+/-)	Profit (loss) for the current period	Total	
Balance as at 1. 7. 2019	-20,788	220,807	101,280	1,121,427	
Transfer of the profit (loss) of prior year period	--	101,280	-101,280	--	
Contribution made outside registered capital	--	--	--	380,010	
Change in revaluation	20,140	--	--	20,140	
Rounding	--	-1	--	-1	
Profit (loss) for the current period	--	--	49,007	49,007	
Balance as at 30. 6.2020	-648	322,086	49,007	1,570,583	
Balance as at 1. 7. 2018	-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	-20,788	220,807	101,280	1,121,427	

A word from the CEO

Products

Management

Management report

Notes to the Czech statutory financial statements (unconsolidated)

1. Description and principal activities

Establishment and description of the Company

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

Principal activities of the Company include:

- Manufacturing, trade and services not specified in appendixes 1 to 3 of the Trade Licensing Act
- Own assets administration
- Lease of property, residential and non-residential premises

Ownership structure

As at 30 June 2020, shareholders of the Company with shares exceeding 20 % were:

- **LIGELTA HOLDINGS LTD** with its registered office on Kyriakou Matsi, 16, EAGLE HOUSE, 8th floor, Agioi Omologites, 1082, Nicosia, Republic of Cyprus, holding a 72.8% share.
- **CSW Holding s.r.o.** with its registered office at Brno, Drobného 555/49, 602 00, Czech Republic, holding a 20% share.

The following changes were recorded in the Commercial Register in the year ended as at 30 June 2020:

- the general meeting’s decision on a stock split
- establishment of a negative pledge to the shares of Solitea, a.s.
- domestic merger by acquisition project
- the general meeting’s decision on a change of statutes, removal and election of members of statutory bodies
- unabridged Company statutes
- decision of the general meeting of the successor company on the approval of a merger by acquisition
- the general meeting’s decision on the registration of shares.

Members of the board of directors and supervisory board as at 31 May 2020

Members of the board of directors:

- Martin Cígler (chairman)
- Michal Rybovič (vice-chairman)

Members of the supervisory board:

- Ing. Michal Máčel, CSc. (chairman)
- Petr Franc
- Tomáš Loukota

Members of the board of directors and supervisory board as at 30 June 2020

Members of the board of directors:

- Martin Cígler (chairman)
- Michal Rybovič (vice-chairman)
- Tomáš Loukota
- Petr Franc
- Dipl. Ing. Martin Kudrna, MBA
- Ing. Jan Tomíšek

Members of the supervisory board:

- Ing. Michal Máčel, CSc. (chairman)
- Mgr. Jana Šufajzlová
- Ing. Vítězslav Kotrs

The Company does not prepare an annual report as the information shall be included in the consolidated annual report.

The Company also prepares consolidated financial statements in accordance with Czech Accounting Standards.

The Company is the parent of Solitea, and these financial statements have been prepared as unconsolidated.

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

2. General accounting principles, accounting policies and their changes and deviation

These financial statements have been prepared in compliance with Act No. 563/1991 Coll., on Accounting, as amended, (“the Act on Accounting”) and Decree of the Czech Ministry of Finance No. 500/2002 Coll., implementing certain provisions of the Act on Accounting, as amended, for business entities using double-entry bookkeeping, (“the Decree”).

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

Tangible and intangible fixed assets

Tangible and intangible fixed assets are stated at acquisition cost. Tangible and intangible fixed assets costing up to TCZK 20 are not recognised in the balance sheet and are expensed in the year that they are acquired.

The cost of internally produced fixed assets includes direct materials, direct wages and overheads directly related to the creation of the asset until it is put into use.

Depreciation and amortisation of assets commences in the month following the month the assets are put into operation. Depreciation and amortisation are recorded monthly, including low-value assets.

In the income statement, depreciation is presented in the “Depreciation and amortisation of intangible and tangible fixed assets”.

Leasehold improvement costs increase the acquisition cost of fixed assets. Repairs and maintenance are expensed.

The company decided to report minor assets acquired within the leased premises in the Rustonka office building in Prague in the amount of CZK 300 to TCZK 40 in the balance sheet in the position Deferred expenses. These minor assets are depreciated into costs through account number 501 Consumption for the period of renting administrative premises, which amounts to 84 months.

