

2021 Consolidated
Annual Report
1 July 2020 to 31 December 2021

Brno, on 21 July 2022



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Key data

In the past year, we generated revenues

3.441 CZK bill.

Revenues grew by 91.9% year on year

91.9%

In thousands of CZK	2020	2021	Adj. 2021/12	Adj. 21/20
Revenues	1,792,902	3,440,882	2,350,214	31.1%
EBITDA	156,206	384,900	256,600	64.3%
Assets	2,193,859	2,951,642	2,951,642	34.5%
Equity	1,385,186	1,638,685	1,638,685	18.3%
Short-term liabilities	473,807	899,534	899,534	89.9%
Long-term liabilities	12,676	36,592	36,592	188.7%
Number of employees	975	1,147	1,147	17.6%

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

384.9 CZK mil.

Number of employees grew to

1,147

2021 figures are audited consolidated data for the extended 18-month fiscal year. Adj. 2021/12 figures are data adjusted to a period of 12 months, to maintain year-on-year comparability. These are data from the audited consolidated financial statements, recalculated to 12 months. This means that Adj. 2021/12 figures have not been audited: they comprise the Company's estimate, whereby within the consolidation process, the figures were recalculated from 18 to 12 months using a simple mathematical calculation.

- Revenues = net turnover for the accounting period
- EBITDA = operating profit + fixed asset depreciation + consolidation difference amortisation
- Adj. 2021/12 figures reflect the sale of JET ERP Betriebsgesellschaft, at 100% of the transaction value

For € / CZK translation, the Czech National Bank's exchange rate of 24.86 as at 31 December 2021 was applied. Change in % figures compare the data for the fiscal year 2020 to the adjusted data for 2021.

Company history

2014



Solitea originates

Solitea is formed, and just one month after its foundation expands its portfolio to the enterprise segment and HR systems by acquiring Aquasoft (later renamed Solitea Business Solutions) and Vema.

Solitea enters Balkan markets

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.

New acquisitions in Czechia and Austria

2015

In the spring, Solitea enters German-speaking markets 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 J.K.R, a traditional Czech manufacturer of ERP systems for SMB (later renamed to Byznys software).

Merger with Altus software

2013

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

Martin Cígler founds CÍGLER SOFTWARE

1990

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

New names, and a contract for Finland's customs administration

2017

Solitea continues to strengthen its brand by renaming 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, a major Microsoft partner and vendor of infrastructure solutions is completed; CDL SYSTEM is renamed Solitea CDL.

Solitea rated the best employer

2018

Altus software is transferred to Byznys software.

Aon Hewitt declares us 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 founded with the aim of entering the European market of smart payment terminals.

Solitea strengthens its partnership with Microsoft by acquiring new firms

2019

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

The Byznys software subsidiary 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.

More than twenty firms merge to form a single company – Solitea

2020

Solitea undergoes 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 its strong acquisition activities both in the Czech Republic and abroad.

By acquiring AXIOM PROVIS Int. and Clever Decision, it reinforces its position as Microsoft's most significant Czech partner in the business solutions area.

By acquiring Dotykačka and Smart software, Solitea becomes the POS systems leader on the Czech market.

The Company copes successfully with the COVID-19 pandemic. 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%).

Solitea continues to grow through acquisitions

2021

Solitea continues to grow through acquisitions. By acquiring Mainstream, it becomes Microsoft's only Czech partner supplying the full range of Microsoft products. With the acquisition of D3 Soft, Solitea enters the utility company market; through the acquisition of Prytanis, it gains the necessary know-how in logistics; and the acquisition of Aspect Works provides Solitea with Low-code know-how in area. Through the acquisition of MIT and Opal, Solitea strengthens its position in the Balkans.

Solitea's internal consolidation continues, and as of 1 July, all Balkan subsidiaries merge.

The effect of the consolidation starts to show in the Company's financial results: year-on-year, turnover grows by 31.1%, EBITDA by 64.3%.

10 years of the Company's existence

Revenues for 10 years

Number of employees for 10 years

2021	3,440,882 <i>(18 months)</i>	1,147
2020	1,792,902	975
2019	1,363,403	743
2018	1,147,429	614
2017*	858,090	646
2016*	767,208	570
2015*	733,099	381
2014*	510,245	285
2013*	184,000	115
2012*	154,000	106

** data for the Solitea group in years when no consolidated financial statements were prepared (not audited).*

Growth

during lockdown

The consequences of the pandemic that turned the world upside down in March 2020 in a way often not even imaginable, became the new normal in 2021. Recurring lockdowns, endless testing, wearing of face masks, vaccinations, new virus mutations, inability to travel, and especially working from home were already a standard in 2021. No event in the past decades changed society so profoundly.

The past two years have brought rapid technological developments and new habits. People have been taking advantage of the new flexibility, often working from home. The new style of work also affects work rules: critical systems used to be accessed solely from a secure office. Staff working from their homes and the need to secure their communication against cyber-attacks present a major challenge for the IT functions of businesses and clearly show the need for a rapid adoption of the cloud. Companies that already before the pandemic had cloud-based internal systems in place were much better positioned to deal with the new situation than those still operating in an on-premise environment. Employees now matter-of-factly expect to be able to access their company's systems from anywhere, and this has been one of the drivers of the entire IT industry's growth during the pandemic. Cloud has clearly proven its advantage, and most innovations in the field are therefore relate to cloud products. In last year's report, I wrote that the pandemic would be an opportunity: and that's exactly what happened. I am happy to say that all new products developed by Solitea are for the cloud environment. The negative side of the pandemic has been limited social interaction. To this day, our offices are half-empty, with people increasingly working from home. In fiscal year 2021, we continued to restructure Solitea, first through a retrospective merger of six companies

in Slovakia, with the date of 1 July 2020 and completed on 1 January 2021. Subsequently, in July of 2021, we completed the merger of our three companies in Slovenia. By consolidating our activities in the Czech Republic, Slovakia, and Slovenia, we simplified the Company's management and streamlined internal processes. Thanks to this, we can now share know-how faster and benefit from internal synergies. Externally, we have become a larger, more respected, and transparent partner for all our customers, suppliers, and partners. In fiscal year 2022, we will continue with the mergers, as companies that we have recently bought will become part of Solitea.

As I am writing this in June 2022, I cannot fail to mention the situation in Russia and Ukraine. After COVID-19, this is yet another big influence on the economy, whose future impact is even harder to predict than the consequence of the pandemic. Solitea has neither subsidiaries nor customers in the war-affected region. However, we have employees and customers in the bordering countries, and employees of Ukrainian origin who have families there. On behalf of the Company, we contributed a large amount to the Člověk v tísni charity, and many of our employees are personally helping refugees from Ukraine to live a semblance of normality. May Ukraine and its people return to peace as soon as possible.





Financial performance

In 2021, Solitea applied an extended, 18-month fiscal year to simplify financial processes, in particular controlling and consolidation, and to align the accounting period with the majority owner, Sandberg Capital investment fund. For the sake of transparency, in parentheses we are disclosing figures recalculated to 12 months, and the year-on-year comparison is always stated for the recalculated 12-month period. In fiscal year 2021, Solitea and its subsidiaries generated **revenues** of CZK 3.441 (2.350) billion, which is a 31.1% increase compared to fiscal year 2020. Despite major investments in research and development, expenses were lower than planned due to the streamlining of internal processes and the continuing pandemic situation. This resulted in a year-on-year **growth in EBITDA** to CZK 384.9 (256.6) million, which is a year-on-year growth of 64.3 %.

Strong growth in all segments of our activities

Solitea, as a provider of its own software, has a high market share and brand awareness in the Czech Republic, Slovakia, and the Balkans. In this field, we are the fastest-growing supplier of ERP systems, and the only one offering solutions for all types of entities, from self-employed to large corporations and the government sector. The acquisitions of numerous Microsoft partners in the Czech Republic and Slovakia has turned Solitea into one of Microsoft's biggest partners in the Czech Republic, and the MS Dynamics market leader in Slovakia. 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 had invested massively in cloud solutions 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 29.7 % to EUR 4,070 million, and further strengthened its leading position on the Slovenian market. iDoklad achieved revenues of CZK 96.7 million in 2021 (recalculated to 12 months: CZK 64.5 million), a year-on-year increase of 31%. Also, the number of its customers in the Czech Republic and Slovakia grew by 27% year-on year; as at 31 December 2021, iDoklad had over 31,000 paying customers. Substantial growth was

also achieved in HR cloud solutions provided by Vema. The V4 Cloud service attained a growth rate of more than 48%, and payroll outsourcing showed growth of 26.5%.

Solitea was again very successful in the segment of its own ERP systems, which make up a large portion of its revenues. Despite the decline in the world's economies, high sales of our ERP solutions Byznys, Money ERP, iCenter and Vario were accelerated especially by the impressive quality of services rendered to customers, who then like to recommend our products and solutions. At the same time, we have been working intensively on the transfer of our ERP solutions to the cloud environment, which will allow us to better respond to our customers' needs and accelerate growth in this segment.

Despite the expected drop in revenues in the POS segment due to lockdowns, the suspension and proposed abolition of electronic reporting of sales (ERS) in the Czech Republic, and the non-introduction of another wave of fiscal legislation in Poland, there has been no major decline. After the initial downward swing of the results, we continue to grow, although at a significantly slower pace as the industry is no longer accelerated by legal standards. Through the electronic reporting of sales, the government has managed to digitalise the gastro segment: although customers are now disconnecting from the electronic reporting of sales, they mostly continue to use the POS applications. Thanks to the Dotypay solution, we managed to break through in the payments segment, where we further accelerated our activities by purchasing a majority stake in Pay Solutions, a company operating payment services in the Czech Republic and Slovakia under the brand name Besteron and payment terminals under the brand name Tapeon.

In 2021, Solitea significantly supported the digitalisation of business processes at one of the largest customers, **Marius Pedersen**. We upgraded the system to the latest available version of the Microsoft Dynamics 365 Business Central economic information system, including an upgrade of Enwis, the industry-specific waste management solution. In line with the customer's corporate strategy, the implemented solution significantly contributed to the overall digitalisation of the company and its paperless business processes. An example of the process digitalisation is making the entire system accessible to operators of mobile devices and enabling online two-way communication. The deployment of RFID technologies and the weighing of waste containers upon waste collection have made the main business processes more efficient and brought savings in internal costs for their operation. Finally, the new solution enabled Marius Pedersen to offer their customers new analytical services regarding waste management and support in waste reporting as required by the state. The newly implemented solution has thus brought a significant competitive advantage as well as new business opportunities. In 2021, Solitea was behind the release of Dynamics 365 Business Central Online in Slovakia as the only localisation partner developing and supporting the localisation of the online solution of this enterprise information system in the supported basic W1 version. Without our localisation, Microsoft would have been unable to make this version available for Slovakia in November 2021. The localisation has been certified by Microsoft and can be found in the app-source for Microsoft partners and end customers.

In 2021, Solitea became an important partner of the international company **Avanade** in the implementation of Microsoft Dynamics 365 Finance & Supply Chain Management (D365 F&SCM) solution for the Czech Republic and Slovakia. We won several very interesting projects with international customers, the number of which doubled this year. From the future perspective, gaining **Zásilkovna** (Packeta) as a customer seems to be a very interesting

project as the company plans to use the Dynamics 365 F&SCM solution for the Czech Republic and its international business. This year, we also successfully completed the implementation of Microsoft Dynamics AX 2012 R3 for one of the major banks operating in the Czech Republic and Slovakia focusing mainly on private clients. Our D365 F&SCM solution team expanded by nearly 50% this year. In terms of the number of certified professionals, we year-on-year saw a big leap in our ability to implement large international projects.

In the automotive segment, we entered the Hungarian market, taking over the entire network of BMW dealers and the largest DAF dealer, Hungarotruck. In the past fiscal year, we upgraded the ERP system that Hungarotruck uses for its daily routine (buying and selling cars, servicing, etc.) to a new version. In financial services solutions, we were successful in entering new markets, including those of exotic countries such as the Maldives, South Africa, and Australia. Business Lease Group, a well-known provider of operating leases with presence in the Czech Republic, Slovakia, Poland, Hungary, and Romania, became our customer in 2021. In all their branches, a new ERP system is to be implemented based on the Dynamics 365 Business Central platform and our OneCore solution. In Infor products, a major achievement was the conclusion of a contract for the implementation project of a new information system for the Škoda Transportation Group, associated with the transition to the latest version of the Infor LN software. The conclusion of the contract was preceded by a separate analysis and solution proposal project whose results were adopted by the Škoda Transportation Group as a plan for the development of a group-wide enterprise information system. The first phase of the implementation of the centralised multi-company solution at Škoda Transportation and Škoda Vagonka entities took place in 2020 and 2021; its go live is planned for 2022 and 2023. Following the completion of the first phase, a roll-out of the project in further group companies in the Czech Republic and abroad is being prepared. An important part of the project is expanding the Infor LN solutions to other enterprise management areas, which will secure revenue from commissions for the sale of licenses for new software components and users. In the upcoming period, we expect an increase in revenue from maintenance and support services. Among other achievements, we should mention the continued cooperation in extending and optimising the Infor LN enterprise system at Aircraft Industries with the aim to initiate the transition to Infor LN 10.8 version in the next calendar year. An important step to strengthen the cooperation with Infor Global Solutions was signing a new partnership agreement which gives us access to further Infor products and enables us to provide even more comprehensive information system solutions in the large manufacturing companies segment.



In data analytics, we successfully launched a cloud-based data warehousing and reporting project for Penta Hospitals in the Czech Republic and Slovakia. The solution is based on Microsoft Azure cloud technologies and a modern architecture for data processing. Thanks to our agile approach to the project, we managed to respond efficiently to the customer's requests and deliver finance and HR reporting within the first stage. In the next stage, further source systems will be added to the solution, and additional entities will be connected. This will be followed by the implementation of reporting above the customer's primary system.

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



platform for the Ministry of the Environment, which provides data on environmental protection and displays this information in structured and easy to read reports. We also initiated cooperation with Mercedes-Benz Czech Republic in sales and HR reporting. Part of the project is the delivery of a data warehousing and presentation layer. Solitea continues to strengthen its IT infrastructure capabilities, where we increasingly focus on cloud services and IT security. In 2021, this development was significantly supported by the acquisition of Mainstream Technologies, boosting our capacities and know-how in Microsoft cloud services and security products. In the segment of infrastructure transition to the cloud and deployment of Microsoft services, our customers include companies such as Asahi CE & Europe Services, Metrostav, Globus ČR, and Zentiva. The support of traditional, i.e., on-premise IT has been also doing well, as we delivered server technologies and storage for many of our customers, such as Lafarge Cement, Aoyama Automotive Fasteners

Czech, and Donoci. In 2021, the volume of on-premise deliveries of central IT as a service, i.e., deliveries in the form of the GreenLake service rendered jointly with our key technology partner, Hewlett Packard Enterprise, grew as well.

In the government sector, the most significant achievement was the delivery of a system for the identification and registration of animals in Azerbaijan.

Equally important achievements very visible to the professional public were the deliveries of our systems for the support of customs proceedings in the Czech Republic and other European countries.

In March 2021, we put into operation the first part of the security system for the administration of customs declarations of goods intended for the customs territory of the EU as a part of our deliveries to Finland's customs administration. The delivered functionality provides for the registration and inspection of postal and express air shipments according to European specification ICS2 (Import Control System 2). Another important milestone in customs was the change in EU legislation concerning the import of low-value consignments from countries outside the European Union. Under the new legislation valid from 1 July 2021, all shipments up to EUR 150 must now go through customs procedures and VAT assessment. This change has affected our systems supporting customs proceedings in Finland and in the Czech Republic and involved substantial adjustments to the supplied

functionalities as well as the optimisation of our systems to cope with a significantly higher volume of data while meeting the requirements for response speed.

Finally, at the end of 2021, we completed the fifth phase of the NCTS systems implementation in Montenegro and the Czech Republic. In both countries, conformation tests with the European Union were launched. NCTS (new computerised transit system) is a joint project of the European Union for transit, based on electronic communication between entities (declarants), individual countries' customs administrations, and the countries participating in the project (the EU member states and countries in the European Free Trade Association).

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 clearly seen. Following the acquisition of regional companies such as Billans in Serbia, and the Markeeta and Dotykačka ERS (electronic reporting of sales) solutions in the Czech Republic, Solitea now has more than 250,000 customers using its cloud solutions. Also related to cloud computing were other acquisitions of Microsoft partners Mainstream, Powerstream and Provis. Today, we have a team of more than three hundred professionals able to implement Microsoft cloud solutions.

M&A activities

Completed acquisitions contributed to Solitea holding's huge year-on-year growth in the 2021 fiscal year. By acquiring Mainstream, Powerstream, and Provis, we further fulfilled Solitea's ambition to become Microsoft's largest regional partner and the only partner capable of delivering the complete portfolio of Microsoft products.

Thanks to the acquisitions of Techniserv, D3 Soft group, and AW Solutions, we significantly strengthened our competence in the Enterprise & Public segment. In the Midsize Business segment, we expanded our competence as regards logistics companies by the acquisition of Prytanis. Finally, in the POS area, the acquisition of a majority stake in Besteron and Tapeon allows us to move towards payment systems and payment terminals solutions. Thanks to our wide span and new solutions, we are becoming increasingly successful in cross-selling to our customers.

Last year, Solitea also made its first exit. At the end of 2021, we sold Austrian company JET ERP to US IT company Aptean. We were not able to increase our market share in Austria for a long time, so we decided to focus on other markets. Our decision was accelerated by an attractive offer made by the buyer.

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 provide access to new technologies, complement our portfolio, and expand our regional presence. To further accelerate our M&A activities, we decided to use bank financing for major transactions. At the end of 2021, we chose the Tatra banka/Raiffeisenbank group as a partner.



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 sales staff, 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

Our people are the key to the future success of Solitea. Therefore, we try to find talent already during studies at secondary schools and universities. We cooperate with students through internships, trainee programmes, professional guidance of bachelor's and master's theses, and participation in university conferences. At Solitea, we welcome both junior IT specialists, whom we teach the necessary know-how, and very experienced senior specialists. Due to the diversity of our projects, everyone will find employment with us. Solitea strives to attract more experienced employees with a corporate culture that is different from that of large multinational 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 relaxed atmosphere in our companies not only enables more flexible management, but also a greater competitiveness in the labour market. This past year, we focused on our employees' personal development as most of them received training in advanced technologies, professional certification and agile work methods; we also implemented a leadership programme.

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 are 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 entities that have been or will be acquired as part of the planned mergers are gradually being transferred into a common tenant and are using Office 365, Microsoft 365 or Dynamics 365 services. We are thus making use of the tools for inter-company communication and collaboration of all companies within the group.