Long-term investments

Long-term investments comprise equity investments in subsidiaries and associated companies, debt securities that the Company has the intent and ability

ASSETS ARE DEPRECIATED USING THE FOLLOWING METHODS OVER THE FOLLOWING PERIODS

Assets	Method	Period
Buildings	Straight-line	40–50 years
Hardware (servers, projectors, etc.), (up to 1M, 3 years; over 1M, 5 years)	Straight-line	3–5 years
Furniture	Straight-line	5 years
Cars (up to TCZK 1,500)	Straight-line	5 years
Cars (over TCZK 1,500)	Straight-line	6 years
Security systems	Straight-line	5 years
Patents and other intangibles (know-how)	Straight-line	6 years
Software	Straight-line	3 years
Adjustments to acquired fixed assets	Straight-line	15 years
Low value tangible fixed assets (TCZK 20–40)	Straight-line	2 years
Low value tangible fixed assets (TCZK 20–60)	Straight-line	2 years

to hold to maturity, and other long-term securities for which the Company's intent is not known upon acquisition. Long-term investments also include long-term loans provided to group undertakings and associated companies and other long-term loans granted.

Long-term investments are stated at acquisition cost. Acquisition cost includes expenses directly incurred in connection with the acquisition, such as fees and commissions paid to brokers, advisers and stock exchanges.

As at the balance sheet date, investments in subsidiaries and associates were recognised at acquisition cost, and if a particular investment has been impaired, an adjustment has been established.

Investments in subsidiaries denominated in foreign currency are translated to CZK based on the current exchange rate published by the CNB as at the day of the financial statements, and the appropriate exchange rate difference is recognised in equity as Revaluation of assets and liabilities.

Cash

Cash comprises fee stamps, cash in hand and cash at the bank.

Within the Solitea group, a system of using free funds of individual group companies was introduced within "cash pool" system. Due to the nature of this system, funds invested in or used from this system as at the balance sheet date are reported in the items "Short-term receivables – controlled or controlling entity", or "Short-term liabilities – controlled or controlling entity" and change in these funds is reported in the statement of cash flows in the item "Loans and advances to related parties", or "Change in long-term, or short-term financial liabilities".

Foreign currency translation

The Company applies the Czech National Bank official daily rate to foreign currency transactions.

Assets and liabilities acquired in foreign currency are measured in CZK based on the exchange rate as at the date of their realisation.

As at the balance sheet date, foreign currency monetary assets and liabilities are translated at the prevailing Czech National Bank official rates. Realised

and unrealised foreign exchange gains and losses are recognised in profit or loss in financial expenses or revenues.

Recognition of revenues and expenses

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

Expenses lower than TCZK 5 are not accrued and are recognised in the period they were actually expended.

Income tax

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

Current tax comprises an estimate of tax payable calculated based on the taxable income, using the tax rate valid as at the first day of the accounting period, and any adjustments to taxes payable for previous periods.

Deferred tax is based on all temporary differences between the carrying and tax value of assets and liabilities, and other temporary differences (tax losses carried forward, if any), multiplied by the tax rate expected to be valid for the period in which the tax asset/liability is utilised.

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

Subsequent events

The effects of events which occurred between the balance sheet date and the date of preparation of the financial statements, are recognised in the financial statements in the case that these events provide further evidence of conditions that existed as at the balance sheet date.

Where significant events occur subsequent to the balance sheet date but prior to the preparation of the financial statements, which are indicative of conditions that arose subsequent to the balance sheet date, the effects of these events are quantified and disclosed, but are not themselves recognised in the financial statements.

Classification of liabilities

The Company classifies as short-term any part of long-term liabilities, bank loans and overdrafts that is due within one year of the balance sheet date.

3. Intangible and tangible fixed assets

INTANGIBLE FIXED ASSETS				(in thousands of Czech crowns TCZK)	
	Software	Other intangible fixed assets	Intangible fixed assets under construction	Total 2020	Total 2019
ACQUISITION COST					
Opening balance	214	--	--	214	214
Additions	4,165	1,493	244	5,902	--
Disposals	--	--	--	--	--
Transfers	--	--	--	--	--
Closing balance	4,379	1,493	244	6,116	214
ACCUMULATED DEPRECIATION					
At beginning of year	214	--	--	214	207
Depreciation/amortization	--	--	--	--	7
Disposals	--	--	--	--	--
Transfers	--	--	--	--	--
Closing balance	214	--	--	214	214
Net book value at 1 July	--	--	--	--	7
Net book value at 30 June	4,165	1,493	244	5,902	--
TANGIBLE FIXED ASSETS					
(in thousands of Czech crowns TCZK)					
	Plant and equipment	Tangible fixed assets under construction	Total 2020	Total 2019	
ACQUISITION COST					
Opening balance	4,927	950	5,877	4,927	
Additions	7,156	9,217	16,373	950	
Disposals	-50	--	-50	--	
Transfers	950	-950	--	--	
Closing balance	12,983	9,217	22,200	5,877	
ACCUMULATED DEPRECIATION					
At beginning of year	3,172	--	3,172	2,398	
Depreciation/Amortization	1,230	--	1,230	774	
Disposals	-50	--	50	--	
Transfers	--	--	--	--	
Closing balance	4,352	--	4,352	3,172	
Net book value 1 July	1,755	950	2,705	2,529	
Net book value 30 June	8,631	9,217	17,848	2,705	

The Company has no fixed tangible assets pledged.