To protect rather high volumes of 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 in case of a catastrophic failure, to guarantee that the data are 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, 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. We built an extensive private data network from Ústí nad Labem to Ostrava, with a transmission capacity of 10 Gbit/s. At all transmission routes, the network is encrypted using MACsec protocol.

Opportunities ahead

Although the world is very turbulent at the moment with the COVID-19 pandemic and the war in Ukraine, we can see many opportunities for further growth. Strong growth in demand for SaaS solutions is expected and we will continue to develop and deploy innovations in this direction as much as possible. 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, we believe that a strong, agile, adaptable, and competent organisation can adjust well to changes in technology and market developments, hence we have invested massively into innovation, using state-of-the-art technology. We want to be one of the best employers in the region, as only then we will be able to prosper, innovate, and recruit talent for the years to come, to grow faster than our competitors.

Martin Cigler
Chairman of the Board of Directors



We are

Solitea

At the beginning stood the wish to save our customers' time, significantly increase their companies' capacity, and streamline work processes by using information technologies that offer immense new possibilities.

That's why we have been developing software solutions that help small businesses, public sector institutions as well as giant corporations better manage their responsibilities associated with legislation, their day-to-day work agenda, and the management of their business.

We created a stable Europe-wide network of services and products that continues to develop and grow.



Our priority is system

**We bring a system to companies.
We focus on everyday problems
and respond to the needs and
requirements that our customers
face on daily basis. We focus on
systematisation so that our clients
can focus on their business.**

Stabi- lity

We have been here with our clients for 30 years. Despite our rapid growth and evolution of our products, we still maintain the same direction

Expertise

We are experts in IT and at the same time understand our customers' craft. We can advise and bring a long-term, functional solution. We are constantly learning, thanks to new projects and evolving technologies.

Partnership

A man with a mustache, wearing a blue and green striped polo shirt, is sitting in a black office chair. He is smiling and resting his head on his right hand. In the foreground, the back of another person's shoulder and arm is visible, suggesting a conversation or meeting. The background is a plain white wall with a green curtain on the left.

We listen to our customers' needs and honour one rule – what we promise, we deliver. Likewise, partnership and fairness within our company are a given: we support a friendly and cooperative environment.

Employee satisfaction comes first

As a company, we want to improve and be a more attractive employer. For that, we need open feedback from our people. Which is why we carried out the first uniform Solitea employee satisfaction survey in March 2021. Employees had the opportunity to rate various aspects of life at Solitea. This step was very important for us as an employer because we believe that open feedback is key to good cooperation and the efficient functioning of the company.

The survey showed that 88% of employees in Solitea are satisfied.

88%
satisfaction

76%
return

637 of respondents

Supervision 95%

Professional growth 65%

Benefits 79%

Colleagues 98%

Job content 96%

Communication 83%

General satisfaction 96%

Identification 83%

Engagement 87%

Home office 93%

100%



Bene- fits

Our employees are our greatest asset

Solitea was created by bringing together dozens of companies across the Czech Republic and Slovakia, each with its own culture, customs, and rituals. All this is an inexhaustible source of inspiration for our approach toward clients and, even more importantly, our employees. Which is why we aim to create an environment in which they will love their work.

CSR activities

Solitea is committed to social responsibility. The Company and its employees sponsor various entities. Traditionally, we help children from children's homes for whom we prepare 'shoebox' gifts, and we engage in projects helping the elderly. In 2021, we also provided immediate assistance to Moravian municipalities hit by a tornado. Apart from a financial contribution, several of our employees travelled directly to the affected municipalities to help on the spot.

Employee benefits

We know how important it is to take care of our employees and we want to offer them benefits that they will really appreciate. We give each employee CZK 8,000 per year for optional benefits: they may choose whether to use the money to pay for a Multisport card, contribute it to their pension insurance or life savings, or spend it in the benefit cafeteria. In addition, we give our people several permanent benefits such as five weeks of vacation and flexible working hours or home office to make their work at Solitea even better.

Learning and development

Expertise is one Solitea's main values, and we place great emphasis on our employees' education. They can improve their knowledge in several professional courses suitable for individual positions or, e.g., through training courses in English. In 2021, we launched our Manager Programme, where internal and external lecturers acquaint new as well as experienced managers with the most common topics they will encounter in their practice and help them find the right approach to their subordinates.

Martin Cigler

“To sum up, I want Solitea to be an employer who is a pleasure to work for.”



“We’ve achieved something unparalleled in the IT world. The IT sphere is sensitive to internal cultures, which is why the merger that took place was quite unique. For me, it presented the biggest personal and managerial challenge in my entire career so far.”

How was the past year different for Solitea?

When we were planning the fiscal year, it was only the first month of the pandemic and we knew very little of what lay ahead. Now, in retrospect, I can say that from a business perspective, the pandemic has helped us. We managed to economise, e.g., on business trips, and at the same time gain new customers. This was helped by the fact that during the Covid crisis in particular, businesses were looking for ways to cut costs and streamline processes, which is our expertise.

However, because of working from home, we also had to deal with our own employees' uneasiness. But we did our best to provide them with certainty even in such uncertain times.

What was your biggest achievement?

We've achieved something that is unparalleled in the IT world. The IT sphere is sensitive to internal cultures, which is why the merger that took place was quite unique.



For me, it presented the biggest personal and managerial challenge in my entire career so far. It was hard to predict what would happen after the merger, but today I can already say that I am very happy that we took this step.

In contrast, where do you see shortcomings that you would like to focus on in the upcoming period?

We still have a ways to go. Above all, we need to increase our internal performance and streamline some of the internal processes that we have introduced in the context of the merger and that can be simplified. In short: get our own house in order.



Can you see any new market opportunities for your products and services?

We are witnessing a subtle and silent shift to the cloud, which brings completely new possibilities. It reminds me of a similar situation 25 years ago, when it was crucial to strategically focus on Windows. Today, the cloud is such a phenomenon, changing our industry's current paradigm.

Have you made any New Year's resolutions?

I have not. I've had the same one for the last four years: that I will lose weight. But year after year, I only manage not to gain weight.

What do you think Solitea will look like... in five years?

Already today, Solitea fulfils its vision and serves companies of all sizes. In five years, however, we will be also present in new regions. We will grow both organically and by acquisitions. I would like to see growth of 15 to 25 percent per year. Thus, by simple mathematics, Solitea will at least double by that time. I want to build a highly profitable company, which will open the door to funding further acquisitions. I would be happy if we manage to acquire small companies with a narrow specialisation and specific know-how that we then can apply throughout Solitea. To sum up, I want Solitea to be an employer for whom it is a pleasure to work for. The rest will then be easier: I want to further strengthen Solitea's position as a market leader, expand our portfolio and grow.

Petro šiniškoj



“Our goal is to become the largest provider of our own software solutions in the Adriatic region with an excellent user experience.”



How was the past year different for SAOP?

What makes last year different from previous ones has undoubtedly been the company's exponential growth, both in terms of sales and in terms of hiring new employees, despite the very challenging times due to the Covid pandemic. We recruited new employees in all markets: Slovenia, Serbia, and Croatia, to provide our clients with the highest level of professional support and, most importantly, to render impeccable service to new potential clients we acquired during this period. Last year, we also officially merged three previously separate companies into one entity. With more than 150 employees, we are now the largest provider of our own software solutions on the Slovenian market.

What was your biggest achievement?

It is hard to choose just one successfully completed task. Our success is certainly based on various work well done, which allowed us to close the year with excellent financial results. However, an important achievement is also the large number of development projects, which rank us among the best providers of software solutions in the market.

As for successful solutions that are directly connected with a great financial result, I should mention the highly efficient pricing strategy iCenter, which was created in the past year. We have seen a significant increase in demand for our products and services following efficient and strategic marketing activities and in the context of increased interest in digitalisation, which has led to various public tenders and financial incentives from the Slovenian government to help the economy recover from the Covid pandemic. A great success for our sales and operations teams is the rapidly growing number of new clients from larger companies interested in the new iCenter that we saw in the past year. Finally, our Minimax product achieved record-breaking results in the past financial year, despite many Covid-related restrictions affecting the work of the self-employed and small organisations.

“I have to admit that I don't believe in New Year's resolutions, but I do trust consistent planning and a reliable team behind it.”

We continued to develop our new products based on modern web technologies and the first software solution mojaMALICA (myMEAL) is already available to users. This solution simplifies the process of managing school meals (ordering and cancelling meals). We are very pleased that we have received such positive feedback so far. In addition, we successfully started the development of a solution for managing incoming and outgoing mail, which will be available to users in the first half of 2022. Steps have been taken to review our existing ERP systems, with great emphasis on an excellent user experience. We pay particular attention to this segment, which is why we are strengthening our teams of UI/UX specialists. We also successfully introduced a new CRM system that simplifies communication with customers. In the past year, we also reached some exceptional milestones: for Minimax, we surpassed the limit of 1,000 customers in Croatia and 6,000 customers in Slovenia. The past year can be summarised as the time of numerous important events that we can be very proud of.

In contrast, where do you see shortcomings that you would like to focus on in the upcoming period?

We are in the process of finalising our five-year strategy that will define and guide our work over the years to come. We are currently very focused on business, which is one of our strategic areas with a large share of customers. However, one of our main goals remains to redesign the ERP system of our iCenter product, while trying to move to web interfaces and further improve user experience.

Can you see any new market opportunities for your products and services?

We believe there are great opportunities for our products in the markets where we are present. However, like most

IT companies, we must deal with limited resources, which somewhat slows down the company's growth rate. This is exactly why we targeted our activities on attracting new specialised and highly qualified workers.

The onset of the pandemic has only accelerated the digitisation process. Following the rapid pace of developments, governments have been allocating large sums of money for this purpose and using various financial incentives. There are plenty of opportunities that we can make use of as partners of our customers to whom we provide our solutions.

Numerous opportunities are opening up in the Croatian and Serbian markets for Minimax, our online accounting programme. With a sharp increase in the number of users, we are witnessing a snowball effect, which keeps us motivated and driven to continue our work.

Have you made any New Year's resolutions?

I have to admit that I don't believe in New Year's resolutions, but I do trust consistent planning and a reliable team behind it.

What do you think SAOP will look like... in five years?

Our goal is to become the largest provider of our own software solutions in the Adriatic region with excellent user experiences. In addition, we want to continue to be a good employer in the coming years. Investing extensively in our employees has always been part of our DNA. Only with an excellently coordinated and harmonious team can we successfully meet the goal we have set ourselves. SAOP's story is written by its people and reliable software solutions. After all, we committed to this in our vision expressed in words: Simplify business operations with intelligent solutions and create excellent relationships with colleagues and partners.

Product portfolio



Small Business

- Cloud-based invoicing programmes
- Cloud-based accounting programmes
- On-premise accounting programmes
- POS applications

Medium Sized Business

- Cloud-based ERP systems
- On-premise ERP systems
- CRM systems
- Robotic process automation
- Machine learning and artificial intelligence
- Production management systems
- Logistics management systems

Enterprise & Public

- Cloud-based ERP systems
- On-premise ERP systems
- Cyber Security
- IT infrastructure
- CRM systems
- Data analytics
- Customised applications
- Systems for power traders
- Systems for automotive vendors
- Systems for credit and lease companies
- Low-code platforms

Payroll & HR

- Cloud-based payroll and HR systems
- On-premise payroll and HR systems
- HR outsourcing
- ERP systems for the government and NGOs

Point of Sale

- POS applications for gastro, retail and services
- POS systems for chains
- POS hardware
- Payment terminals
- Payment solutions

We serve customers in 35 countries

- | | | | | |
|----------------|-------------|----------|----------------|------------------------|
| Belgium | Ireland | Austria | Switzerland | Australia |
| Bulgaria | Italy | Romania | United Kingdom | New Zealand |
| Czech Republic | Hungary | Slovakia | Russia | Azerbaijan |
| Finland | Germany | Slovenia | China | South African Republic |
| France | Netherlands | Serbia | Japan | Mexico |
| Croatia | Poland | Spain | India | USA |
| Montenegro | Portugal | Sweden | Maldives | Chile |



Our solutions

are used in all realms of the world.



Tomáš

Loukotá

“We don’t do custom-made systems, so we want our products to be intuitive and easy to use for all users.”



“I see an evolution rather than a revolution ahead. In five years, our division will definitely be bigger; I expect we will have twice as many clients.”

What do you think your division will look like... in five years?

We will all be five years older and wiser! I see an evolution rather than a revolution ahead. In five years, our division will definitely be bigger; I reckon we will have twice as many clients. I can also imagine that at this time we will introduce a new product for a specialised vertical.

government and were finding it hard to navigate the turbulently developing measures. We were there for them, quickly launching legislative support to help them through these difficult times. When I look back, I also see the progress we made to increase the value and quality of our products, even under these circumstances.

In contrast, where do you see shortcomings that you would like to focus on in the upcoming period?

I would like to increase the customer friendliness of our systems. We don't do custom-made systems, so we want our products to be intuitive and easy to use for all users. What I find really sad is when a client has to call customer support because they cannot find a function which in fact is in our system. This is always unacceptable, and we must actively work on it every day. A big step forward in this direction is, e.g., the currently planned redesign of iDoklad.

Can you see any new market opportunities for your products and services?

I don't think there's any fundamental change going on right now. But what I want to focus on is the digitalisation of accounting. Today, most of our clients still re-enter invoices manually, and I see a big opportunity there. We need to simplify the process to the point where we can get rid of having to retype invoices altogether.

Have you made any New Year's resolutions?

I have not. I deal with all tasks, small and large, as they come.



How was the past year different for Solitea/your division?

The pandemic, of course, had the biggest impact on the past year. It was challenging for our customers, who often had to change the way of doing business and adapt to the ever-changing situation. The Covid crisis also affected us, as our people suddenly had to work from home. Many of us have children and we are the busiest between 8am and 5 pm which literally coincided with home-schooling times. I see it as a success that no went crazy and we all survived.

What was your biggest achievement?

To have firmly settled in Solitea's structures and integrated with new colleagues. As a division, we then managed to respond very well to the situation when our customers were not receiving enough information from the

Solitea solutions for self-employed and small businesses

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 utilise a new way of working with data, simplifies communication, and brings a competitive advantage.

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 295,000 self-employed and small businesses that have opened an account to date. 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 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 development and needs of its existing and potential users. Its growth is ensured by an experienced team of developers who understand the product down to the last detail. iDoklad works on the Microsoft Azure platform, which guarantees data security for users and offers opportunities for the future growth of the service.

Minimax

Minimax is the 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 journal entries. 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, warehousing, orders management, basic functions for payroll and human resources, logbooks, 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.

We will
always
find a
solution.

Martin Kuadrna



“We want to mix cultures rather than unifying them, exploit the potential where we find compatibility. The goal is to function as one organism.”



“This is also an opportunity for our employees to do really exciting work. Although we may seem like a relatively conservative company on the outside, our developers have a free hand and get inspiration for their work in various fun ways.”

In contrast, where do you see shortcomings that you would like to focus on in the upcoming period?

I don't want to point to specific shortcomings. The thing is: we will always be finding more efficient or simpler ways to operate and work and be better at what we do. The key is to bring changes and improvements to life as quickly as possible and eliminate all inefficient and unnecessary processes and activities without delay. I want all of us to really enjoy our work at Solitea and find it meaningful, to think of what we do, look for real values and be able to respond quickly to external stimuli. We must be continuously and constantly finding the best solution for Solitea as a whole, and for our employees.

Can you see any new market opportunities for your products and services?

They are emerging all the time. Which is why we are constantly improving our products and adapting them to our customers' current needs. To give concrete examples of new opportunities: advanced robotic automation, machine learning and many more. This is also an opportunity for our employees to do really exciting work. Although we may seem like a relatively conservative company on the outside, our developers have a free hand and get inspiration for their work in various fun ways.

Have you made any New Year's resolutions?

I have long-term plans; the new year will not change anything about them.

What do you think your division will look like... in five years?

It will be significantly larger, and we will cover more sectors of industry: manufacturing, transport and logistics. We will operate fully in the cloud and provide our software as a service. We are already working to be very strong in robotic process automation, machine learning and artificial intelligence. As a division, we will exceed a billion in revenues.

How was the past year different for Solitea/your division?

From a holding, we became a single Solitea, joining up also with Slovakia. This was a step into a whole new world. We started to operate in the new structure, and individual divisions were formed. Today, Solitea is in the process of finding its own way to make use of the individual identities and cultures of previous companies to flourish as a new entity. We want to mix cultures rather than unify them, exploit the potential where we find compatibility. The goal is to function as one organism.

What was your biggest achievement?

We've managed the transformation and it works! We are becoming more renowned as a brand, awareness of us is growing. At the same time, the active cooperation and exchange of know-how within the company is beginning to bear fruit.



Solitea solutions for medium-sized businesses

Companies look for ways to maintain their 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 edge. Labour costs form an increasing portion of companies' total costs, and this trend may be reversed by the automation of key business processes.

The rise of cloud services is now unstoppable. Companies and institutions are increasingly aware of their benefits and advantages. In particular, cloud services eliminate the necessity of investment in infrastructure and platforms, as well as their management and maintenance costs. Transparent costs, access anytime and anywhere, user-friendliness, and support for collaboration are also important advantages.

The long-term trend shows that cloud solutions are being adopted even in medium-sized companies: running ERP systems internally, i.e., on-premise, will be gradually replaced by using cloud-based applications on the infrastructure of software providers such as Solitea. 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 is adapting to this trend by its products, preparing the transition to a fully cloud-based operation of ERP systems in the next few years. Our ambition is to set the direction in the development of ERP systems in the Czech and Slovak markets and beyond, to apply new procedures and technologies, and to include elements of AI and machine learning in the standard of our products.

Solitea provides advanced and highly scalable ERP systems to companies for which tailor-made internal process solutions are the key requirement. It offers solutions for companies doing business in the trade and services segment (Money ERP, iCenter), as well as solutions for manufacturing and servicing companies (Vario, Byznys, iCenter, JET ORBIT) or transportation and forwarding companies (Prytanis). Solitea also has a strong position in information systems for government and budgetary organisations (iCenter, Vema Ekos) in all regions.

More than a quarter of a century of experience in the development and implementation of ERP systems brings benefit today thanks to 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.

Vario Portal

Vario Portal is an intuitive enterprise intranet system designed to record and organise internal and external company documentation. The system enables electronic document approval and workflow activity management. It is integrated with Vario and Money ERP systems. The system is used by companies in the Czech Republic and Slovakia, with Czech, Slovak and English versions of the software available.

Vario 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 wherever 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.