4. Investments

Long-term investments

The acquisition of investments in Dotykačka Holding a.s., Clever Decision, spol. s r.o., AXIOM PROVIS Int., s.r.o., represents additions to long-term investments in 2020.

In relation with the mergers carried out on 1 July 2020, shares were sold during the year in certain subsidiaries within the group.

This comprised some companies that are subsidiaries of Solitea, a.s. – Vema, s.r.o. (SK), Solitea CDL, s.r.o. (SK), AXIOM Bratislava, s.r.o. (SK).

In the course of the planned merger, Solitea, a.s. acquired an investment in Solitea WBI, s.r.o. (CZ) from Solitea WBI, s.r.o. (SK), a subsidiary.

The sale of investments in Solitea Gemma, s.r.o. (SK) and Solitea WBI, s.r.o. (SK) due to the above-mentioned merger into subsidiary Solitea Slovensko, a.s. represent disposals of long-term investments in 2020. The demerger of the SPA training centre during the acquisition of shares in Byznys software, s.r.o., formerly J.K.R., spol. s r.o., represents another disposal of investments.

As at 30 June 2020, revenue from long-term investment – controlled and controlling entity – totalled TCZK 175,405 (2019 – TCZK 111,862), of which TCZK 59,375 were revenues from share of profits, and TCZK 116,030 were revenues from the sale of shares and investments (see above). The cost of the sale of shares and investments totalled TCZK 95,031.

Short-term financial assets

From 1 July 2019, the Company does not record any short-term financial assets.

CHANGES IN LONG-TERM INVESTMENTS			(in thousands of Czech crowns TCZK)	
	Equity investments – group undertakings	Advance payments for long-term investments	Total 2020	Total 2019
Balance at 1 July	1,310,660	1,557	1,312,217	1,218,008
Additions	739,512	--	739,512	102,121
Disposals	-95,031	--	-95,031	--
Revaluation	20,140	--	20,140	-7,912
Transfers	1,557	-1,557	--	--
Balance at 30 June	1,976,838	--	1,976,838	1,312,217

**CONTROLLED AND CONTROLLING ENTITIES AND ASSOCIATES
AS AT 30 JUNE 2020**
(in thousands of Czech crowns TCZK)

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.
Registered office	Sokolovská 695/115b, Praha	Drobného 49, Brno	Okružní 871/3a, Brno	Lemböckgasse 49/A62, Wien	Cesta Goriške fronte 46, Šempeter pri Gorici
Date of the financial statements	30. 6.2020	30. 6.2020	30. 6.2020	30. 6.2020*	30. 6.2020*
Interest in %	100	100	100	100	100
Total assets	168,713	125,326	199,361	39,198	156,191
Equity	97,972	48,744	147,611	-1,877	108,809
Registered capital and capital contributions	5,000	16,904	2,511	936	13,338
Funds from profit	--	--	--	27,096	1,334
Retained earnings	67,050	30,230	3,806	-30,828	70,289
Profit/loss for the current period	25,922	1,610	141,294	919	23,848
Dividends	--	--	26,456	--	--

Company name and legal form	Solitea CDL, a.s.	Byznys software, s.r.o.	Solitea Gemma, s.r.o. (CZ)	Solitea Dynamica, a.s.	Solitea WBI, s.r.o. (CZ)
Registered office	Klišská 1810/31, Ústí nad Labem	Žižkova 708, Příbram	Videňská 181/102i, Brno	Videňská 181/102i, Brno	Drobného 555/49, Brno
Date of the financial statements	30. 6. 2020	30. 6. 2020	30. 6. 2020	30. 6. 2020	30. 6. 2020
Interest in %	100	100	100	100	100
Total assets	90,995	74,613	58,588	4,737	3,402
Equity	32,098	29,186	36,027	950	2,185
Registered capital and capital contributions	10,000	2,100	350	1,000	200
Funds from profit	66	8,530	35	125	--
Retained earnings	8,410	14,808	3,883	126	457
Profit/loss for the current period	13,622	3,748	31,759	-301	1,528
Dividends	13,499	14,513	4,500	--	--

Company name and legal form	Dotykačka Holding, a.s.	Clever Decision, spol. s r.o.	AXIOM PROVIS Int., s.r.o.	PROVIS s.r.o.
Registered office	Pižeňská 3217/16, Praha	Sokolovská 695/115b, Praha	Pod Vrškem 5360, Zlín	Jiráskova 1127, 755 01 Vsetín
Date of the financial statements	31. 12. 2019*	30. 6. 2020	30. 6. 2020	30. 6. 2020*
Interest in %	58.5	100	100	35
Total assets	370,976	44,049	105,264	5,282
Equity	370,740	38,593	77,693	4,456
Registered capital and capital contributions	372,542	401	400	200
Funds from profit	--	40	40	20
Retained earnings	-5	34,626	49,491	3,815
Profit/loss for the current period	-1,797	3,526	27,762	421
Dividends	--	--	--	--

*The stated values are drawn from the unaudited financial statements of the designated companies.