Vario Portal can track who is to sign a document, notifies and reminds signatories, and can appoint a substitute for periods of absence. Each document can have a pre-set validity and an appointed individual 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 Vario Portal to keep 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 Vario Portal, users of Vario and Money ERP systems can approve documents directly from their ERP systems. Customers appreciate the intuitive user interface, easy accessibility via web a browser, 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 more than 1,000 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 online web client enables full access to all ERP functionalities via any web browser. 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, even for very extensive implementations.

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'.

Money ERP (Money S4 a Money S5)

Money S4 and Money S5 are advanced ERP systems based on state-of-the-art technologies, which are used on the Czech and Slovak markets more than 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 over 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 start-up categories that are cost-effective 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.

Prytanis

The PRYTANIS information system meets all the requirements for modern information systems and is a solid basis for management and growth in successful transportation and forwarding companies. The typical price of the implementation is between CZK 500,000 and CZK 1,000,000.

The PRYTANIS comprehensive ERP information system has been on the market for almost 25 years and has been developed in accordance with current Czech and Slovak legislation. The system reflects not only the necessary requirements of legislation, but also modern trends in IT for customers in the field of transport, forwarding, logistics and car servicing.

PRYTANIS offers its users the following modules: Economics, Commerce, Human Resources and Wages, Freight Transport, Passenger Transport, Logistics, and Orders.

The Freight Transport module is a key module for transport and forwarding companies. It works on a common main numeric code list of all vehicles, which allows to schedule individual vehicle maintenance, calculate road tax, lease instalments, or car insurance. The Freight Transport module is further divided into forwarding, freight transport, pick-up service, and vehicle data sheets. The Passenger Transport module contains all the functions for managing

the comprehensive agenda associated with the operation of regular and non-scheduled passenger transport. The Logistics module (WMS – warehouse management system) allows to monitor and record the movements of goods including returnable packaging in a logistics warehouse, and to ensure all necessary administration. All movements can be controlled via online terminals, using barcode scanners. By connecting to the Forwarding module, it is possible to arrange for goods forwarding. The Orders module is intended for companies engaged in the servicing of all types of vehicles.

A separate functional part of the system is the strong reporting tool KYBOS, allowing for an easy and fast compilation of outputs for managers and containing a set of tools to generate spreadsheets and data outputs.

PRYTANIS is currently used by thousands of satisfied users in the Czech Republic and Slovakia (Slovak version), who appreciate its openness, flexibility and simple, well-arranged interface. Its modular architecture allows to create an information system precisely according to the needs of the organisation by selecting individual modules while maintaining certain minimum configurations. PRYTANIS can be linked with large accounting systems such as SAP, Dynamics NAV, and others, thus providing an opportunity for the complete utilisation of high-quality industry-specific solutions for transport, forwarding and logistics even for large companies.

Calling
a spade-
de a
spade.



Petr Franc

“We will certainly remember this year as being extremely difficult, but at the same time successful.”



“We have the best experts in their field on our team, and it is great to know that we can rely on them at all times.”

How was the past year different for Solitea/your division?

Like everyone else, we had to adapt to the new conditions brought by the Covid situation. I am really proud of all our teams that even under these difficult conditions their performance was above standard. We learned to make full use of available technologies, helping us to be as productive as possible even without personal contact with our clients or colleagues. Likewise, the pandemic has confirmed to our customers the importance of automation and digitisation. Today, we have more business opportunities than we can handle in terms of capacity. Thanks to acquisitions, the division has grown by about one third; organically, we grew by 10 percent. We will certainly remember this year as being extremely difficult, but at the same time successful.



What was your biggest achievement?

I see as the greatest success that we were able to keep our people highly motivated. Our unique projects require great commitment and rigour in terms of strict adherence to the assignment. We have the best experts in their field on our team, and it is great to know that we can rely on them at all times.

In contrast, where do you see shortcomings that you would like to focus on in the upcoming period?

I would like our team to grow in numbers at an even greater pace. So that we can think of other goals. We would like to address the shortage of workers also by recruiting junior staff, which is why we want to extend our cooperation with universities, for instance.



Can you see any new market opportunities for your products and services?

Lots. Today, virtually every industry needs to be digitised, and often this is what decides whether a company will end up a winner or a loser. We are here for our clients, and we proactively look for solutions that give them a competitive edge. On one hand, information systems can now solve increasingly sophisticated tasks, while, on the other hand, we can see an effort to make them as intuitive as possible for the users. Our major technology partners (Microsoft and Infor) invest in exactly these solutions, and we strive to bring these new developments to our clients as quickly as possible. We also see the future in changing the way of financing the services provided, so that customers would only pay for what they really use.

Have you made any New Year's resolutions?

I have not made any resolutions, but I have a new annual budget. At the end of a successful year, we enjoy our five minutes of glory, just to start again from scratch in January. Otherwise, I set my strategic goals continuously; what comes to my mind just now is the focus on team development, innovation, etc.

What do you think your division will look like... in five years?

Five years is a long time in IT, and it is hard to predict what will happen. A hundred years ago, machines were able to free humanity from physical labour. Today, the digital transformation is freeing humanity from much of mental work. This gives us more space to make decisions based on the right information that we have at hand whenever we need it. We are still at the beginning, and I am convinced that using the potential of information technology will continue to grow sharply in the future. Of course, this trend also means that we will become dependent on smart solutions, and those who miss the boat will no longer be competitive. Just like with paper maps: who of us still keep them in the car? Haven't we all swapped them for a navigation app?

Solitea solutions for large customers and public sector

Solitea is a traditional and reliable partner for large enterprises and the public sector. Our ambition is to develop our position as the preferred partner for solutions that further the continuous development of digital companies in the countries where we operate. In eGovernment, Solitea focuses on supporting the performance of the state institutions' specific agendas. In the 2021 fiscal year, enterprise and public customers accounted for 56.7% 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 customs duties, we offer comprehensive process support and solutions for customs procedure automation. Our long-term customers include the General Directorate of Customs of the Czech Republic, and in the last decade, also customs administrators in Serbia, Montenegro and Finland. In agriculture, we provide agriculture registers, systems supporting the processing of applications for agriculture subsidies, and monitoring and information systems for the supervisory bodies of the Ministry of Agriculture, primarily in the Czech Republic, with an ambition to gradually penetrate other markets. In 2021, for instance, we implemented a system for the identification and registration of animals in Azerbaijan. In healthcare, we offer systems for e-prescription of medicines, and newly also medical devices, information systems for health insurance companies, and Access Points – information systems for cross-border information exchange of health insurance and social security information.

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 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.

Low-code platforms

We believe that in many cases, business process support can be completed very quickly and more efficiently than through a conventional development. For this reason, we provide services on the Outsystems, MEtada, Simplicité and Tabidoo platforms, the use of which allows us to cover a wide range of clients of all sizes. These platforms are more about modelling than development, and the product is literally created before the client's eyes. The solutions cover a wide variety of areas, such as CRM, application connectivity, risk and incident management, web portals and communications, financial services. Low-code platforms are particularly suitable for supporting medium- and long-term IT strategies, as they allow to avoid a wide portfolio of applications.

Data analytics

Transforming companies into efficient data-driven organisations.

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

Infor

Infor is a world leader in creating software for deployment at industrial companies, building comprehensive cloud solutions for various segments of industry and efficiently using advanced technologies to provide extensive functionality, quality, user friendly design and wide integration possibilities. Infor has 17,000 employees and offices in 47 countries worldwide. Infor solutions are used by over 65,000 companies worldwide.

Solitea is exceptional in its long-term and deep knowledge of Infor ERP solutions, local legislation, and business processes and practices on the client side. We have one of the most stable and experienced Infor LN 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; it allows for deployment in multi-company, multi-site, multi-currency and multi-language regimes. Infor LN has a long history and is still known on the Czech market under its original name, Baan. Infor LN is one of Infor's flagship products. Our portfolio is dominated by

engineering companies, who mostly use Infor LN in the on-premise licence model.

In the cloud environment, the product is a part of wider software solutions including Infor CloudSuite Industrial Enterprise, industry-specific solutions Infor CloudSuite Automotive, Infor CloudSuite Aerospace and Defense, and Infor CloudSuite High-Tech and Electronics. Cloud-based versions of the solutions use the AWS (Amazon Web Services) platform.

Solitea is the near-exclusive supplier of Infor LN solutions on Czech and Slovak markets. Though some components originate abroad, we are, in most cases, the provider of Czech and Slovak localisations and related services. As for new customers, we currently focus on delivering solutions to engineering, automotive, and aerospace and defence segments.

We are also developing Solitea Mobility, our own application for our customers, enabling the automation of work with warehousing and production data.

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. Customers in the Czech Republic include mainly local companies. We have been localising and implementing Software Infor Visual for almost 20 years.

Infor OS

Infor OS is an integration platform of an enterprise information system built on Infor products, with the optional use of products from other vendors. It enables the integration of individual parts of the information system without any complex programming, and expands 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 adapt the required product maximally to their individual needs. Infor CPQ is an ideal tool for anyone offering their products or services to customers online or through authorised distributors and needing an automatic and seamless order transfer to the ERP of the production company.

Microsoft Dynamics 365

Microsoft Dynamics 365 is a global company software 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 and allows for integration with third-party solutions.

Dynamics 365 for Finance and Supply Chain Management

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

Thanks to a wide portfolio of Microsoft-certified partner solutions presented on a Microsoft partner portal (AppSource), it is possible to design effective solution 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 name Microsoft Dynamics 365 Business Central. The application is also available for on-premise environment, namely for extensive and intensely customised projects. In the Czech Republic and Slovakia, Solitea implemented this application for more than 400 customers, becoming one of Microsoft's most significant partners in the region.

Microsoft Dynamics 365 Business Central is a comprehensive localised software ERP solution for medium sized organisation all-in-one, 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 is successfully deployed in 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 volumes 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 automatise 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 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 e-mail 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 to select new employees and enables the complete management of a company's HR agenda. It also links to 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. The important fact is, that it is our own product prepared as an extension of the Dynamics 365 Business Central system. The OneCore Suite product family comprises the following separate applications:

- **OneCore** – a robust CORE system for large financial and credit institutions covering the entire life cycle of a credit contract with a customer.
- **Calculation Engine** – a cloud-based service/tool that can calculate an instalment amount, a payment schedule, and other financial indicators for customers, through a standardised API.
- **OneCore Calculation Engine** – a tool for calculation of instalments, interest, and financial indicators.
- **Business Portal** – a tool for preparing calculations/offers for FL, OPL and loans.

Solitea Express Apps

Individual Express applications originated from the large OneCore system and are meant for customers from the financial services segment. The applications are again built on Dynamics 365 Business Central, in the SaaS model. All applications have passed a comprehensive Microsoft certification process and are available on Microsoft Appsource, where customers may purchase them as an add-on to Dynamics 365 Business Central. These are:

- **Loans Express** – an application for companies providing loans.
- **Financial Leasing Express** – an application for companies providing finance leases.
- **Instalment Sales Express** – an application for companies providing 'buy now, pay later' service (instalment sales).
- **Funding Express** – application covering a wide range of processes associated with credit tranches for bank financing and funding accounts for investor management.
- **Rental Express** – an application for companies renting various items, mainly car rentals.

Incadea

Incadea.dms (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 in order to prevent duplicities and reduce error rate, providing the dealership management with comprehensive financial information on their company operations.

D3Energy

An information system for comprehensive customer service in the energy sector. The solution consists of separate modules, which are interconnected in terms of processes, and can thus form one unit in the energy environment. D3Energy can be implemented comprehensively, in the proposed scope or by separate modules: CRM, Pricing, Trading, Billing, Balance, Customer and Partner portals, Business Connector, Reporting.

FLEXI IT

A key billing module of D3Energy focusing on energy traders, alternative suppliers, and distributors. FLEXI IT supports processes associated with customer acquisition (CRM Utility), billing, communication with the market operator and the subsequent communication with the customer through a web portal. FLEXI IT is a market leader among billing systems supporting the sale of electricity, gas, water, heat, CNG and recently also e-Mobility stations.

CRM Leonardo

A CRM system intended primarily for large enterprises. In line with current trends, it is designed for work with large volumes of data and extensive communication with external systems through API interfaces to transfer business, financial or technical data. Its outputs are structured and optimised to preserve all information while making the displayed data meaningful, clear, and easy to read.

MLM Leonardo

A CRM solution for multi-level marketing, working with a business strategy based on direct sales in which the sale of products and services is provided by contractual distributors who have further resellers linked to them. Thanks to the process-sophisticated commission CRM system, a network of distributors is created with differently set incentive and remuneration systems. A part of the MLM system is also a CRM solution for field work on Smart devices.

Salesforce

As a partner of this platform, which is the world's no. 1 in CRM, we service dozens of clients worldwide, across industries. This modern cloud-based technology is no longer limited to CRM, meaning that we can support our customers also in areas such as reporting, data analytics, HR management, and application integration. All this while placing emphasis on using standard functionalities, within an out-of-the-box approach.

Microsoft 365

The M365 platform is now the standard for internal communication and process management. We guide our customers through their cloud transformations, starting with an initial environment analysis, solution design, migration project, an ending with an adoption campaign, governance model, exit strategy, and tools to help users in using M365 applications.

The ever-growing trend towards a 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, adding communication tools for team cooperation and other application functionalities.

Cooperation support products

Within Microsoft technologies and others, we are building intranet portals, process applications, applications for document management and data-sharing with customers, knowledge bases, and other solutions. Our teams serve companies with user numbers in the lower hundreds, as well as large companies who see this platform as critical in cooperation.

We offer DMS 365, a ready-made solution for processing large numbers of documents such as invoices, contracts, correspondence and the like, and Řízená dokumentace 365, an application for managing policies and procedures, standards and similar document libraries, which provides for the approval, publishing, revision of, and familiarisation with management documents in organisations.

Microsoft Azure

We implemented one of the first large migrations of local datacentres to the MS Azure environment in Central and Eastern Europe. With our experience and unique know-how, we assist customers in implementing flexible cloud platforms that offer fast scalability, access from anywhere, and high security. In addition to the technical aspects, we also assist with the analysis, preparation of the ROI and the entire change management of such a project, including the adoption campaign.

Solitea infrastructure solutions

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

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

Customers rely on us for projects of building data centres, deploying server technologies and building computer

networks. We take pride in being not just a vendor, but a consultant who accompanies the customer throughout the life cycle of IT infrastructure, i.e., from the analysis of the current state, through planning and implementation, to long-term support.

Outsourcing contracts and contracts on the provision of IT infrastructure support are an integral part of our long-term cooperation with key customers. Our customers may use consulting teams, a non-stop hotline, permanent remote supervision of their IT operations, and advisers in operations financing.

Cyber Security

Cybersecurity has become increasingly important in recent years. The Cyber Security Act stipulates rules for the public sector, but soon will also impose obligations on the private sector. For our customers, we provide consulting services in assessing the current state of security, including vulnerability tests in both on-premise and cloud environments, ensuring protection in network security, application security, access and identity management, and endpoint security. In security incident detection, we provide SIEM (security information and event management) services and regular reporting. Subsequently, we help customers in designing corrective measures and optimising the setup of safety tools and measures.

Jan Tomášek



“We address any shortcomings as soon as we detect them, and we then set future development strategies that do not contain the identified shortcomings.”



How was the past year different for Solitea/your division?

Last year was the first year after the merger, and changes were expected. For the former Vema, now the Payroll & Human Resources division, the changes were not too dramatic, mainly because we are a relatively large and well-functioning unit with a healthy corporate culture. Another specificity of the past year was, of course, the pandemic and its consequences. We had to learn to communicate with our colleagues much more electronically. It worked, but I am convinced that the cohesion of the teams has suffered: there is nothing like personal contact and team spirit.

What was your biggest achievement?

The biggest achievement is that we have navigated the merger, we have succeeded operationally and we keep going. We develop new successful products and increase the quality of existing ones.

In contrast, where do you see shortcomings that you would like to focus on in the upcoming period?

I have to admit that I don't think like that. We address any shortcomings as soon as we detect them, and we then set future development strategies that do not contain the identified shortcomings. However, I see one big challenge

ahead of us, and that is the speedy recruitment of new colleagues. We need to fill vacancies faster, especially programmer positions. But this is a big challenge in today's labour market in general.

Can you see any new market opportunities for your products and services?

The past year has shown us the need to build our systems in a way that they can quickly respond to any new and sometimes unexpected needs of their users. A nice example was our response to the mandatory Covid testing of employees, in effect introduced overnight. On the day when our customers had to start testing, we were able to provide them with the necessary functionality within the Vema system. And we were equally quick to respond to the need to print confirmations for travels to work.

Have you made any New Year's resolutions?

I haven't done that for a long time. I don't think it works. When I really want to change something, I do not wait for the end of the year.

What do you think your division will look like... in five years?

I believe that we will grow sensibly and steadily, no big somersaults. Considering our line of business, our customers certainly do not want any somersaults either. We are currently rewriting the portal part of our systems and within five years, we want it to be possible to run Vema wherever it makes sense completely and comfortably in an internet browser. At the same time, Vema should allow employees to handle an increasing number of agendas independently and without contact: employee self-service, with workflow support, is clearly the future. Of course, we work hard to not only attract new customers, but also to deliver to our existing customers at the quality that will still make us their first choice.

“The past year has shown us the need to build our systems so that they can quickly respond to any new and sometimes unexpected needs of their users. A nice example was our response to the mandatory Covid testing of employees, in effect introduced overnight.”



We do not try
to lead people
but aim to
inspire them
instead.

Solitea solutions for HR management



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 clear leader on the market.

Vema Cloud

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

The Solitea Vema payroll and HR system is suitable for all organisation types and sizes in the Czech Republic and Slovakia, as it supports all valid versions of applicable payroll legislation. The system is currently used by over 7,500 clients, and the typical price ranges from CZK 20,000 to CZK 500,000.

The Solitea Vema payroll and HR management 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 hiring new employees, through comprehensive employee training agendas, to regular employee evaluation. Everything is supported by several automated functions, such as tracking personnel events, online communication with authorities, and electronic approval within defined processes (workflow).

Great emphasis is placed on high system performance and maximum data security. For this reason, Vema uses its own proprietary database system that, in combination with an appropriately configured security model, meets the highest user requirements.

In addition to the core functionality, Vema delivers additional applications and modules from various areas of human resources 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.

All applications of the Solitea Vema payroll and HR information system can be obtained for operation on the existing IT infrastructure by purchasing the right of use (license) with regular monthly payments over the entire period of using the products. The second option is to use the Vema Cloud services, in which all Vema products are also available. Many customers also use the outsourced payroll processing service.

The Vema product family expands every year with new modules reflecting current trends as well as the wishes of our customers. In the past fiscal year, these were mainly modules using the Vema web portal, which facilitate the payroll staff's communication with employees and the circulation and confirmation of documents, and significantly reduce the administrative burden associated with issuing certified documents and confirmations.