**CONTROLLED AND CONTROLLING ENTITIES AND ASSOCIATES
AS AT 30 JUNE 2019**
(in thousands of Czech crowns TCZK)

Company name and legal form	Solitea Business Solutions s.r.o.	Solitea Česká republika, a.s.	Vema, a.s	JET ERP Betriebsgesellschaft mbH
Registered office	Rubeška 215/1, Praha	Drobného 49, Brno	Okružní 871/3a, Brno	Lembäckgasse 49/A62, Wien
Date of the financial statements	30. 6. 2019	30. 6. 2019	30. 6. 2019	30. 6. 2019
Interest in %	100	99	100	100
Total assets	134,842	123,421	77,917	33,819
Equity	72,050	46,873	34,400	-2,661
Registered capital and capital contributions	5,000	16,643	18,138	891
Funds from profit	--	--	--	25,784
Retained earnings	52,079	46,840	3,806	-23,457
Profit/loss for the current period	14,971	-16,610	26,452	-5,878
Dividends	--	19,047	11,376	--

Company name and legal form	Saop d.o.o.	Byznys software, s.r.o.	Solitea Gemma, s.r.o. (CZ)	Solitea Gemma, s.r.o. (SK)
Registered office	Cesta Goriške fronte 46, Šempeter pri Gorici	Žižkova 708, Příbram	Videňská 181/102i, Brno	Repašského 20, Bratislava
Date of the financial statements	30. 6. 2019	30. 6. 2019	30. 6. 2019	30. 6. 2019
Interest in %	100	100	100	100
Total assets	116,966	98,399	33,616	18,812
Equity	81,185	41,400	8,764	6,444
Registered capital and capital contributions	12,692	2,100	355	253
Funds from profit	1,269	8,530	35	29
Retained earnings	47,471	16,256	10,756	5,678
Profit/loss for the current period	19,753	14,514	-2,382	483
Dividends	77,175	--	--	--

Company name and legal form	Solitea Dynamica, a.s.	Solitea WBI, s.r.o. (CZ)	Solitea WBI, s.r.o. (SK)	Solitea CDL, a.s.
Registered office	Videňská 181/102i, Brno	Drobného 555/49, Brno	Pluhová 50/A, Bratislava	Klišská 1810/31, Ústí nad. Labem
Date of the financial statements	30. 6. 2019	30. 6. 2019	30. 6. 2019	30. 6. 2019
Interest in %	100	100	100	100
Total assets	8,757	2,880	26,615	81,424
Equity	1,258	2,330	3,500	32,037
Registered capital and capital contributions	1,000	200	2,985	10,076
Funds from profit	125	--	84	--
Retained earnings	829	1,973	25	8,410
Profit/loss for the current period	-696	157	405	13,551
Dividends	--	--	--	4,264

5. Trade receivables and payables

a) Short-term trade receivables total TCZK 7,239 (2019 – TCZK 1,917), of which TCZK 0 (2019 – TCZK 0) is overdue. As at 30 June 2020 and 30 June 2019, the Company did not create any adjustments to receivables.

The Company reports long-term receivables totalling TCZK 86,794 (2019 – TCZK 0). These comprise receivables from contracts on the transfer of a business share in Solitea Gemma, s.r.o. and Solitea WBI, s.r.o.

b) Short-term trade payables totalled TCZK 12,626 (2019 – TCZK 3,412), of which TCZK 0 (2019 – TCZK 0) were overdue. The Company's policy is generally to pay trade payables as they fall due, and as a result no payables are overdue.

Related parties receivables/payables are listed in Note 11.

Short-term financial aid totals TCZK 17,000 (2019 – TCZK 0) and represents short-term loans received with maturity under one year.

The Company reports other short-term payables of TCZK 57,941 (2019 – TCZK 66,126) – this represents interest-free payables with maturity under one year, comprising mostly unpaid portions of the purchase price of investments into long-term financial assets pursuant to purchase contracts for shares in Solitea Gemma, s.r.o., Solitea WBI, s.r.o., Clever Decision, spol. s r.o., group AXIOM PROVIS Int., s.r.o. Other short-term liabilities in 2019 also consisted of a prepayment for dividends from Vema, a.s. in the amount of TCZK 14,000 (2020 – TCZK 0).

The Company reports other long-term payables totalling TCZK 6,000 (2019 – TCZK 54,853), representing unpaid portion of the purchase price of investment into long-term financial assets.

c) On 26 February 2020, the Company entered into a framework agreement on the provision of multi-currency bank overdraft with a limit of MCZK 50. As at the date of the financial statements, the bank overdraft has not been drawn. On 2 October 2019 and 26 February 2020, contracts on collateral were concluded by blank promissory note, and on 24 October 2019, a contract on pledge of receivables was concluded.

d) A long-term bank guarantee was provided to Rustonka Office Park, s.r.o., valid until 31 March 2027 (TCZK 5,805).

e) Short-term advances provided (2020 – TCZK 542, 2019 – TCZK 8,124) in the previous year mainly represented advances paid to Rustonka Development s.r.o. for additional rent according to article 7.7 (Supplement number 4) of the agreement on the lease of premises used for business in the amount of TCZK 7,344.

f) Short-term advances received (2020 – CZK 0, 2019 – TCZK 7,433) consisted in 2019 of advances paid from subsidiaries in connection with the Contract for the Lease of Business Premises – Rustonka in the amount of CZK 7,433.

6. Registered capital

As at 20 February 2020, the Company's registered capital is divided as follows:

- Eight ordinary registered shares in certificated form at a nominal value of CZK 28,000,000 (in words: twenty-eight million Czech crowns);
- Eight ordinary registered shares in certificated form at a nominal value of CZK 5,600,000 (in words: five million six hundred thousand Czech crowns);
- One ordinary registered share in certified form at a nominal value of CZK 5,575,191 (in words: five million five hundred and seventy-five thousand one hundred and ninety-one Czech crowns);
- One ordinary registered share in certified form at a nominal value of CZK 99,424,809 (in words: ninety-nine million four hundred and twenty-four thousand eight hundred and nine Czech crowns);
- Fourteen ordinary registered shares in certificated form at a nominal value of CZK 100,000 per share (in words: one hundred thousand Czech crowns);
- One ordinary registered share in certified form at a nominal value of CZK 170,180,000 (in words: one hundred and seventy million one hundred and eighty thousand Czech crowns);
- One ordinary registered share in certified form at a nominal value of CZK 40,700,000 (in words: forty million seven hundred thousand Czech crowns);
- One ordinary registered share in certified form at a nominal value of CZK 2,442,000 (in words: two million four hundred and forty-two thousand Czech crowns);
- One ordinary registered share in certified form at a nominal value of CZK 3,256,000 (in words: three million two hundred and fifty-six thousand Czech crowns);
- Two hundred and seventy three ordinary registered share in certified form at a nominal value of CZK 814,000 (in words: eight hundred and fourteen thousand Czech crowns);

in the form of participating securities not accepted for trading on the European regulated stock market or on a foreign market similar to a regulated market under special regulations.

In 2019, the Company's registered capital comprised:

- One ordinary registered share in certified form at a nominal value of the share of CZK 170,180,000 (in words: one hundred and seventy million one hundred and eighty thousand Czech crowns);
- One ordinary registered share in certified form at a nominal value of the share of CZK 63,500,000 (in words: sixty-three million five hundred thousand Czech crowns);
- One ordinary registered share in certified form at a nominal value of the share of CZK 5,276,000 (in words: five million two hundred and seventy-six thousand Czech crowns);
- One ordinary registered share in certified form at a nominal value of the share of CZK 4,884,000 (in words: four million eight hundred and eighty-four thousand Czech crowns);
- One ordinary registered share in certified form at a nominal value of the share of CZK 10,160,000 (in words: ten million one hundred and sixty thousand Czech crowns);
- Twenty ordinary registered shares in certificated form at a nominal value of CZK 100,000 per share (in words: one hundred thousand Czech crowns);
- One ordinary registered share in certified form at a nominal value of CZK 99,424,809 (in words: ninety-nine million four hundred and twenty-four thousand eight hundred and nine Czech crowns);
- One ordinary registered share in certified form at 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);
- Eight ordinary registered shares in certificated form at a nominal value of CZK 28,000,000 per share (in words: twenty-eight million Czech crowns);

- Twenty-two ordinary registered shares in certificated form at a nominal value of CZK 5,600,000 per share (in words: five million six hundred thousand Czech crowns);
- One ordinary registered share in certified form at a nominal value of CZK 2,121,352 (in words: two million one hundred and twenty-one thousand three hundred and fifty-two Czech crowns);
- One ordinary registered share in certified form at a nominal value of CZK 5,575,191 (in words: five million five hundred and seventy-five thousand one hundred and ninety-one Czech crowns)

in the form of participating securities not accepted for trading on the European regulated stock market or on a foreign market similar to a regulated market under special regulations.

7. Equity

The statement of changes in equity is an independent part of the financial statements.

The shareholders decided to contribute TCZK 258,259 to the Company's equity outside the registered capital on the basis of contracts dated 8 August 2019 and 9 August 2019.