As part of a continuous product modernisation, emphasis has been placed on the development of a new web platform that will open new possibilities of using the entire family of products.

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.

Solitea POS for gastro, retail, and services

The world of restaurants, retail, and services is changing with the digitisation of processes on the part of end-customers and of entrepreneurs and their supply chains. Retailers and service providers in the hotel, restaurant and catering industry need new tools to remain competitive and provide their customers with modern access to services or shopping. The pandemic has further increased the pressure for small enterprise digitisation. Automation and artificial intelligence working with online information gathered through data analysis enter the process. Market opportunities are also accelerated by legislative changes: in 2022, changes to laws 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 the Czech market leader in the area of POS for SMEs and operates in Poland, Slovakia, Germany and Slovenia.

POS solutions for medium and large corporations and chains

Prodejna

Prodejna 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 connectivity with Money S3 and Money ERP makes it suitable for operations with central data management.

SmartPOS

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

The entire SmartPOS system is designed to be decentralised, with each branch containing the option of full-value coordination not only with the cash register, but also with the warehouse. In addition, SmartPOS allows customer clubs to synchronise earned points and credits, as well as online customer validation.

An ecosystem of applications such as loyalty applications, 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 the linked order delivery systems. The Fruitissimo mobile application, which in addition to identifying customers at branches also allows personalised campaigns and discount vouchers to be sent directly to the customer's mobile phone, ranked high in the Food category in the Apple Store soon after its release.

Cloud POS systems for SMEs

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

Dotykačka

Over 11,000 paying clients in the Czech Republic and Poland currently use the Dotykačka solution, and over 75,000 users have already downloaded it on Google Play. The solution was created in 2014, and 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 the 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 are stored in the cloud over the internet and 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 operation in case of internet connection outage. The product is designed to be unpacked from the box and launched by anybody, without the need for a 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 press dealers, where EDI communication automatically retrieves documents, creates sales items including prices, and suggests orders or remittances (returns of printed materials). Markeeta allows the entrepreneur to obtain a comprehensive overview of the business, both of sales and stock management.

A superstructure was built above the Markeeta system for the full-fledged handling of events, such as concerts or festivals, in the so-called cashless mode. Customers top up funds onto electronic identifiers (cards, bracelets, etc.), which are used to make cashless payments at all points of sale. The festival operator thus obtains a detailed overview of the revenues of all locations and can accurately calculate turnover rents.

Markeeta has become one of the most widely used POS systems in the Czech Republic in the first two waves of the introduction of electronic reporting 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 sale and lease of the payment terminal. 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 market. In 2020 and 2021, the company plans to build its customer portfolio in the Czech Republic and Slovakia, expand into Poland and Germany, and offer new terminals.

Besteron

Besteron is an internet payment gateway for payments by card or bank button. It offers a comprehensive payment solution - online card payments with the possibility to accept payments from all over the world or online bank transfer from Slovak and Czech banks.

Tapeon

Tapeon is a brand name of POS terminals for outlets, retail networks, self-service kiosks, and e-shops. It operates in the market as an official ISO certified partner of Visa and Mastercard.

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 Reporting of Sales, which came into effect in the Czech Republic in November 2016. It allows a simple issuance of a receipt and its automatic forwarding (individually or in batches) to the tax administration's server. It supports printing receipts on Wi-Fi or bluetooth printers as well as sending them via email or social networks. Monetisation is indirect; it is possible to use iDoklad for archiving the issued receipts.

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

We
face
challenges
head
on.



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 the Solitea holding group 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, Martin was awarded the Czech 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. In 2020, he received the Manager in the Digital Age award from the Czech Management Association; in 2021, he was a finalist in the EY Entrepreneur of the Year competition.

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.



Board of directors



Tomáš Loukota

**Executive Director, Small Business,
Member of the board of directors**

Tomáš started his career in technical support, working his way up to the position of a sales director and then an executive director. He stood behind the successful market launch of the new Money S5 ERP system and the monetisation of iDoklad. He has been promoting a pro-customer approach in Solitea.



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. In 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**

In 1955, Jan became a co-founder and director of Vema Computers and Systems. Since 2016 he has been using his experience in the company as its CEO. In Solitea, he is mainly responsible for solutions concerning human resources management.

Super- visory 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/HR information systems.



Táňa Šuláková

Member of the Supervisory board

Táňa is a graduate of theatre management at the Theatre Faculty of Janáček Academy of Performing Arts. Already during her studies she focused on marketing, which she has been engaged in throughout her professional career. She worked for 3 years in the Brno branch of Ogilvy advertising, from where she moved to Solitea as a marketing specialist and currently leads the marketing content team.

Milan Smutný

Member of the Supervisory board

Milan has more than fifteen years of experience in top management positions, of which ten years as the finance director of Seznam. Before joining Solitea, he was also involved in the management of software projects, including the payroll and HR system Nugget. Since 2020, he has been in charge of the finance agenda of the entire Solitea group.



Top manage- ment

Boris Bělousov

Chief Information Officer

In 1994, Boris founded PVT.net, an internet service provider where he later held the position of product manager. Then he served as a member of the executive committee at NIX.CZ, led a technical group in GEMMA Systems, and managed Dynamica (now Solitea Dynamica) until 2018. Since 1 October 2019, he has been with Solitea as its CIO.



Miroslav Říha

Internal Services Director

Miroslav started his career as a head of software development for engineering, and later co-founded Byznys Software. There, he created product strategy and headed development, always promoting a pro-user approach. He has been with Solitea since 2017, focusing, among other things on synergies of the holding's ERP systems.



Milan Smutný

Group Chief Financial Officer

Milan has more than fifteen years of experience in top management positions, of which ten years as the finance director of Seznam. Before joining Solitea, he was also involved in the management of software projects, including the payroll and HR system Nugget. Since 2020, he has been in charge of the finance agenda of the entire Solitea group.

Daniel Šturm

Chief Marketing Officer

Daniel has 25+ years of experience in the management of B2B and B2C sales and marketing. In the past, he worked at Česká spořitelna, Home Credit, and AAA Auto. At Solitea, he has launched the rebranding and the centralisation individual sub-brands, finding ways to maximize the strength of the common brand.

Management report

Report of the Board of Directors on the Company's business activities and the state of its assets

The 2021 financial year (1 July 2020 to 31 December 2021) was yet another strong year for the Solitea group despite the ongoing global Covid-19 pandemic. Organic growth was supported by acquisition growth: major projects completed during the extended fiscal year included the acquisitions of D3Soft, AW Solutions, MainstreamTechnologies, Prytanis, and Pay Solutions. At the same time, the sale of JET ERP in Austria was successfully completed. The group generated a turnover of CZK 3.441 billion for the extended fiscal year, which is a 92% increase compared to the 2020 fiscal year (for the adjusted 12-month period, the turnover increased by 31%). EBITDA grew by 146% to CZK 385 million (for the adjusted 12-month period, EBITDA grew by 64%), despite major investments in research and development. These excellent results are mainly due to the Company's ability to quickly adapt to the negative effects of the pandemic. In line with its strategic concept, the drivers of Solitea's organic growth are cloud services supported by acquisition activities.

Human resources

The companies within the Solitea group apply different solutions to human resource management. The differences are mainly due to the specific territory, local legislation, and the HR systems used. The state of emergency, declared in the Czech Republic in the spring of 2020, tested our ability to respond to restrictions on travel and personal communication. Practically overnight, we switched to the work-from-home mode for most employees, but thanks 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 throughout 2021.

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 2021 fiscal year, we continued 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. At the end of 2021, a change in the responsibility for payroll processing was made, which now falls under the Finance Department. We have thus followed up on the functional infrastructure set up during 2020 and continue to develop the VEMA HR system.

Ownership structure of Solitea as of 31 December 2021

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

Ligelta Holdings Ltd.

with its registered office at Kyriakou Matsi, 16, Eagle House, 8th floor, Agioi Omologites, 1082, Nicosia, Republic of Cyprus, holding a 72.7% stake. Ligelta Holdings Ltd. is fully owned by Sandberg Investment Fund SICAV PLC, with its registered office at 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 at Dvořákovo nábrežie 8, Bratislava 811 02, Slovakia, with permission from the National Bank of Slovakia to create and manage domestic and foreign alternative investment funds. Sandberg Capital's portfolio currently includes investments in IT, agriculture, telecommunications, education, and retail. The value of assets under its management exceeds EUR 250 million.

Ownership structure of Solitea

Solitea, a.s.
Czech Republic

**SANDBERG INVESTMENT
FUND SICAV PLC**
Republic of Malta

100%

MARTIN CÍGLER
Czech Republic

100%

LIGELTA HOLDINGS LTD.
Cyprus

72.7%

CSW HOLDING s.r.o.
Czech Republic

20.1%

Ing. MICHAL MÁČEL
Czech Republic

4.2%

Ing. JAN TOMÍŠEK
Czech Republic

3.0%

CSW Holding s.r.o.

with its registered office in Brno, Drobného 555/49, 602 00, Czech Republic, holding a 20.1% stake. CSW Holding is an investment company fully owned by Martin Cígler, 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.

Acquisition history

Acquisitions and other transactions as at 31 December 2021:

2013

- **Altus software s.r.o. (CZ)**
- **CÍGLER SOFTWARE, a.s. (CZ)**
CÍGLER SOFTWARE, a.s. (SK)
CÍGLER SOFTWARE – IPL, s.r.o. (CZ)
CÍGLER SOFTWARE West, s.r.o. (CZ)

2014

- **AQUASOFT spol. s r.o. (CZ)**
- **Vema, a.s. (CZ)**
Vema, s. r. o. (SK)

2015

- **JET ERP Betriebsgesellschaft mbH (AT)**
- **J.K.R. spol. s r.o. (CZ)**

2016

- **SAOP d.o.o. (SI)**
- **SAOP d.o.o. (HR)**
SAOP d.o.o. (RS)

2017

- **CDL SYSTEM a.s. (CZ)**
CDL SYSTEM, s.r.o. (SK)

2018

- **Allieto, s.r.o. (CZ)**
- **BI Experts, s.r.o. (CZ)**
- **GEMMA Systems, spol.s r.o. (CZ)**
GEMMA SYSTEMS, s.r.o. (SK)
- **Dynamica, a.s. (CZ)**

2019

- **Billans, d.o.o. (only the purchase of assets, now part of SAOP Srbsko d.o.o.) (RS)**
- **Clever Decision (CZ)**
- **Dotykačka Holding a.s. (CZ, 58%)**

- Dotykačka Polska Sp. Z o.o. (PL)
- DotyPOS DE GmbH (DE)
- Data Analytics (CZ)
- Smart software s.r.o. (CZ)
- **MIT, d.o.o. (SI)**
- **WBI, s.r.o. (SK)**
WBI Solutions s.r.o. (CZ)

2020

- **AXIOM PROVIS Int., s.r.o. (CZ)**
AXIOM Praha spol. s r.o. (CZ)
AXIOM Bratislava, s. r. o. (SK)
P R O V I S s.r.o. (CZ, 30%)
- **Opal Informatika, d.o.o. (SI)**

2021

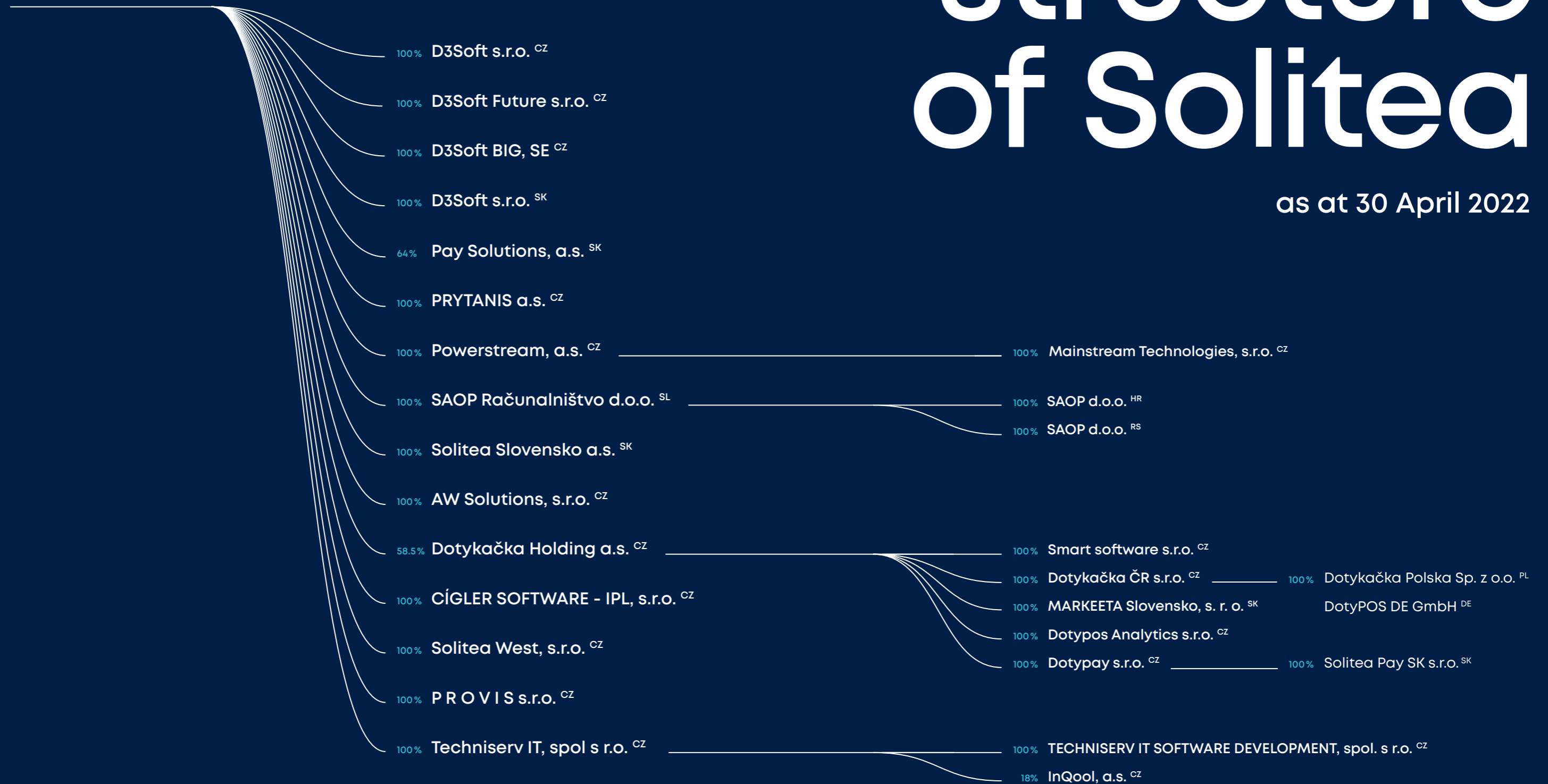
- **AW Solutions s.r.o. (CZ)**
- **Skupina D3Soft**
D3Soft BIG SE (CZ)
D3Soft FUTURE s.r.o. (CZ)
D3Soft s.r.o. (CZ)
D3Soft s.r.o. (SK)
- **Prytanis a.s. (CZ)**
- **Powerstream a.s. (CZ)**
Mainstream Technologies s.r.o. (CZ)
- **Pay Solutions a.s. (SK, 64%)**
- **merger of MIT, d.o.o. (SI) a Opal Informatika, d.o.o. (SI) do SAOP d.o.o. (SI)**
- **sale of JET ERP Betriebsgesellschaft mbH (AT)**



Global structure of Solitea

as at 30 April 2022

Solitea, a.s.
Czech Republic



Other in-formation

The Company complies with all applicable legal requirements of the Czech Republic and its internal rules concerning health and environmental protection and occupational safety.

In the area of labour relations, the Company proceeds in accordance with labour legislation and its internal rules.

The Group complies with all requirements arising from the applicable legislation of the respective countries and the individual companies' internal rules concerning health and environmental protection and occupational safety.

In the area of labour relations, the Group proceeds in accordance with the locally applicable labour legislation 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.

Neither the Company nor the Group acquired their own shares or interests during the reporting period.



Subsequent events

On 23 May 2022, the Company approved the draft terms of the merger by acquisition of the companies from the D3Soft group and of AW Solutions, s.r.o. as at 1 January 2022. The successor company will be Solitea, a.s.

The merger by acquisition will take place on 1 July 2022, with legal effects as of 1 January 2022.

Successor company:

Solitea, a.s., corporate ID: 01572377, with its registered office at Drobného 555/49, Brno

Dissolving companies:

D3Soft s.r.o., corporate ID: 259 00 595, with its registered office at Ocelářská 2969/12, Vítkovice, Ostrava

D3Soft Future s.r.o., corporate ID: 278 56 631, with its registered office at Ocelářská 2969/12, Vítkovice, Ostrava

D3Soft BIG, SE, corporate ID: 020 35 766, with its registered office at Ocelářská 2969/12, Vítkovice, Ostrava

AW Solutions, s.r.o., corporate ID: 107 05 546, with its registered office at Sokolská 695/115b, Karlín, Praha 8

As at 29 April 2022, the Company became a 100% owner of the ownership interest in TECHNISERV IT, spol. s r.o., which owns a 100% ownership interest in TECHNISERV IT SOFTWARE DEVELOPMENT, spol. s r.o. and a 18% ownership interest in InQool, a.s.

Furthermore, the Company purchased the remaining part of the ownership interest in P R O V I S s.r.o. and has become its sole owner.

The Company's management has assessed the impact of the military conflict in Ukraine and concluded that no significant risks follow from this conflict for the Company.

The Group's management is not aware of any other events that have occurred since the balance sheet date that would have any material impact on the consolidated or individual financial statements as at 31 December 2021.