On 31 December 2019, an agreement was concluded with shareholders on the contribute outside the equity in the amount of TCZK 21,751.

On 20 February 2020, the board of directors approved the decision to enter into agreements on the provision of voluntary monetary contributions outside the registered capital of the Company totalling TCZK 100,000.

8. Employees and members of management, supervisory and administrative bodies

EMPLOYEES AND MEMBERS OF MANAGEMENT, SUPERVISORY AND ADMINISTRATIVE BODIES

	Average FTE number		Personnel expenses*	
	2020	2019	2020	2019
Employees	16	5	10,463	4,675
Members of supervisory bodies	3	3	--	--
Total	19	8	10,463	4,675

* Employee personnel expenses comprise salaries and bonuses of the members of the board of directors as well. In 2020 and 2019, members of supervisory bodies received no remuneration relating to their function.

9. Services

Other services mainly represent costs for IT support (TCZK 5,337) and costs for management and consulting services (TCZK 2,266).

SERVICES	(in thousands of Czech crowns TCZK)	
	2020	2019
Repairs and maintenance	56	--
Travel expenses	112	32
Cost of representation	414	288
Rent and facility management	7,930	--
Marketing services	507	5,085
Telecommunications services	468	5,130
Advisory, audit and accounting services	6,310	3,087
Other	11,203	1,722
Total	27,000	15,345

10. Income tax

Current tax

In 2020, the Company reports zero income tax liability (2019 – TCZK 0).

Deferred tax

In accordance with the accounting policy described in note 2f), a tax rate of 19 % was used to calculate deferred tax (2019 – 19 %).

DEFERRED TAX	(in thousands of Czech crowns TCZK)					
	Assets		Payables			Net
	2020	2019	2020	2019	2020	2019
Tangible fixed assets	--	--	333	333	-333	-333
Deferred tax asset/(liability)	--	--	333	333	-333	-333

11. Related parties transactions

Receivables and payables relating to the sale and purchase of goods and services are included in trade receivables and payables described in note 5.

The Company generally provides services to controlled entities.

The Company receives services from related parties in the ordinary course of business.

Loans provided are recognised in short-term receivables and represent loans provided to related parties and receivables related to cash-pooling.

Loans received are recognised in short-term liabilities and represent loans received from related parties and liabilities related to cash-pooling.

The Company received shares in profit from controlled entities of TCZK 59,375 (2019 – TCZK 111,862).

The Company reported a revenue from the sale of securities and shares within the Solitea Group, totalling

TRANSACTIONS WITH RELATED PARTIES	(in thousands of Czech crowns TCZK)			
	Volume of mutual transactions		Receivables / Payables at 30 June	
	2020	2019	2020	2019
SALE OF GOODS AND SERVICES				
Shareholders of the Company	--	--	--	--
Other companies in the group	27,860	14,269	7,221	1,501
PURCHASE OF GOODS AND SERVICES				
Shareholders of the Company	--	--	--	--
Other companies in the group	6,222	7,791	4,484	942
LOANS PROVIDED				
Shareholders of the Company	--	--	--	--
Other companies in the group	--	--	4,322	12,484
LOANS RECEIVED				
Shareholders of the Company	--	--	176,892	--
Other companies in the group	--	--	348,906	100,634

TCZK 116,030. The price was set according to an expert opinion dated 31 December 2019. The receivable totaling TCZK 86,794 is from Solitea Slovensko, a.s., a subsidiary. The expense was offset in the acquisition cost of TCZK 95,031 to account No. 561 and reported in Cost of shares sold.

The company Solitea, a.s. concluded an agreement on the lease of office space in Prague in the Rustonka building. Rental costs are partially transferred to the subsidiaries, which have their offices in this building. The lease has been concluded for a period of 84 months. The contracting parties agreed on a rent-free period from the start of the lease until 31 August 2020, i.e. for eight calendar months. The discount is provided under an assumed lease period of at least until December 2026. The rent is allocated on a straight-line basis for 84 months.

In 2019 and 2020, members of management, supervisory and administrative bodies received no advances, deposits, loans, guarantees or other benefits, nor do they hold any shares/equity investments in the Company.

12. Deferrals and accruals

Prepaid expenses (2020 – TCZK 12,306; 2019 – TCZK 113), accrued revenues (2020 – TCZK 6,569; 2019 – TCZK 419), accrued expenses (2020 – TCZK 19,411; 2019 – TCZK 3,650), deferred revenues (2020 – TCZK 16,743; 2019 – TCZK 0)

they mainly represent the accrual of rental costs and expenses for furniture and IT LAN equipment acquired for these premises in the Rustonka building and the re-invoicing of these expenses to subsidiaries, which also have their offices in the Rustonka building.

The position accrued expenses also includes unpaid liabilities due to interest on loans received in the amount of TCZK 12,447.

13. Material subsequent events – merger

On 15 May 2020, a merger project was approved, on the basis of which Solitea, a.s. as the successor company, the assets of the companies listed below were transferred. The decisive day of the merger was July 1, 2020.

Successor company:

- Solitea a.s., Reg. No.: 015 72 377; reg. office at Drobného 555/49, Brno

Dissolving companies:

- Byznys software, s.r.o., Reg. No.: 186 08 001, reg. office at Žižkova 708, Příbram II, 261 01 Příbram
- Altus software s.r.o., Reg. No.: 616 81 202, reg. office at Sokolovská 695/115b, Karlín, 186 00 Praha 8
- Solitea Dynamica, a.s., Reg. No.: 262 21 322, reg. office at Vídeňská 181/102i, Dolní Heršpice, 619 00 Brno

- Solitea Gemma, s.r.o., Reg. No.: 607 10 772, reg. office at Vídeňská 181/102i, Dolní Heršpice, 619 00 Brno
- Solitea Business Solutions s.r.o., Reg. No.: 649 46 274, reg. office at Sokolovská 695/115b, Karlín, 186 00 Praha 8
- Solitea BI Experts, s.r.o., Reg. No.: 282 63 901, reg. office at Masarykova 412/32, 602 00, Brno – město
- Allieto, s.r.o., ID no. 067 34 502, reg. office at Masarykova 412/32, 602 00, Brno – město
- Solitea CDL, a.s., Reg. No.: 631 48 439, reg. office at Klišská 1810/31, 400 01 Ústí nad Labem – centrum
- Solitea Česká republika, a.s., Reg. No.: 255 68 736, reg. office at Drobného 555/49, Ponava, 602 00 Brno
- Solitea WBI, s.r.o., Reg. No.: 040 98 501, reg. office at Drobného 555/49, Ponava, 602 00 Brno
- Vema, a.s., Reg. No.: 262 26 511, reg. office at Okružní 871/3a, Lesná, 638 00 Brno
- Clever Decision, spol. s r.o., Reg. No.: 274 28 761, reg. office at Sokolovská 695/115b, Karlín, 186 00 Praha 8
- AXIOM PROVIS Int., s.r.o., Reg. No.: 440 05 351, reg. office at Pod Vrškem 5360, 760 01 Zlín
- AXIOM Praha spol. s r.o., Reg. No.: 493 59 568, reg. office at Vodnická 390/39, 149 00 Praha 4 – Újezd

14. Material subsequent events – Other

In September 2020, SAOP d.o.o., a Slovenian company, member of the Solitea Group, completed the acquisition of 100% investment in Opal Informatika, thus strengthening its position as a leading provider of information solutions in the Balkans.

15. Impact of COVID-19

On 11 March 2020, the World Health Organisation declared the coronavirus outbreak a pandemic, and the Czech government declared a state of emergency on 12 March 2020. Responding to the potentially serious threat COVID-19 presents to public health, the Czech government took measures to contain the outbreak, including introducing restrictions on the cross-border movement of people, entry restrictions on foreign visitors and the emergency lockdowns of certain industries. As the situation regarding the pandemic developed, the measures were being gradually relaxed, which includes the termination of the state of emergency on 17 May 2020.

The Company operates in the IT sector that has not been significantly affected by the outbreak of COVID-19 and over the last few weeks the Company realized relatively

stable or even temporarily increasing sales and its operations including supplies were uninterrupted.

Based on the publicly available information, the management has considered the potential development of the outbreak and its expected impact on the Company and its economic environment, including the measures already taken by the Czech government and governments in other countries, where the Company's major business partners are located.

In order to ensure uninterrupted operating activities and the Company's liquidity position, the management has implement a number of measures, which notably include:

- implementation of work from home program on a rotational basis for a significant group of administrative employees as well as employees in sales and procurement departments;
- employees were trained to adhere to very strict precautionary standards including social distancing;
- a reduction in capital expenditure commitments within the following 12 months, related to unavoidable replacements of manufacturing equipment;

Based on currently publicly available information, the Company's current KPIs and in view of the actions initiated by the management, we do not anticipate a direct immediate and significant adverse impact of the COVID-19 outbreak on the Company, its operations, financial position and operating results.

However, longer lock-down, adoption of more stringent measures or subsequent negative impact of these measures on the economy and environment in which the Company operates might have negative impact on the Company, its financial situation and profit and loss in mid-term and long-term horizons. The Company's management monitors the situation closely and will react in order to mitigate the negative impact of these events according to actual developments.



On 23 December 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 financial statements of Solitea, a.s. ("the Company"), prepared in accordance with Czech accounting legislation, which comprise the balance sheet as at 30 June 2020, and the income statement, the statement of changes in equity and the cash flow statement for the year 30 June 2020 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 2020, and of its financial performance and its cash flows for the year 30 June 2020 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), which may be supplemented and 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 2020, as it plans to include the respective information in a

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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 Kocík is the statutory auditor responsible for the audit of the financial statements of Solitea, a.s. as at 30 June 2020, based on which this independent auditor's report has been prepared.