Consolidated statements

Consolidated balance sheet in full format

as at 31 December 2021

(in thousands of Czech crowns)

Name and reg. office of the Company

Solitea, a.s. Drobného 555/49, Ponava

602 00 Brno, Czech Republic

ASSETS

Ident.	line	Current period Net	Prior period Net
a	b	c	2
TOTAL ASSETS	1	2,951,642	2,193,859
B.	Fixed assets	1,838,651	1,389,345
B.I.	Intangible fixed assets	140,425	58,760
B.II.	Tangible fixed assets	163,011	141,634
B.III.	Long-term investments	83,700	17,444
B.IV.	Consolidation difference	1,451,515	1,171,507
C.	Current assets	1,036,592	742,501
C.I.	Inventories	112,067	130,971
C.II.	Receivables	352,346	259,602
C.II.1.	Long-term receivables	16,450	8,854
C.II.2.	Short-term receivables	335,896	250,748
C.IV.	Cash	572,179	351,928
D.	Deferrals	76,400	62,013

Identification number: 015 72 377

Consolidated balance sheet in full format

as at 31 December 2021

(in thousands of Czech crowns)

Name and reg. office of the Company

Solitea, a.s. Drobného 555/49, Ponava

602 00 Brno, Czech Republic

LIABILITIES

Ident.	line	Current period	Prior period
a	b	c	4
TOTAL LIABILITIES AND EQUITY	083	2,951,642	2,193,859
A (A.I.–A.VII.)	Equity	1,638,685	1,385,186
A.I.	Registered capital	814,000	814,000
A.II.	Premium and capital contributions	381,701	375,105
A.II.1.	Premium	6,128	6,128
A.II.2.	Capital contributions	375,573	368,977
A.III.	Funds from profit	20,787	19,198
A.IV.	Retained earnings (+/-)	71,033	45,519
A.V.1.	Profit (loss) for the current period (+/-)	285,378	33,274
A.V.2.	Share of profit (loss) of equity-accounted investees (+/-)		-4,790
A.VII.	Minority equity	65,785	102,881
A.VII.1.	Minority registered capital	5,627	5,627
A.VII.2.	Minority capital contributions	200,372	200,372
A.VII.3.	Minority funds from profit including retained profits and accumulated losses	-103,118	-72,706
A.VII.4.	Minority profit (loss) for the current period (+/-)	-37,096	-30,412
B. + C.	Liabilities	998,541	536,296
B.	Provisions	62,417	49,813
B.2.	Income tax provision	9,296	8,104
B.4.	Other provisions	53,121	41,709
C.	Liabilities	936,125	486,483
C.I.	Long-term liabilities	36,592	12,676
C.II.	Short-term liabilities	899,533	473,807
D.	Accruals	314,416	272,377

Identification number: 015 72 377

Consolidated income statement

classification by nature for the period
1 July 2020 to 31 December 2021
(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

INCOME STATEMENT

Ident.	line	Current period	Prior period
a	b	1	2
I.	Revenue from products and services	2,835,170	1,489,739
II.	Revenue from goods	365,862	260,785
A.	Cost of sales	1,193,153	688,103
B.	Change in inventory of own production (+/-)	-20,741	13,143
C.	Own work capitalised (-)	-85,992	-20,185
D.	Personnel expenses	1,693,302	900,400
E.	Adjustments relating to operating activities	229,979	114,880
III.	Other operating revenues	29,767	17,762
F.	Other operating expenses	51,592	26,540
*	Operating profit (loss) (+/-)	169,506	45,404
IV.	Revenue from long-term investments – equity investments	168,878	4,359
V.	Cost of equity investments sold	11,476	--
V.	Revenue from other long-term investments	1,996	739
VI.	Interest revenue and similar revenue	3,286	2,625
I.	Adjustments and provisions relating to financial activity	--	-3,150
J.	Interest expense and similar expense	18,952	6,349
VII.	Other financial revenues	35,923	16,893
K.	Other financial expenses	48,273	28,621
*	Profit (loss) from financial operations	131,382	-7,202
**	Profit (loss) before tax (+/-)	300,889	38,202
L.	Income tax	52,606	40,130
**	Profit (loss) after tax (+/-)	248,283	-1,928
***	Profit (loss) for the accounting period (+/-)	248,283	-1,928
**	Profit (loss) for the accounting period without minority interests (+/-)	285,378	33,274
**	Minority interest in profit (loss) for the current period (+/-)	-37,096	-30,412
	Share of profit (loss) of equity-accounted investees		-4,790
*	Net turnover for the accounting period = I. + II. + III. + IV. + V. + VI. + VII.	3,440,882	1,792,902

Identification number: 015 72 377

Consolidated statement of cash flow

for the period from 1 July 2020 to 31 December 2021
(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

CASH FLOW STATEMENT

Ident.	Current period	Prior period	
P.	Cash and cash equivalents, beginning of period	351,928	209,916
NET OPERATING CASH FLOW			
Z:	Accounting profit (loss) from ordinary activities	300,889	38,202
A.1.	Non-cash transactions	205,600	87,117
A.1.1.	Depreciation and amortisation of fixed assets	215,394	110,802
A.1.2.	Change in:	33,133	10,891
A.1.2.2.	provisions and other adjustments	33,133	10,891
A.1.3.	Profit(+) Loss(-) on sale of fixed assets	-4,627	7,261
A.1.4.	Profit(+) Loss(-) on disposal of subsidiaries	-157,402	--
A.1.6.	Other non-cash transactions	119,102	-41,837
A.*	Net operating cash flow before taxation and changes in working capital	506,489	125,319
A.2.	Changes in working capital	62,220	-740
A.2.1.	Change in receivables from operating activities, estimated receivables and deferrals	-112,105	-75,601
A.2.2.	Change in short-term liabilities from operating activities, estimated payables and accruals	165,941	162,741
A.2.3.	Change in inventories	8,385	-89,648
A.2.4.	Change in short-term financial assets, other than cash and cash equivalents	--	1,767
A.**	Net operating cash flow before taxation	568,709	124,578
A.3.	Interest paid excluding amounts capitalised	-18,952	-6,349
A.4.	Interest received	3,286	2,625
A.5.	Income tax paid on ordinary income and income tax relating to prior periods	-53,872	-27,800
A.6.	Dividends received	1,996	--
A.***	Net operating cash flow	501,168	93,055
INVESTING ACTIVITIES			
B.1.	Acquisition of fixed assets	-263,205	-163,306
B.1.1.	Acquisition of tangible fixed assets	-92,299	-95,534
B.1.2.	Acquisition of intangible fixed assets	-131,754	-67,771
B.1.3.	Acquisition of long-term investments	-39,152	--
B.2.	Proceeds from sales of fixed assets	9,867	4,877
B.2.1.	Proceeds from sales of tangible and intangible fixed assets	9,867	4,877
B.3.	Advances and loans to related parties	84,864	198,588
B.4.	Acquisition of subsidiaries, net of cash received	-350,267	-353,288
B.5.	Disposal of subsidiaries, net of cash sold	152,625	--
B.***	Net cash flow from investing activities	-366,116	-313,129

Identification number: 015 72 377

FINANCING ACTIVITIES

C.1.	Change in long-term resp.short-term liabilities from financing	81,619	3,727
C.2	Increase and decrease in equity from cash transactions	3,580	358,360
C.2.3.	Other cash contributions from partners and shareholders	3,580	358,360
C.**	Net cash flow from financing activities	85,199	362,087
F.	Net increase or decrease in cash balance	220,251	142,013
R.	Cash and cash equivalents, end of period	572,179	351,930

Consolidated statement of changes in equity

for the period from 1 July 2020 to 31 December 2021
(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

STATEMENT OF CHANGES IN EQUITY

	Registered capital	Premium, capital contributions and funds from profit	Retained profits	Profit (loss) for the current period
Balance as at 1. 7. 2020	814,000	394,303	45,519	33,274
Profit or loss for the period	--	--	--	285,378
Revaluation reserve	--	-687	--	--
Other comprehensive income for the period	--	--	--	--
Transfers to (from) the reserve fund	--	--	--	--
The effect of new acquisitions	--	--	--	--
Capital contributions	--	3,580	--	--
Other movements	--	--	--	--
Transfers to (from) retained earnings	--	--	28,484	-33,274
Translation reserve	--	5,292	-2,970	--
Royalties	--	--	--	--
Balance as at 31. 12. 2021	814,000	402,488	71,033	285,378
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) the reserve fund	--	--	--	--
The effect of new acquisitions	--	--	--	--
Capital contributions	--	380,010	--	--
Other movements	--	-147	5,077	--
Transfers to (from) retained earnings	--	--	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

Identification number: 015 72 377

**Consolidated statement
of changes in equity**

for the period from 1 July 2020 to 31 December 2021
(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

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
Balance as at 1. 7. 2020	-4,790	1,282,306	102,881	1,385,187
Profit or loss for the period	--	285,378	-37,096	248,283
Revaluation reserve	--	-687	--	-687
Other comprehensive income for the period	--	--	--	--
Transfers to (from) the reserve fund	--	--	--	--
The effect of new acquisitions	--	--	--	--
Capital contributions	--	3,580	--	3,580
Other movements	--	--	--	--
Transfers to (from) retained earnings	4,790	0	--	0
Translation reserve	--	2,322	--	2,322
Royalties	--	--	--	--
Balance as at 31. 12. 2021		1,572,899	65,785	1,638,685
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) the reserve fund	--	--	--	--
The effect of new acquisitions	--	--	133,258	133,258
Capital contributions	--	380,010	--	380,010
Other movements	--	4,930	--	4,930
Transfers to (from) retained earnings	--	--	--	--
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

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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:

- 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

The shareholders of the Company as at 31 December 2021 were:

- **LIGELTA HOLDINGS LTD:** 72.7%
- **CSW Holding s.r.o.:** 20.1%
- **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 31 December 2021

Members of the board of directors:

- Martin Cígler (chairman)
- Michal Rybovič (vice-chairman)
- Tomáš Loukota (member)
- Petr Franc (member)

- Dipl. Ing. Martin Kudrna, MBA (member)
- Ing. Jan Tomíšek (member)

Members of the supervisory board:

- Ing. Michal Máčel, CSc. (chairman)
- Milan Smutný (member)
- Táňa Šuláková (member)

Consolidated financial statements

The consolidated financial statements of the Company as at 31 December 2021 are prepared for the Parent Company and its subsidiaries ("the Group") – see note 6. The consolidated financial statements are prepared for the period from 1 July 2020 to 31 December 2021 ("2021").

Changes in the Commercial Register

In 2021, the following changes were made in the Commercial Register for the Parent Company:

New record: members of the supervisory board:

- Táňa Šuláková
- Milan Smutný (recorded on 6 January 2021)

New deletion: members of the supervisory board:

- Ing. Vítězslav Kotrs (deleted on 6 January 2021)
- Jana Šufajzlová (deleted on 12 January 2022)

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 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 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 31 December 2021 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 2021.

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.

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.

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.

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
Adjustments to acquired fixed assets	Straight-line	15 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

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 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. Changes in the accounting period

The management of the Company has changed the accounting period to run from 1 January to 31 December of the same year so that it corresponds to the Group's fiscal year. The financial statements as at 31 December 2021 are prepared for a period of 18 months. Thus, the figures in the income statement and cash flow statement are not comparable with figures for the previous accounting period.

5. Change in accounting policies and procedures

In the year from 1 July 2020 to 31 December 2021, no significant changes were made in accounting policies and procedures.

6. Definition of the consolidated group

The following companies became part of the consolidated group in the current accounting period: D3Soft s.r.o. (CZ), D3Soft Future s.r.o. (CZ), D3Soft BIG SE (CZ), AW Solution s.r.o. (CZ), Prytanis a.s. (CZ), Powerstream a.s. (CZ), Mainstream Technologies s.r.o. (CZ), OPAL Informatika d.o.o., SAOP DOO NOVI SAD, SAOP d.o.o. Zagreb.

On 1 July 2021, SAOP Računalništvo d.o.o., MIT Informatika d.o.o., and OPAL Informatika d.o.o. merged, with the successor company being SAOP.

In December 2021, JET ERP Betriebsgesellschaft mbH was sold to third parties. The selling price was CZK 168 million.

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., Dotykačka Polska Sp. z o.o., MARKEETA Slovensko, s.r.o., and Dotypay 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 did not enter the consolidated group and 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, 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).

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, Comp. Id. 250 45 041
- Solitea Pay SK, s.r.o., 28. októbra 7689/2A, Trenčín 911 01, Comp. Id. 52 528 766
- Solitea West, s.r.o., Drobného 555/49, Ponava, Brno 602 00, Comp. Id. 252 46 241
- P R O V I S s.r.o., Jiráskova 1127, 755 01 Vsetín, Comp. Id. 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, Comp. Id. 081 55 402
- D3Soft, Jašíková 2, 821 03 Bratislava, Comp. Id.: 35 880 198
- Pay Solutions, a.s., Liščie údolie 119, 841 04 Bratislava, Comp. Id.: 47 866 233

Equity investments in these companies remained recognised in long-term investments at acquisition cost of TCZK 39 624 in the financial statements.

7. Consolidation difference

As at 31 December 2021, the consolidation difference in the gross amount of TCZK 1,788,656 (TCZK 1,394,872 as at 30 June 2020), 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), Solitea BI Experts, s.r.o. (CZ), 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., Markeeta Slovensko, s.r.o. as well as new acquisitions described in the next paragraph, consists of a positive consolidation difference of TCZK 1,803,976 (TCZK 1,407,103

as at 30 June 2020) and a negative consolidation difference of TCZK 15,320 (TCZK 12,231 as at 30 June 2020).

Additions of TCZK 396,873 (gross) consist of a positive consolidation difference that was established by the acquisition of D3Soft, s.r.o., D3Soft Future s.r.o., D3Soft BIG SE, AW Solutions s.r.o., Prytanis a.s., Powerstream a.s., Mainstream Technologies s.r.o., and OPAL Informatika d.o.o. Additions to a negative consolidation difference of TCZK 3,089 (gross) arose by the acquisition of SAOP DOO NOVI SAD and SAOP d.o.o. Zagreb.

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 115,056 (TCZK 61,808 as at 30 June 2020) and the accumulated amortisation amounts to TCZK 348,380 (TCZK 233,456 as at 30 June 2020). The annual amortisation of the negative consolidation difference amounts to TCZK 1,149 (TCZK 557 as at 30 June 2020) and the accumulated amortisation amounts to TCZK 11,239 (TCZK 10,091 as at 30 June 2020).

The net amount of the positive consolidation difference is TCZK 1,455,596 (TCZK 1,173,647 as at 30 June 2020) and the net amount of the negative consolidation difference is TCZK 4,081 (TCZK 2,140 as at 30 June 2020).

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 Slovensko, a.s.	Plynárenská 7/C, Bratislava, Slovensko	100%	Full
SAOP Računalništvo d.o.o	Cesta Goriške fronte 46, 5290 Šempeter pri Gorici	100%	Full
SAOP DOO NOVI SAD	Slobodana Bajića 10, Novi Sad 21 000, Serbia	100%	Full
SAOP d.o.o. Zagreb	Puževa ulica 13, Zagreb 100 00, Hrvatska	100%	Full
D3Soft, s.r.o.	Ocelářská 2969/12, Vítkovice, 703 00 Ostrava	100%	Full
D3Soft Future s.r.o.	Ocelářská 2969/12, Vítkovice, 703 00 Ostrava	100%	Full
D3Soft BIG SE	Ocelářská 2969/12, Vítkovice, 703 00 Ostrava	100%	Full
AW Solutions s.r.o.	Sokolovská 695/115b, Karlín, 186 00 Praha 8	100%	Full
Prytanis a.s.	Jundrovská 618/31, Komin, 624 00 Brno	100%	Full
Powerstream a.s.	Hvězdova 1734/2c, Nusle, 140 00 Praha 4	100%	Full
Mainstream Technologies s.r.o.	Na Strži 2097/63, Krč, 140 00 Praha 4	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	58.50%	Full
Dotypay 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	58.50%	Full

8. Intangible and tangible fixed assets

INTANGIBLE FIXED ASSETS

(in thousands of Czech crowns TCZK)

	Software	Other intellectual property rights	Intangible fixed assets under construction and advances	Goodwill	Other intangible fixed assets	Total
ACQUISITION COST						
Opening balance as at 1 July 2020	263,075	4,584	17,641	39,694	3,504	328,498
Additions	53,448	4,288	65,785	--	--	123,521
Disposals	-43,861	-30	-1,099	--	-3,173	-48,163
Effect of acquisitions	33,317	--	1,732	100	--	35,149
Transfers	1,961	-1,961	--	--	--	--
Foreign exchange difference	-3,723	-2	-140	--	--	-3,865
Closing balance as at 31 December 2021	304,217	6,879	83,921	39,794	331	435,140
ADJUSTMENTS AND ACCUMULATED AMORTISATION						
Opening balance as at 1 July 2020	-224,375	-3,811	--	-39,694	-1,858	-269,738
Amortisation expense	-46,589	-549	--	-13	-29	-47,180
Disposals	43,573	432	--	--	1,591	45,596
Effect of acquisitions	-26,906	--	--	-10	--	-26,916
Transfers	--	--	--	--	--	--
Foreign exchange difference	3,520	1	--	--	--	3,521
Closing balance as at 31 December 2021	-250,777	-3,927	--	-39,717	-296	-294,717
Net book value 1 July 2020	38,700	773	17,641	--	1,646	58,760
Net book value 31 December 2021	53,440	2,952	83,921	77	35	140,425

INTANGIBLE FIXED ASSETS

(in thousands of Czech crowns TCZK)

	Software	Other intellectual property rights	Intangible fixed assets under construction and advances	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

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 2020	14,107	196,729	16,497	56,113	9,378	292,824
Additions	1,010	64,362	9,008	--	7,786	82,166
Disposals	-5,244	-30,555	-13,560	--	--	-49,359
Effect of acquisitions	--	27,804	1,063	--	--	28,867
Transfers	--	9,273	--	--	-9,273	--
Foreign exchange difference	-858	-2,245	-741	--	-7	-3,851
Closing balance as at 31 December 2021	9,015	265,368	12,267	56,113	7,884	350,647
ADJUSTMENTS AND ACCUMULATED DEPRECIATION						
Opening balance as at 1 July 2020	-1,682	-123,599	-12,824	-13,085	--	-151,190
Depreciation expense	-1,143	-44,299	-3,556	-5,309	--	-54,307
Disposals	867	24,437	9,304	--	--	34,608
Effect of acquisitions	--	-17,767	-967	--	--	-18,734
Foreign exchange difference	108	1,351	528	--	--	1,987
Closing balance as at 31 December 2021	-1,850	-159,877	-7,515	-18,394	--	-187,636
Net book value 1 July 2020	12,425	73,130	3,674	43,028	9,378	141,634
Net book value 31 December 2021	7,165	105,491	4,752	37,719	7,884	163,011

In 2021, additions to fixed assets primarily included the procurement of cars and IT equipment and putting assets into use as an effect of new acquisitions.

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

No Group's fixed assets are pledged.

9. Investments

Long-term investments

The Group records long-term investments totalling TCZK 83,700 (TCZK 17,444 as at 30 June 2020). These include equity investments in subsidiaries of TCZK 56,888, advances and loans to group undertakings of TCZK 3,600, equity

investments in associated companies of TCZK 1,380, other long-term securities and equity investments of TCZK 400, and other loans of TCZK 21,432.

Short-term investments

The Group does not record any short-term investments (TCZK 0 as at 30 June 2020).