Prague
23 December 2020

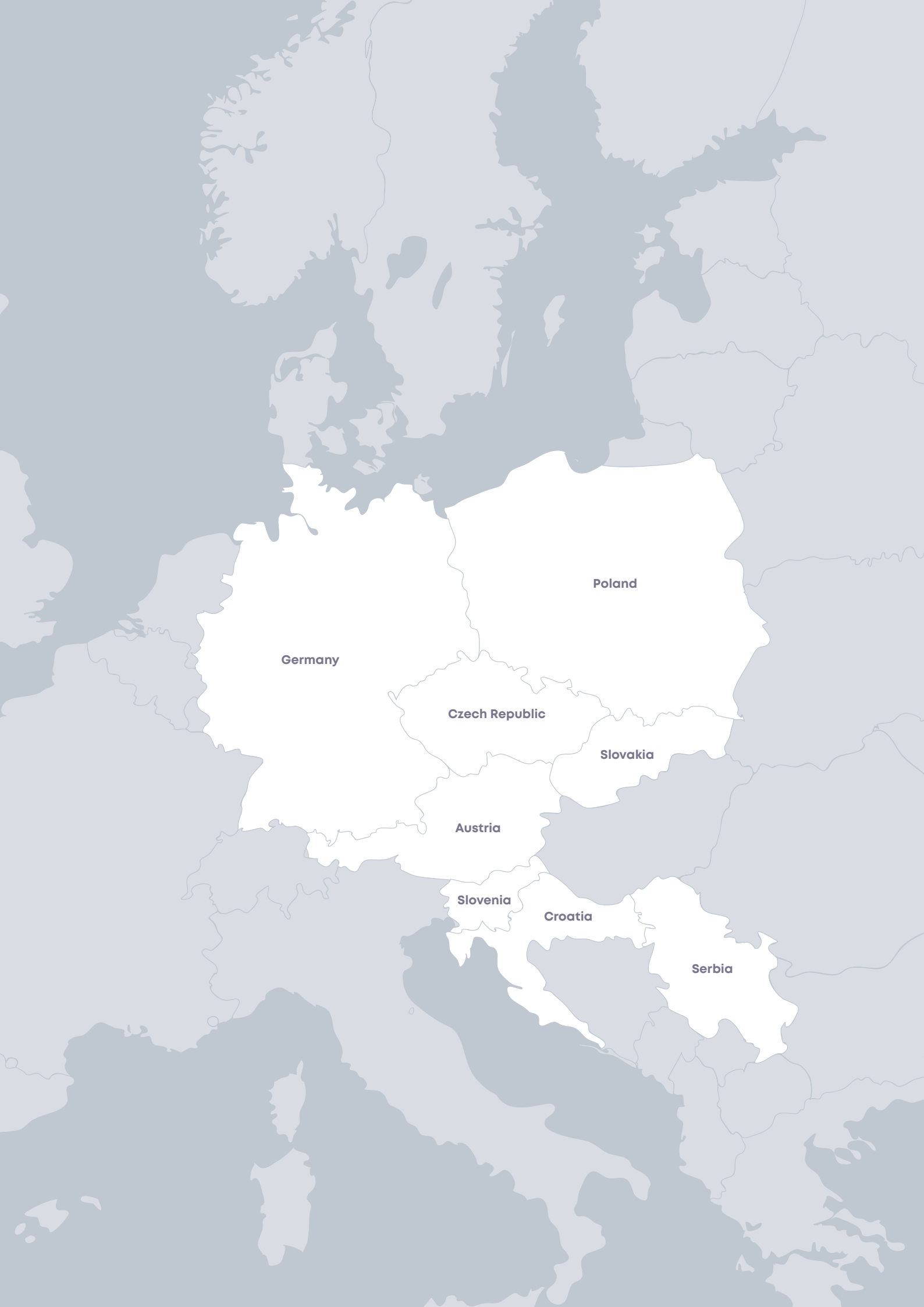

KPMG Česká republika Audit, s.r.o.
Registration number 71


Martin Kocík
Partner
Registration number 2335

Our added value is innovation

Territorial presence

As at the end of the 2020 fiscal year (30 June 2020), Solitea had subsidiaries in eight countries (Czech Republic, Croatia, Germany, Poland, Austria, Slovakia, Slovenia, and Serbia). With more than 30 business premises, Solitea serves customers from most European Union countries and other countries and has a wide network of business and implementation partners at its disposal, enabling it to quickly respond to our customers' needs.



Germany

Poland

Czech Republic

Slovakia

Austria

Slovenia

Croatia

Serbia