10. Inventories

INVENTORIES

(in thousands of Czech crowns TCZK)

	as at 30 June 2020	as at 31 December 2021
Raw materials	212	245
Goods for resale	111,585	69,646
Work-in-progress	19,174	41,571
Advance payments for inventories	--	605
Total	130,971	112,067

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

As at 31 December 2021, the Group established an adjustment to inventories of TCZK 13,404 (TCZK 2,885 as at 30 June 2020).

11. Investment incentives and subsidies

The Group received no investment incentives and subsidies in 2020 and 2021.

12. Long-term receivables

The Group's long-term receivables primarily consist of long-term provided advances of TCZK 3,447 (TCZK 4,690 as at 30 June 2020), trade receivables of TCZK 3,583 (TCZK 1,811 as at 30 June 2020), and other receivables of TCZK 6,801 (TCZK 422 as at 30 June 2020).

Other long-term receivables comprise the deferred tax asset.

The Group does not record any long-term receivables with a due date longer than 5 years (TCZK 0 as at 30 June 2020).

13. Short-term receivables

Short-term receivables primarily consist of short-term trade receivables of TCZK 304,250 (TCZK 214,273 as at 30 2020),

of which TCZK 13,566 (TCZK 51,135 as at 30 June 2020) consist of overdue receivables. As at 31 December 2021, an adjustment for doubtful receivables was TCZK 14,379 (TCZK 15,737 as at 30 June 2020).

Short-term receivables – group undertakings total TCZK 0 (TCZK 1,266 as at 30 June 2020).

Short-term receivables further consist of short-term provided advances of TCZK 8,336 (TCZK 6,144 as at 30 June 2020).

Other short-term receivables primarily consist of tax receivables of TCZK 11,464 (TCZK 14,887 as at 30 June 2020) and estimated receivables of TCZK 5,825 (TCZK 3,392 as at 30 June 2020).

Other receivables amount to TCZK 6,021 (TCZK 10,787 as at 30 June 2020).

14. Deferrals

Deferrals primarily consist of prepaid expenses of TCZK 75,333 (TCZK 55,545 as at 30 June 2020). Prepaid expenses primarily include purchase costs of customer licences, subscription fees, insurance premiums, servicing support and rent.

15. Derivatives

The Group held no currency forwards this year or in the prior year.

16. Equity

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

17. Provisions

Other provisions primarily include bonus provisions, a pension provision, a provision for untaken holiday and

a guarantee provision. In 2021, the income tax provision of TCZK 52,342 (TCZK 34,679 for 2020) was reduced by income tax prepayments of TCZK 43,046 (TCZK 26,575 for 2020). The resulting liability of TCZK 9,296 was recognised in the income tax provision item (the resulting liability of TCZK 8,104 for 2020 was recognised in the income tax provision 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 -3,309 for 2021, TCZK 2,308 for 2020).

PROVISIONS

(in thousands of Czech crowns TCZK)

	Income tax provision	Other provisions	Total
Balance at 1 July 2020	8,104	41,709	49,813
Change	1,192	11,412	12,604
Balance at 31 December 2021	9,296	53,121	62,417
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

18. Long-term liabilities

Long-term liabilities primarily consist of other receivables of TCZK 31,043 (2020 – TCZK 9,251), which include unpaid parts of the purchase price of investments in long-term investments of TCZK 22,325 (TCZK 6,000 as at 30 June 2020).

Other long-term liabilities primarily consist of deferred tax liabilities of TCZK 2,261 (TCZK 890 as at 30 June 2020) and trade payables of TCZK 2,800 (TCZK 0 as at 30 June 2020).

The Group does not record any long-term liabilities with a due date longer than 5 years (TCZK 0 as at 30 June 2020).

19. Short-term liabilities

Short-term trade payables total TCZK 165,616 (TCZK 93,135 as at 30 June 2020), of which TCZK 6,636 (TCZK 7,833 as at 30 June 2020) consist of overdue liabilities.

Tax liabilities of TCZK 40,548 (TCZK 27,042 as at 30 June 2020) were included.

Liabilities to employees and social security and health insurance liabilities total TCZK 121,715 (TCZK 88,710 as at 30 June 2020).

Other liabilities primarily consist of short-term liabilities relating to unpaid parts of the purchase price of investments of TCZK 170,389 (TCZK 47,520 as at 30 June 2020).

Liabilities – group undertakings consist of borrowings from shareholders of TCZK 283,649 (2020 – TCZK 176,829). The change in these liabilities is recognised on line B.3 Advances and loans to related parties in the consolidated cash flow statement.

Short-term overdrafts consist of borrowings from individuals and not related parties of TCZK 80,000 (2020 – TCZK 17,000).

20. Liabilities to credit institutions

As at 30 December 2021, the Group records a liability to credit institutions of TCZK 1,619 (TCZK 0 as at 30 June 2020), while TCZK 1,134 comprise a short-term portion due within one year and TCZK 485 are due within 5 years.

On 22 December 2021, a framework agreement was concluded for the provision of long-term multi-currency bank financing with credit facilities of TEUR 63,500 and TCZK 165,750 to finance future strategic development and the refinancing of loans. As at 31 December 2021, the credit facility had not been drawn.

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	2020	2021
SALE OF PRODUCTS AND SERVICES	1,489,739	2,835,170
Domestic sales	891,506	1,862,799
Export	598,233	972,371
SALE OF GOODS	260,785	365,862
Domestic sales	153,826	277,026
Export	106,959	88,836
Total	1,750,524	3,201,032

23. Output consumption

Output consumption primarily includes service items of TCZK 881,895 (TCZK 469,098 for 2020), further, costs of goods sold and material and energy consumption of TCZK 311,258 (TCZK 219,005 for 2020).

The most significant service items primarily include advisory services of TCZK 361,902 (IT advisory services, subcontractor services and IT development services of TCZK 231,245 TCZK for 2020). Other significant services consist of rental costs, facility management costs and marketing activity costs of TCZK 244,686 (TCZK 107,573 for 2020). Other services totalling TCZK 275,307 (TCZK 130,280 for 2020) primarily include managerial and economic advisory, telecommunications services and costs of repairs and maintenance.

24. Miscellaneous operating revenues and expenses

Miscellaneous operating revenues

Miscellaneous operating revenues total TCZK 29,767 (TCZK 17,762 for 2020), of which TCZK 9,867 (TCZK 4,877 for 2020) consist of revenues from sold assets.

21. Accruals

Accruals of TCZK 314,416 (TCZK 272,377 as at 30 June 2020) primarily consist of accrued revenues of TCZK 278,934 (TCZK 256,919 as at 30 June 2020) and accrued expenses of TCZK 35,482 (TCZK 15,459 as at 30 June 2020). Accrued revenues consist of revenues from software use fees, system maintenance fees and fees for services rendered.

22. Segment information

Other operating expenses

Other operating expenses total TCZK 51,592 (TCZK 26,540 for 2020), 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.

25. Miscellaneous financial revenues and expenses

Miscellaneous financial revenues of TCZK 35,923 (TCZK 16,893 for 2020) primarily consist of foreign exchange gain of TCZK 32,584 (TCZK 11,000 for 2020).

Miscellaneous financial expenses of TCZK 48,273 (TCZK 28,621 for 2020) were primarily incurred due to foreign exchange losses of TCZK 41,838 (TCZK 27,178 for 2020).

26. Fees payable to statutory auditors

FEES PAYABLE TO STATUTORY AUDITORS

(in thousands of Czech crowns TCZK)

	2020	2021
Statutory audit	2,445	2,300
Other assurance services	--	--
Tax advisory	--	--
Total	2,445	2,300

27. Employees and members of management, supervisory and administrative 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
2021					
Employees	1,117	1,208,533	357,785	31,768	1,598,009
Executives*	30	75,177	18,582	1,533	95,293
Total	1,147	1,283,710	372,006	37,585	1,693,302
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

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

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

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

28. Income tax

Current tax

Current income tax comprises tax for the taxable period ended as at 31 December 2021 of TCZK 52,342 (TCZK 34,673 for 2020).

Deferred tax

In accordance with the accounting policy described in note 3i), a tax rate of 19% was used to calculate deferred tax (2020 – 19%). Tax rates valid in the given countries were used for foreign companies. The Group records a deferred tax asset of TCZK 357. As at 30 June 2020, the Group recorded a deferred tax asset of TCZK 641. Income tax in the income statement contains revenue relating to a change in deferred tax of TCZK 263 (TCZK 5,456 for 2020).

29. 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	
	2020	2020	2021	2021
Revenues	--	3,564	--	7,708
Expenses	4,174	10,332	--	10,397
Receivables	--	9	--	--
Liabilities	180,871	742	--	283,649

30. Leased assets

Finance leases

The Group is committed to payments under finance leases for motor vehicles and IT equipment as follows:

LEASED ASSETS	(in thousands of Czech crowns TCZK)				
	Total lease payments	Paid as at 31 December	Due date within 1 year	Due date in 1 to 5 years	Due date in subsequent years
2021 – Cars	2,241	--	783	1,458	--
2021 – IT equipment	8	3	1	4	--
2020 – Cars	2,697	2,697	--	--	--

31. Research and development

The Group incurred research and development costs of TCZK 134,070 (TCZK 92,779 as at 30 June 2020).

32. Contingencies and commitments

As at 31 December 2021, the Group had a guarantee contract between Solitea Slovensko a.s., Solitea a.s., and Tatra banka a.s., relating to the loan agreement of 22 December 2021 for up to TCZK 165,750 and TEUR 63,500. As at 30 June 2020, the Group did not record any off-balance sheet items.

As at 31 December 2021 or 30 June 2020, the Group had no other material liabilities that are not recorded in the

Operating lease

The Group concluded real estate and car lease contracts. Costs relating to these contracts for 2021 totalled TCZK 130,816 (2020 – TCZK 52,664).

balance sheet, with the exception of liabilities arising from the contracts mentioned in note 30.

33. Cash flow statement

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. Cash and cash equivalents as at the year-end are as follows:

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.

CASH AND CASH EQUIVALENTS AS AT THE YEAR-END

(in thousands of Czech crowns TCZK)

	2020	2021
Cash in hand	2,243	1,732
Bank accounts	349,685	570,447
Cash and cash equivalents	351,928	572,179

34. Material subsequent events

On 23 May 2022, the Company approved the merger by acquisition project as at 1 January 2022 of companies in the D3Soft Group and AW Solutions, s.r.o. The successor company will be Solitea, a.s. The merger by acquisition will become effective on 1 July 2022 with legal effects as at 1 January 2022.

The successor company:

Solitea, a.s., Comp. Id.: 01572377, with its registered office at Drobného 555/49, Brno

Dissolving companies:

- D3Soft s.r.o., Comp. Id.: 259 00 595, with its registered office at Ocelářská 2969/12, Vítkovice, Ostrava
- D3Soft Future s.r.o., Comp. Id.: 278 56 631, with its registered office at Ocelářská 2969/12, Vítkovice, Ostrava
- D3Soft BIG, SE, Comp. Id.: 020 35 766, with its registered office at Ocelářská 2969/12, Vítkovice, Ostrava
- AW Solutions, s.r.o., Comp. Id.: 107 05 546, with its registered office at Sokolská 695/115b, Karlín, Praha 8

On 29 April 2022, the Company became a 100% owner of the equity investment in TECHNISERV IT, spol. s r.o., which fully owns TECHNISERV IT SOFTWARE DEVELOPMENT, spol. s r.o. and an 18% equity investment in InQool, a.s.

Further, the Company purchased the remaining part of equity investment in P R O V I S s.r.o. and thus became its sole owner.

The Company's management has assessed the impact of the war in Ukraine and concluded that no significant risks follow from it for the Company.

The Group's management is not aware of any other events that have occurred since the balance sheet date that would have any material impact on the financial statements as at 31 December 2021.

On 21 July 2022



Martin Cigler
Chairman of the Board of Directors



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

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

Opinion

We have audited the accompanying consolidated financial statements of Solitea, a.s. ("the Company") and its subsidiaries (together "the Group"), prepared in accordance with Czech accounting legislation, which comprise the consolidated balance sheet as at 31 December 2021, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the period from 1 July 2020 till 31 December 2021 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 6 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 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the period from 1 July 2020 till 31 December 2021 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 Individual and 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 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 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 Kocik is the statutory auditor responsible for the audit of the consolidated financial statements of Solitea, a.s. as at 31 December 2021, based on which this independent auditor's report has been prepared.

Prague
21 July 2022


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


Martin Kocik
Partner
Registration number 2335

Individual financial statements

Balance sheet in full format

as at 31 December 2021

(in thousands of Czech crowns)

Name and reg. office of the Company

Solitea, a.s. Drobného 555/49, Ponava

602 00 Brno, Czech Republic

ASSETS (in thousands of Czech crowns)

Ident.	line	Current period			Prior period	
		Gross	Adjust.	Net	Net	
a	b	c	1	2	3	4
TOTAL ASSETS	1	2,479,144	-382,160	2,096,984	1,501,038	
B.	Fixed assets	2	1,711,680	-375,468	1,336,212	847,560
B.I.	Intangible fixed assets	3	225,634	-139,651	85,983	22,805
B.I.1.	Development	4	257	-257	--	--
B.I.2.	Intellectual property rights	5	147,721	-138,648	9,073	5,653
B.I.2.1.	Software	6	139,822	-133,701	6,121	4,897
B.I.2.2.	Other intellectual property rights	7	7,899	-4,947	2,952	756
B.I.4.	Other intangible fixed assets	8	1,493	-746	747	1,493
B.I.5.	Advance payments for intangible fixed assets and intangible fixed assets under construction	9	76,163	--	76,163	15,659
B.I.5.2.	Intangible fixed assets under construction	10	76,163	--	76,163	15,659
B.II.	Tangible fixed assets	11	208,379	-120,817	87,562	72,347
B.II.1.	Land and buildings	12	1,872	-545	1,327	1,761
B.II.1.2.	Buildings	13	1,872	-545	1,327	1,761
B.II.2.	Plant and equipment	14	191,146	-115,123	76,023	59,839
B.II.3.	Adjustments to acquired fixed assets	15	3,097	-3,078	19	26
B.II.4.	Other tangible fixed assets	16	6,634	-2,071	4,563	1,448
B.II.4.3.	Other tangible fixed assets	17	6,634	-2,071	4,563	1,448
B.II.5.	Advance payments for tangible fixed assets and tangible fixed assets under construction	18	5,630	--	5,630	9,273
B.II.5.1.	Advance payments for tangible fixed assets	19	83	--	83	--
B.II.5.2.	Tangible fixed assets under construction	20	5,547	--	5,547	9,273
B.III.	Long-term investments	21	1,277,667	-115,000	1,162,667	752,408
B.III.1.	Equity investments – group undertakings	22	1,275,887	-115,000	1,160,887	750,628
B.III.3.	Equity investments – associated companies	23	1,380	--	1,380	1,380
B.III.5.	Other long-term securities and equity investments	24	400	--	400	400

Identification number: 015 72 377

Balance sheet in full format

as at 31 December 2021

(in thousands of Czech crowns)

Name and reg. office of the Company

Solitea, a.s. Drobného 555/49, Ponava

602 00 Brno, Czech Republic

ASSETS (in thousands of Czech crowns)

Ident.	line	Current period			Prior period	
		Gross	Adjust.	Net	Net	
a	b	c	1	2	3	4
C.	Current assets	25	714,041	-6,692	707,349	600,382
C.I.	Inventories	26	47,904	-236	47,668	27,357
C.I.1.	Raw materials	27	242	-76	166	160
C.I.2.	Work-in-progress and semi-finished products	28	36,007	--	36,007	15,776
C.I.3.	Finished goods and goods for resale	29	11,655	-160	11,495	11,421
C.I.3.2.	Goods for resale	30	11,655	-160	11,495	11,421
C.II.	Receivables	31	363,089	-6,456	356,633	424,736
C.II.1.	Long-term receivables	32	4,034	--	4,034	89,755
C.II.1.1.	Trade receivables	33	--	--	--	34
C.II.1.2.	Receivables – group undertakings	34	--	--	--	86,795
C.II.1.4.	Deferred tax asset	35	2,617	--	2,617	1,281
C.II.1.5.	Receivables – other	36	1,417	--	1,417	1,645
C.II.1.5.2.	Long-term advances paid	37	1,417	--	1,417	102
C.II.1.5.4.	Other receivables	38	--	--	--	1,543
C.II.2.	Short-term receivables	39	359,055	-6,456	352,599	334,981
C.II.2.1.	Trade receivables	40	137,381	-6,456	130,925	163,131
C.II.2.2.	Receivables – group undertakings	41	3,047	--	3,047	1,323
C.II.2.4.	Receivables – other	42	218,627	--	218,627	170,527
C.II.2.4.3.	Tax receivables	43	2,427	--	2,427	15,525
C.II.2.4.4.	Short-term advances paid	44	4,912	--	4,912	2,911
C.II.2.4.5.	Estimated receivables	45	11,718	--	11,718	2,770
C.II.2.4.6.	Other receivables	46	199,570	--	199,570	149,321
C.IV.	Cash	47	303,048	--	303,048	148,289
C.IV.1.	Cash in hand	48	633	--	633	941
C.IV.2.	Bank accounts	49	302,415	--	302,415	147,348
D.	Deferrals	50	53,423	--	53,423	53,096
D.1.	Prepaid expenses	51	52,366	--	52,366	47,254
D.3.	Accrued revenues	52	1,057	--	1,057	5,842

Identification number: 015 72 377

Balance sheet in full format

as at 31 December 2021

(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

LIABILITIES		(in thousands of Czech crowns)		
Ident.	line	Current period	Prior period	
a	b	c	5	6
TOTAL LIABILITIES AND EQUITY		53	2,096,984	1,501,038
A.	Equity	54	957,291	792,901
A.I.	Registered capital	55	814,000	814,000
A.I.1.	Registered capital	56	814,000	814,000
A.II.	Premium and capital contributions	57	-908,173	-880,773
A.II.1.	Premium	58	6,128	6,128
A.II.2.	Capital contributions	59	-914,301	-886,901
A.II.2.1.	Other capital contributions	60	380,077	380,076
A.II.2.2.	Revaluation of assets and liabilities (+/-)	61	-28,049	-648
A.II.2.4.	Differences resulting from transformations (+/-)	62	-1,266,329	-1,266,329
A.III.	Funds from profit	63	8,795	8,795
A.III.1.	Other reserve funds	64	369	369
A.III.2.	Statutory and other funds	65	8,426	8,426
A.IV.	Retained earnings (+/-)	66	850,877	850,879
A.IV.1.	Retained profits or accumulated losses (+/-)	67	853,902	853,904
A.IV.2.	Other retained earnings (+/-)	68	-3,025	-3,025
A.V.	Profit (loss) for the current period (+/-)	69	191,792	--
B.+C.	Liabilities	70	894,189	525,707
B.	Provisions	71	10,121	18,422
B.1.	Provision for pensions and other similar payables	72	--	1,560
B.2.	Income tax provision	73	--	6,943
B.4.	Other provisions	74	10,121	9,919
C.	Liabilities	75	884,068	507,285
C.I.	Long-term liabilities	76	70,900	10,139
C.I.3.	Long-term advances received	77	--	2,007
C.I.4.	Trade payables	78	2,800	--
C.I.6.	Liabilities – group undertakings	79	47,234	--
C.I.8.	Deferred tax liability	80	--	890
C.I.9.	Liabilities – other	81	20,866	7,242
C.I.9.3.	Other payables	82	20,866	7,242

Balance sheet in full format

as at 31 December 2021

(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

LIABILITIES		(in thousands of Czech crowns)		
Ident.	line	Current period	Prior period	
a	b	c	5	6
C.II.	Short-term liabilities	83	813,168	497,146
C.II.3.	Short-term advances received	84	1,067	243
C.II.4.	Trade payables	85	78,019	63,928
C.II.6.	Liabilities – group undertakings	86	351,879	246,888
C.II.8.	Liabilities – other	87	382,203	186,087
C.II.8.1.	Liabilities to shareholders/members	88	--	66
C.II.8.2.	Short-term financial liabilities	89	80,000	17,000
C.II.8.3.	Payables to employees	90	45,523	40,912
C.II.8.4.	Social security and health insurance liabilities	91	23,229	24,665
C.II.8.5.	Tax liabilities and subsidies	92	23,136	23,353
C.II.8.6.	Estimated payables	93	23,995	13,577
C.II.8.7.	Other payables	94	186,320	66,514
D.	Accruals	95	245,504	182,430
D.1.	Accrued expenses	96	40,374	19,122
D.2.	Deferred revenues	97	205,130	163,308

Income statement

classification by nature for the year
ended 31 December 2021

Name and reg ist. office of the Company

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

INCOME STATEMENT

(in thousands of Czech crowns)

Ident.		line	Current period
a	b	c	1
I.	Revenue from products and services	1	1,679,867
II.	Revenue from goods	2	253,973
A.	Cost of sales	3	704,205
A.1.	Cost of goods sold	4	176,701
A.2.	Materials and consumables	5	34,280
A.3.	Services	6	493,224
B.	Change in inventory of own production (+/-)	7	-20,231
C.	Own work capitalised (-)	8	-59,720
D.	Personnel expenses	9	1,057,794
D.1.	Wages and salaries	10	779,356
D.2.	Social security, health insurance and other expenses	11	278,438
D.2.1.	Social security and health insurance expenses	12	254,101
D.2.2.	Other expenses	13	24,337
E.	Adjustments relating to operating activities	14	41,587
E.1.	Adjustments to intangible and tangible fixed assets	15	40,932
E.1.1.	Depreciation and amortisation of intangible and tangible fixed assets	16	40,932
E.3.	Adjustments to receivables	17	655
III.	Other operating revenues	18	16,055
III.1.	Proceeds from disposals of fixed assets	19	6,826
III.2.	Proceeds from disposals of raw materials	20	423
III.3.	Miscellaneous operating revenues	21	8,806
F.	Other operating expenses	22	16,304
F.1.	Net book value of fixed assets sold	23	4,944
F.2.	Net book value of raw materials sold	24	177
F.3.	Taxes and charges	25	2,275
F.4.	Provisions relating to operating activity and complex prepaid expenses	26	-1,616
F.5.	Miscellaneous operating expenses	27	10,524
*	Operating profit (loss) (+/-)	28	209,956

Income statement

classification by nature for the year
ended 31 December 2021

Name and reg ist. office of the Company

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

INCOME STATEMENT

(in thousands of Czech crowns)

Ident.		line	Current period
a	b	c	1
IV.	Revenue from long-term investments – equity investments	29	168,878
IV.1.	Revenue from equity investments – group undertakings	30	168,878
G.	Cost of equity investments sold	31	31,736
V.	Revenue from other long-term investments	32	1,995
V.1.	Revenue from other long-term investments – group undertakings	33	1,995
VI.	Interest revenue and similar revenue	34	2,863
VI.1.	Interest revenue and similar revenue – group undertakings	35	10
VI.2.	Other interest revenue and similar revenue	36	2,853
I.	Adjustments and provisions relating to financial activity	37	115,000
J.	Interest expense and similar expense	38	21,965
J.1.	Interest expense and similar expense – group undertakings	39	21,401
J.2.	Other interest expense and similar expense	40	564
VII.	Other financial revenues	41	32,592
K.	Other financial expenses	42	36,995
*	Profit (loss) from financial operations	43	632
**	Profit (loss) before tax (+/-)	44	210,588
L.	Income tax	45	18,796
L.1.	Current tax	46	21,022
L.2.	Deferred tax (+/-)	47	-2,226
**	Profit (loss) after tax (+/-)	48	191,792
***	Profit (loss) for the accounting period (+/-)	49	191,792
*	Net turnover for the accounting period = I. + II. + III. + IV. + V. + VI. + VII.	50	2,156,223

Cash flow statement

for the year ended 31 December 2021

Name and reg ist. office of the Company

Solitea, a.s. Drobného 555/49, Ponava

602 00 Brno, Czech Republic

CASH FLOW STATEMENT

(in thousands of Czech crowns)

Ident.	Current period
P. Cash and cash equivalents, beginning of period	148,289
NET OPERATING CASH FLOW	
Z. Operating profit (loss) before tax	209,956
A.1. Non-cash transactions	36,316
A.1.1. Depreciation and amortisation of fixed assets	40,622
A.1.2. Change in:	-696
A.1.2.1. goodwill and adjustments to acquired assets	7
A.1.2.2. provisions and adjustments relating to operating activity	-703
A.1.3. Profit(-) Loss(+) on sale of fixed assets	-1,882
A.1.4. Other non-cash transactions	-1,728
A.* Net operating cash flow before taxation and changes in working capital	246,272
A.2. Changes in working capital	107,465
A.2.1. Change in receivables from operating activities, estimated receivables and deferrals	31,984
A.2.2. Change in short-term liabilities from operating activities, estimated payables and accruals	95,792
A.2.3. Change in inventories	-20,311
A.** Net operating cash flow before taxation	353,737
A.3. Interest paid excluding amounts capitalised	-869
A.4. Interest received	2,863
A.5. Income tax paid on ordinary income and income tax relating to prior periods	-20,619
A.6. Other financial receipts and disbursement	-4,998
A.7. Dividends received	1,995
A.*** Net operating cash flow	332,109
INVESTING ACTIVITIES	
B.1. Acquisition of fixed assets	-561,535
B.1.1. Acquisition of tangible fixed assets	-55,499
B.1.2. Acquisition of intangible fixed assets	-68,944
B.1.3. Acquisition of long-term investments	-437,092
B.2. Proceeds from sales of fixed assets	175,704
B.2.1. Proceeds from sales of tangible and intangible fixed assets	6,826
B.2.2. Proceeds from sale of long-term investments	168,878
B.*** Net cash flow from investing activities	-385,831
FINANCING ACTIVITIES	
C.1. Change in long-term resp. short-term liabilities from financing	208,480
C.2. Increase and decrease in equity from cash transactions	1
C.2.1. Subscription of shares and investments	1
C.*** Net cash flow from financing activities	208,481
F. Net increase or decrease in cash balance	154,759
R. Cash and cash equivalents, end of period	303,048

Statement of changes in equity

for the year ended 31 December 2021

Name and reg ist. office of the Company

Solitea, a.s. Drobného 555/49, Ponava

602 00 Brno, Czech Republic

STATEMENT OF CHANGES IN EQUITY

(in thousands of Czech crowns)

	Registered capital	Premium	Other capital contributions	Revaluation of assets and liabilities	Differences resulting from transformations	Other reserve funds
Balance as at 1. 7. 2020	814,000	6,128	380,076	-648	-1,266,329	369
Change in revaluation	--	--	--	-27,401	--	--
Rounding	--	--	1	--	--	--
Profit (loss) for the current period	--	--	--	--	--	--
Balance as at 31. 12. 2021	814,000	6,128	380,077	-28,049	-1,266,329	369

STATEMENT OF CHANGES IN EQUITY

(in thousands of Czech crowns)

	Statutory and other funds	Retained profits or accumulated losses (+/-)	Other retained earnings	Profit (loss) for the current period	Total
Balance as at 1. 7. 2020	8,426	853,904	-3,025	--	792,901
Change in revaluation	--	--	--	--	-27,401
Rounding	--	-2	--	--	-1
Profit (loss) for the current period	--	--	--	191,792	191,792
Balance as at 31. 12. 2021	8,426	853,902	-3,025	191,792	957,291

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:

- Manufacture, 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 31 December 2021, 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 72.7% share.
- **CSW Holding s.r.o.** with its registered office at Brno, Drobného 555/49, 602 00, Czech Republic, holding a 20.1% share.

The following changes were recorded in the Commercial Register in the year ended as at 31 December 2021:

- The merger was recorded in the Commercial Register as at 1 July 2020.

Members of the board of directors and supervisory board as at 31 December 2021

Members of the board of directors:

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

Members of the supervisory board:

- Ing. Michal Máčel, CSc. (chairman)

- Milan Smutný (member)
- Táňa Šuláková (member)

In the reporting period, changes were made in the set-up of the supervisory board. On 6 January 2021, Vítězslav Kotrs was removed as a member of the supervisory board and Milan Smutný was appointed a new member of the board.

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 deviations

These non-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 book-keeping, ("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 fixed assets costing up to TCZK 20 and intangible fixed assets costing up to TCZK 20 are not

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

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.

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

Long-term investments

Long-term investments comprise equity investments in subsidiaries and associated companies, debt securities that the Company has the intent and ability 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 cost, which includes expenses directly incurred in connection with the

acquisition, such as fees and commissions paid to brokers, advisors 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. A cash pool system has been introduced within the Solitea group to utilise the disposable cash of individual group companies. Due to the nature of the system, cash deposited/utilised under the system as at the reporting date is recorded in "Short-term receivables – group undertakings"/"Short-term liabilities – group undertakings" in the balance sheet, with any change in the respective cash balance recorded in "Advances and loans to related parties" or in "Change in long-term resp. short-term liabilities from financing" in the cash flow statement.

Foreign currency translation

The Company applies the Czech National Bank official 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.

The Company recognises revenues on an accrual basis for the period they belong to on daily/monthly basis if applicable and relevant.

The Company recognises revenues on an accrual basis for the period they belong to with at least monthly accuracy; with daily accuracy if applicable (especially for recognition on an accrual basis of the iDoklad product).

Suppliers' bonuses for licenses sold are recognised in the period in which the bonus is paid to the supplier. In the income statement, the bonuses are reported as other operating revenues.

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.

Establishment of adjustments

Receivables

The Company 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 to receivables".

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 to inventories".

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 first-in, first-out method.

Work-in-progress and finished goods inventories are stated at actual cost (based on a production cost estimate), 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 acquisition 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 of goods for resale is determined using the first-in, first-out method and cost of some specific goods is determined using the arithmetic mean.

Provisions

The Company establishes a provision for untaken holidays, a provision for bonuses, and an income tax provision, or if appropriate a provision for other expected risks, which have been substantially quantified as at the reporting date.

As at the balance sheet date, a provision for untaken holidays is established based on an analysis of untaken holidays in the accounting period and average payroll expenses, including social security and health insurance expenses per employee.

An income tax provision is established as the financial statements are prepared before the tax liability is determined. In the subsequent accounting period, the Company 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.

Furthermore, the Company establishes a provision for outstanding bonuses.

Research and development

Research costs are incurred for the purpose of acquiring new technical knowledge which may lead to improved products or processes in the future but for which economic viability has not been established. Research costs are charged to the income statement in the period in which they are incurred.

Development costs are incurred to convert new technical knowledge or methods into new or substantially improved products or production processes. These costs are recorded in intangible assets under construction. After having finalised the development phase, they are capitalised and amortised as internally produced intangible assets. Development costs that do not meet these criteria are expensed in the year in which they are incurred.

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 (replacement cost).

Data comparability

As at 1 July 2020, Solitea merged with the below listed subsidiaries. Solitea, a.s. has become the successor company and at the same time the accounting period was extended from 12 to 18 months. As for this reason, comparable data for the past period is not stated in the financial statements, except for the balance sheet. Prior

period data in the balance sheet were taken over from the opening balance sheet as at 1 July 2020

Successor company:

- Solitea a.s., identification number 01572377; registered office at Drobného 555/49, Brno

Dissolving companies:

- Byznys software, s.r.o., identification number 186 08 001, registered office at Žižkova 708, Příbram II
- Altus software s.r.o., identification number 616 81 202, registered office at Sokolovská 695/115b, Karlín, 186 00 Praha 8
- Solitea Dynamica, a.s., identification number 262 21 322, registered office at Videňská 181/102i, Dolní Heršpice, 619 00 Brno
- Solitea Gemma, s.r.o., identification number 607 10 772, registered office at Videňská 181/102i, Dolní Heršpice, 619 00 Brno
- Solitea Business Solutions s.r.o., identification number 649 46 274, registered office at Sokolovská 695/115b, Karlín, 186 00 Praha 8
- Solitea BI Experts, s.r.o., identification number 282 63 901, registered office at Masarykova 412/32, Brno – město, 60200
- Allieto, s.r.o., identification number 067 34 502, registered office at Masarykova 412/32, Brno – město, 602 00
- Solitea CDL, a.s., identification number 631 48 439, registered office at Klíšská1810/31, Ústí nad Labem centrum, 400 01
- Solitea Česká republika, a.s., identification number 255 68 736, registered office at Drobného 555/49, Ponava, 602 00 Brno
- Solitea WBI, s.r.o., identification number 040 98 501, registered office at Drobného 555/49, Ponava, 602 00 Brno
- Vema,a.s., identification number 262 26 511, registered office at Okružní 871/3a, Lesná, 638 00 Brno
- Clever Decision, spol. s r.o., identification number 274 28 761, registered office at Sokolovská 695/115b, Karlín, 186 00 Praha 8
- AXIOM PROVIS Int., s.r.o., identification number 440 05 351, registered office at Pod Vrškem 5360, 760 01 Zlín
- AXIOM Praha spol. s r.o., identification number 493 59 568, registered office at Vodnická 390/39, 149 00 Praha 4 – Újezd

3. Intangible and tangible fixed assets

For the period from 1 July 2020 to 31 December 2021

INTANGIBLE FIXED ASSETS

(in thousands of Czech crowns TCZK)

	Development	Software	Other intellectual property rights	Other intangible fixed assets	Intangible fixed assets under construction	Total 2021
ACQUISITION COST						
Opening balance	257	133,407	5,155	2,243	15,659	156,721
Additions	0	5,696	2,744	0	60,504	68,944
Disposals	0	-31	0	0	0	-31
Transfers	0	750	0	-750	0	0
Closing balance	257	139,822	7,899	1,493	76,163	225,634
ACCUMULATED AMORTISATION						
Opening balance	257	128,510	4,399	750	0	133,916
Amortisation expense	0	5,217	548	0	0	5,765
Disposals	0	-30	0	0	0	-30
Transfers	0	4	0	-4	0	0
Closing balance	257	133,701	4,947	746	0	139,651
Net book value 1 July 2020	0	4,897	756	1,493	15,659	22,805
Net book value 31 December 2021	0	6,121	2,952	747	76,163	85,983

The Company does not own any assets not stated in the balance sheet.

The Company did not acquire any assets free of charge.

The Company did not include interest in the measurement of fixed intangible assets. The main part of intangible

assets is internally produced software. In the accounting period from 1 July 2020 to 31 December 2021, the Company recognised expenses on the development of further software of TCZK 60,504, which were capitalised as fixed assets under construction. The Company continues developing this software.

TANGIBLE FIXED ASSETS

(in thousands of Czech crowns TCZK)

	Buildings	Plant and equipment	Other tangible fixed assets	Adjustments to acquired fixed assets	Tangible fixed assets under construction	Advance payments for tangible fixed assets	Total 2021
ACQUISITION COST							
Opening balance	1,872	156,306	3,103	3,097	9,273	0	173,651
Additions	0	46,338	3,531	0	5,547	83	55,499
Disposals	0	-20,771	0	0	0	0	-20,771
Transfers	0	9,273	0	0	-9,273	0	0
Closing balance	1,872	191,146	6,634	3,097	5,547	83	208,379
ACCUMULATED DEPRECIATION							
Opening balance	111	96,467	1,655	3,071	0	0	101,304
Depreciation expense	434	34,007	416	7	0	0	34,864
Disposals	0	-15,351	0	0	0	0	-15,351
Transfers	0	0	0	0	0	0	0
Closing balance	545	115,123	2,071	3,078	0	0	120,817
Net book value 1. 7. 2020	1,761	59,839	1,448	26	9,273	0	72,347
Net book value 31. 12. 2021	1,327	76,023	4,563	19	5,547	83	87,562

The Company did not acquire any assets free of charge.

The Company has pledged tangible fixed assets of TCZK 10,211 as at the reporting date in favour of the bank, which has provided a loan, and TCZK 10,400 in favour of a supplier in respect of a supplier loan.

The Company did not include interest in the measurement of fixed tangible assets.

The Company recognises furniture purchased for the Rustonka premises as accruals. This purchase has been accrued for 84 months – i.e. the period of the lease. Property records and its monitoring are kept on account No. 381200. Release into expenses is carried out through account No. 501230, and 1/84 is released per month

4. Investments

Long-term investments

CHANGES IN LONG-TERM INVESTMENTS (in thousands of Czech crowns TCZK)

	Equity investments – group undertakings	Equity investments – associated companies	Other long-term securities and equity investments	Total 2021
Balance at 1. 7. 2020	750,628	1,380	400	752,408
Additions	581,122	0	0	581,122
Disposals	-31,141	0	0	-31,141
Revaluation	-24,722	0	0	-24,722
Transfers	0	0	0	0
Balance at 31. 12. 2021	1,275,887	1,380	400	1,277,667

The acquisition of 100% ownership interests in the companies from the D3Soft group, a 100% ownership interest in AW Solution, s.r.o., an ownership interest in the Powerstream, a.s. group, an ownership interest in PRYTANIS a.s., and a 64% ownership interest in Pay Solutions, a.s. represents additions to long-term investments in 2021. The additions also include a contribution made outside registered capital to Solitea SK of TCZK 28,651 and a contribution made outside registered capital to Pay Solutions, a.s. of TCZK 18,645.

The disposals of long-term investments in 2021 include the sale of the ownership interest in JET ERP Betriebs-gesellschaft mbH. Revenue from the sale of the ownership

interest of TCZK 168,878 is recognised in revenue from equity investments – group undertakings. The related costs of TCZK 31,736 are recognised in cost of equity investments sold.

As at the reporting date, the Company established an adjustment of TCZK 115,000 to the financial investment in the Dotykačka group (2020 – TCZK 0).

Revenue from equity investments as at 31 December 2021 amounted to TCZK 1,995.

CONTROLLED AND CONTROLLING ENTITIES AND ASSOCIATES AS AT 31 DECEMBER 2021 (in thousands of Czech crowns TCZK)

Company name and legal form	D3Soft BIG, SE	D3Soft Future s.r.o.	D3Soft s.r.o.	AW Solutions, s.r.o.	PRYTANIS a.s.
Registered office	Ocelářská 2969/12 Vítkovice 703 00 Ostrava	Ocelářská 2969/12 Vítkovice 703 00 Ostrava	Ocelářská 2969/12 Vítkovice 703 00 Ostrava	Sokolovská 695/115b Karlín 186 00 Praha 8	Jundrovská 618/31 Komin 624 00 Brno
Date of the financial statements	31. 12. 2021	31. 12. 2021	31. 12. 2021	31. 12. 2021	31. 12. 2021
Interest in %	100	100	100	100	100
Total assets	14,940	11,368	14,216	25,734	13,177
Equity	11,036	6,362	7,616	19,086	7,290
Registered capital and capital contributions	3,085	220	250	200	2,000
Funds from profit	0	4,022	2,525	0	0
Retained profits/accumulated losses	753	1,863	2,926	17,521	5,944
Profit/loss for the current period	7,198	257	1,915	1,365	-654

CONTROLLED AND CONTROLLING ENTITIES AND ASSOCIATES AS AT 31 DECEMBER 2021 (in thousands of Czech crowns TCZK)

Company name and legal form	SAOP d.o.o.	Dotykačka Holding a.s.	Powerstream, a.s.	Solitea Slovensko, a.s.
Registered office	Cesta Goriške fronte 46 Šempeter pri Gorici	Plzeňská 3217/16 Smíchov 150 00 Praha 5	Hvězdova 1734/2c Nusle 140 00 Praha 4	Plynárenská 7/C Bratislava 821 09
Date of the financial statements	31. 12. 2021	31. 12. 2021	31. 12. 2021	31. 12. 2021
Interest in %	100	58,5%	100%	100%
Total assets	195,101	479,028	47,841	302,712
Equity	134,194	476,573	47,816	40,481
Registered capital and capital contributions	12,380	481,240	2,000	28,091
Funds from profit	1,467	0	0	413
Retained profits/accumulated losses	86,537	-2,916	45,888	-1,092
Profit/loss for the current period	33,785	-1,751	-72	13,069

The data has been taken over from unaudited financial statements.

The reported values relate to significant companies from the group. In addition to the above-mentioned ownership interests, the Company also holds ownership interests in Solitea West, s.r.o., P R O V I S s.r.o. and Pay Solutions, a.s. The value of their assets is negligible. Long-term investments include acquired securities of TCZK 400.

Short-term financial assets

As at 31 December 2021 and 1 July 2020, the Company does not recognise any short-term financial assets.

5. Receivables and liabilities

a) Short-term trade receivables total TCZK 137,381 (as at 1 July 2020 – TCZK 168,932), of which TCZK 31,608 (as at 1 July 2020 – TCZK 30,675) is overdue. As at 31 December 2021, the Company established adjustments to receivables of TCZK 6,456 (as at 1 July 2020: TCZK 5,801).

The Company reports long-term receivables – group undertakings of TCZK 0 (as at 1 July 2020 – TCZK 86,795) represented receivables from contracts on the transfer of ownership interests in Solitea WBI, s.r.o. and Solitea Gemma, s.r.o.).

Other receivables of TCZK 199,570 (as at 1 July 2020 – TCZK 149,321) mainly represent short-term receivables from the sale of ownership interests between the Company and its subsidiary Solitea Slovensko, a.s. before

the merger of the former subsidiaries Axiom Slovakia s.r.o., WBI, s.r.o., Solitea CDL, s.r.o., and Gemma, s.r.o. as at 1 July 2020.

b) Short-term trade payables total TCZK 78,019 (as at 1 July 2020 – TCZK 63,928), of which TCZK 8,627 (as at 1 July 2020 – TCZK 0) is overdue.

Related party receivables / payables are listed in Note 12.

c) The Company reports other short-term payables of TCZK 186,320 (as at 1 July 2020 – TCZK 66,514), which represent interest-free payables due within one year, comprising mostly unpaid portions of the purchase price of investments in long-term financial assets pursuant to purchase contracts for ownership interests in PRYTANIS a.s., Powerstream, a.s. and Solitea WBI, s.r.o.

d) Long-term liabilities – group undertakings comprise the unpaid portion of a loan from the subsidiary Saop d.o.o. of TCZK 47,234, the maturity of which was extended before the end of 2021. The loans are due in 2023.

e) Other long-term liabilities comprise the liabilities to former owners of newly acquired companies with maturity extending one year. As at the reporting date, these other long-term liabilities totalled TCZK 20,866.

f) Short-term financial liabilities comprise short-term loans from unrelated parties and as at the reporting date

they totalled TCZK 80,000 (as at 1 July 2020 – TCZK 17,000). These loans were fully repaid as at 31 January 2022.

- g) Deferrals mainly include prepaid expenses, comprising deferred licences and expenses connected with the lease of office premises, of TCZK 52,366 (as at 1 July 2020 – TCZK 47,254).
- h) Accruals include accrued expenses, comprising accrued discount on the rent for office premises and outstanding interest on loans, of TCZK 40,374 (as at 1 July 2020 – TCZK 19,122).
- i) Deferred revenues represent revenues connected with the updates of the provided software and services to be realised in 2022 of TCZK 205,130 (as at 1 July 2020 – TCZK 163,308).
- j) On 22 December 2021, the Company entered into a framework agreement on the provision of multi-currency long-term bank overdraft with a limit of TEUR 63,500 and TCZK 165,750 for funding of the Company's future strategic development and refunding of the granted loans. As at 31 December 2021, the bank overdraft has not been drawn.

In relation to the concluded framework agreement on the provision of multi-currency long-term bank overdraft, the Company has concluded guarantee agreements with significant subsidiaries on covering possible performance following from this agreement. The guarantee agreements have been concluded with Mainstream Technologies, s.r.o. and Solitea Slovensko, a.s.

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

6. Registered capital

In 2021 and as at 1 July 2020, the Company's registered capital comprised:

- fourteen ordinary registered shares in book-entered form at a nominal value of CZK 100,000 per share (in words: one hundred thousand Czech crowns);
- one ordinary registered share in book-entered 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);
- eight registered shares in book-entered form at a nominal value of CZK 28,000,000 per share (in words: twenty-eight million Czech crowns);
- eight registered shares in book-entered form at a nominal value of CZK 5,600,000 per share (in words: five million six hundred thousand Czech crowns);
- one registered share in book-entered 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 registered share in book-entered form at a nominal value of CZK 170,180,000 per share (in words: one hundred and seventy million one hundred and eighty thousand Czech crowns);
- one registered share in book-entered form at a nominal value of CZK 40,700,000 (in words: forty million seven hundred thousand Czech crowns);
- one registered share in book-entered 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 book-entered form at a nominal value of CZK 3,256,000 (in words: three million two hundred and fifty-six thousand Czech crowns);
- 273 registered shares in book-entered form at a nominal value of CZK 814,000 per share (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.

7. Equity

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

In the 2020–2021 period, no contributions were made outside registered capital and the capital contributions did not change.

No decision about the distribution of the result of operations has been made as at the date of preparation of these financial statements.

8. Provisions

PROVISIONS (in thousands of Czech crowns TCZK)

	Provision for untaken holidays	Other provisions	Income tax provision
Balance at 1. 7. 2020	3,328	8,151	6,943
Additions	7,792	2,328	20,300
Utilisation / Release	-3,328	-8,151	-6,943
Balance at 31. 12. 2021	7,792	2,328	20,300
Income tax prepayments, including overpaid tax	--	--	-22,727
Balance of provisions less income tax prepayments (as at 31 December 2021: the net tax receivable)	--	--	-2,427

As at 31 December 2021, the income tax provision was reduced by income tax prepayments and overpaid income tax

of TCZK 22,727 in the balance sheet, and the net receivable was recorded in tax receivables.

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

	Average FTE number	Personnel expenses*
	2021	2021
Employees	643	1,057,794
Total	643	1,057,794

* Employee personnel expenses comprise salaries and bonuses of the members of the board of directors as well. In 2021 and 2020, members of supervisory bodies received no remuneration relating to their function.

10. Services (in ths. of Czech crowns TCZK)

	2021
Repairs and maintenance	6,320
Travel expenses	3,060
Entertainment expenses	1,529
Rental expense and facility management	73,229
Marketing services	46,941
Telecommunications services	8,540
Advisory, audit and accounting services	16,550
Sub-supplies	148,930
Consultants	100,017
Licences	39,760
Other	48,348
Total	493,224

11. Income tax

Current tax

The recorded corporate income tax provision of TCZK 20,300 was reduced by income tax prepayments of TCZK 11,049 (as at 1 July 2020 – TCZK 0) and overpaid tax for prior periods of TCZK 11,678, and the net receivable is recognised in tax receivables (as at 1 July 2020 – the net payable of TCZK 6,943 was recorded in income tax provision).

Current income tax comprises the tax estimate of TCZK 20,300 and an adjustment to the tax estimate for prior periods of TCZK 722.

DEFERRED TAX**(in thousands of Czech crowns TCZK)**

	Assets		Liabilities		Net	
	2021	2020	2021	2020	2021	2020
Tangible fixed assets	--	1,281	-689	-890	-689	391
Provisions and adjustments	3,306	--	--	--	3,306	--
Deferred tax asset/(liability)	3,306	1,281	-689	-890	2,617	391

In accordance with the accounting policy described in note 2f), a tax rate of 19% was used to calculate deferred tax (as at 1 July 2020 – 19%).

12. Related party transactions**TRANSACTIONS WITH RELATED PARTIES****(in thousands of Czech crowns TCZK)**

	Volume of mutual transactions		Receivables/Payables at	
	2021	31. 12. 2021	1. 7. 2020	
Sale of goods and services				
Shareholders of the Company	--	--	--	--
Other group entities	34,926	3,655	7,221	
Purchase of goods and services				
Shareholders of the Company	--	--	--	--
Other group entities	40,957	2,866	4,530	
Loans provided				
Shareholders of the Company	--	--	--	--
Other group entities	10	3,047	1,323	
Loans received				
Shareholders of the Company	--	--	--	--
Other group entities	21,401	351,879	246,888	

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.

The Company received shares in profit from controlled entities of TCZK 1,995.

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

The Company and its subsidiaries lease office premises in Prague in the Rustonka 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 and is recognised in expenses in account No. 383.

In 2021 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.

As at 31 December 2021 the Company had incurred no pension liabilities to former members of management, supervisory and administrative bodies.

13. Segment information**SEGMENT INFORMATION****(in thousands of Czech crowns TCZK)**

	Domestic sales	Foreign sales	Total
	2021	2021	2021
Sale of products and services	1,424,504	255,363	1,679,867
Goods sold	211,892	42,081	253,973
Total	1,636,396	297,444	1,933,840

14. Other financial revenues and expenses

As at the reporting date, the Company recognised other financial expenses of TCZK 36,995 and other financial revenues of TCZK 32,592, the majority of which represent foreign exchange differences connected with revaluation of the Company's assets and liabilities as at the reporting date.

the pandemic developed, the measures were being gradually relaxed, which includes the termination of the state of emergency.

The Company operates in the IT sector that has not been significantly affected by the outbreak of COVID 19. The Company realised relatively stable or even temporarily increasing sales and its operations including supplies were uninterrupted over the entire period of the pandemic.

15. Fees payable to statutory auditors

The information is disclosed in the notes to the consolidated financial statements prepared for the consolidated group in which the Company is included.

Based on the publicly available information, the management has considered the potential development of the pandemic 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 and customers are located and it has implemented adequate measures within the Company. The Company's management has adopted several measures to ensure uninterrupted operation of the Company and protect its liquidity.

16. Research and development

In the reporting period, the Company incurred development costs of TCZK 134,070, representing transformation of new technical knowledge in the field of software development.

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 not even in the following 12 months.

17. 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-borders movement of people, entry restrictions on foreign visitors and the emergency lockdowns of certain industries. As the situation regarding

18. Material subsequent events – merger

On 23 May 2022, the Company approved a project of merger by acquisition of the companies from the D3Soft group

and AW Solutions, s.r.o. as at 1 January 2022. The successor company will be Solitea, a.s.

The merger by acquisition will become effective on 1 July 2022 and its legal effects will become effective on 1 January 2022.

Successor company:

- Solitea a.s., identification number 01572377; registered office at Drobného 555/49, Brno

Dissolving companies:

- D3Soft s.r.o., identification number 259 00 595, with its registered office at Ocelářská 2969/12, Vítkovice, Ostrava
- D3Soft Future s.r.o., identification number 278 56 631, with its registered office at Ocelářská 2969/12, Vítkovice, Ostrava
- D3Soft BIG, SE, identification number 020 35 766, with its registered office at Ocelářská 2969/12, Vítkovice, Ostrava
- AW Solutions, s.r.o., identification number 107 05 546, with its registered office at Sokolská 695/115b, Karlín, Praha 8

19. Material subsequent events – Other

The Company's management has assessed the impact of the military conflict in Ukraine and concluded that no significant risks follow from this conflict for the Company.

As at 29 April 2022, the Company became a 100% owner of the ownership interest in TECHNISERV IT, spol. s r.o., which owns a 100% ownership interest in TECHNISERV IT SOFTWARE DEVELOPMENT, spol. s r.o. and a 18% ownership interest in InQool, a.s.

Furthermore, the Company purchased the remaining part of the ownership interest in P R O V I S s.r.o. and has become its sole owner.

The Company's management is not aware of any other events that have occurred since the balance sheet date that would have any material impact on the financial statements as at 31 December 2021.

On 29 June 2022



Martin Cigler
Chairman of the Board of Directors

We see things through to the end.



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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 31 December 2021, and the income statement, the statement of changes in equity and the cash flow statement for the period from 1 July 2020 till 31 December 2021 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 31 December 2021, and of its financial performance and its cash flows for the period from 1 July 2020 till 31 December 2021 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 31 December 2021, as it plans to include the respective information

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Recorded in the Commercial Register kept by the Municipal Court in Prague, Section C, insert No. 24185

Identification No. 49619167
VAT No. CZ699001996
ID data box: 8h3gtra



in a consolidated annual report. We therefore do not comment on the other information in this auditor's report.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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


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

Statutory Auditor Responsible for the Engagement

Martin Kocik is the statutory auditor responsible for the audit of the financial statements of Solitea, a.s. as at 31 December 2021, based on which this independent auditor's report has been prepared.

Prague

29 June 2022


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


Martin Kocik
Partner
Registration number 2335

REPORT ON RELATIONS BETWEEN THE CONTROLLING AND CONTROLLED ENTITIES AND BETWEEN THE OTHER RELATED ENTITIES PREPARED AS AT 31 DECEMBER 2021

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 books, and other accounting records) and documents available to the entity. The report has been prepared for the accounting period beginning on 1 July 2020 and ending on 31 December 2021.

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
- Identification number: 015 72 377
- Legal form: joint-stock company
- Recorded in: Commercial Register maintained by the Regional Court in Brno, file no. B 7072
- Principal business activities: manufacture, trade and services not listed in appendixes 1 to 3 of the Trades Licensing Act
- Company registration date: 10. 4. 2013

Structure of the Solitea group

The diagram of the Solitea group is presented in Appendix 1 to this Report.

Controlling entity

- Company name: LIGELTA HOLDINGS LTD
- Identification number: HE 315 086

- Registered office: Kyriakou Matsi, 16, EAGLE HOUSE, 8th floor, Agioi Omologites, 1082, Nicosia, Republic of Cyprus

Other related parties

- CÍGLER SOFTWARE - IPL, s.r.o., identification number 250 45 041
- Solitea West, s.r.o., identification number 252 46 241
- Dotypay s.r.o., identification number 255 95 091
- Solitea Pay SK, s.r.o., identification number 52 528 766
- Solitea Slovensko, a.s., identification number 36 237 337
- JET ERP Betriebsgesellschaft m.b.H., identification number 352084x
- SAOP d.o.o, identification number 5383129
- SAOP Croatia
- SAOP Serbia
- P R O V I S s.r.o., identification number 451 95 129
- Dotykačka Holding a.s., identification number 062 70 611
- Dotykačka ČR s.r.o., identification number 062 90 914
- Dotykačka Polska Sp. z o.o., identification number 368504764
- DotyPOS DE GmbH, (Ge), identification number 27/265/50073
- Dotypos Analytics s.r.o., identification number 081 55 402
- Smart software s.r.o., identification number 252 92 498
- MARKEETA Slovensko, s. r. o., identification number 52 346 277
- PRYTANIS a.s., identification number 089 42 625
- Powerstream, a.s., identification number 284 79 637
- Mainstream Technologies, s.r.o., identification number 274 04 978
- AW Solutions, s.r.o., identification number 107 05 546
- D3Soft s.r.o., identification number 259 00 595
- D3Soft Future s.r.o., identification number 278 56 631
- D3Soft BIG, SE, identification number 020 35 766
- D3Soft s.r.o., identification number 35 880 198
- Pay Solutions, a.s., identification number 47 866 233

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

2. Mutual relationships and agreements, and overview of actions taken in the latest financial year at the instigation 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 TCZK 1,995 from the 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 considerations were provided between the controlled entity and related parties in the group. All transactions were undertaken based on agreements in force 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. Furthermore, it mediates the employee benefits programme for the Solitea group employees. The controlled entity also mediates the lease of office premises and lease-related services for the related parties. These transactions were undertaken based on agreements in force 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 ownership interests within the Solitea group of TCZK 168,878.

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

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

The 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 through voting at the general meeting.

4. Advantages and disadvantages from mutual relations

The controlled entity further states that based on the assessment conducted, the advantages 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 considerations. The amount of received and provided supplies corresponds to the considerations provided and received.

On 31 March 2022



Martin Cigler
Chairman of the Board of Directors

Territorial presence

At the end of the fiscal year 2020, Solitea had offices in eight countries – the Czech Republic, Slovakia, Austria, Slovenia, Croatia, Serbia, Germany and Poland. The company serves customers through 30 branch offices in 21 countries, both within and outside the EU, and maintains an extensive network of sales and implementation partners.

