

SOFTIP[®]

Annual Report 2019

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We are a leader. Let's all take this as a challenge

A heading that has become something of a tradition, yet is not surprising when we look back at 2019. Still (perhaps surprisingly), I don't want to use it to foresee a text comprised of facts and numbers referring, once again, to the excellent economic results of SOFTIP.

We are a leader in the Slovak market. It is a market that is changing dramatically. This is not just because of the rapid technological developments or the pressure from the ever-increasing number of new companies. First and foremost, it is because of the changing needs and demands of our customers.

"Just" having the most extensive portfolio of IT solutions for catering to all the needs of our customers is not enough anymore. Yet, that is what we have. "Just" being a gold partner of the two most significant global players in the field of enterprise software is not enough anymore. Yet, that is what we are. And equally, "just" building your business around the product price or service availability is not enough anymore – as anyone wanting to undercut offers will quickly find out.

Slovak customers know what is possible. And they want tailor-made solutions with the exact functionalities to match their needs, processes and the goals they have set for themselves. They demand tailor-made IT tools.

That is why I am glad to report that, besides the excellent numbers in our Income Statement, we can also report a constantly growing number of projects which can, in every sense of the word, be called INNOVATIVE. These are projects which have proved that we are capable of creating tailor-made solutions, adapting existing tools to the customer's needs and successfully deploying them. This represents the huge added value of SOFTIP and is one of the pillars that we can (and want to) build the future of our company upon.

Yes, this is a different speech compared to those you have heard in previous years. But despite that, there's one thing I must repeat – I want to thank all SOFTIP staff who are responsible for the direction we are headed. I also want to thank our partners and our customers, without whom we could not have achieved anything described below, on the pages of this Annual Report.

Thank you.

Dušan Guldán
Chairman of the Board and Executive Director

Helping to better manage more than 8500 companies

As one of the leading IT products and service provider, SOFTIP has been providing innovative complex IT solutions for nearly three decades to help better manage thousands of businesses and organizations of all sizes in Slovakia and abroad.

We bring the widest portfolio of products and services on the market. We are here for everyone looking for ERP systems, HR management solutions, Production management systems or professional Management information systems.

In addition to providing information systems to companies, we are also designing and delivering technical and technological infrastructure at the appropriate qualitative level.

Our custom-made solutions can cover even the most specific needs of customers from different industry sectors.

We are the largest Slovak producer of enterprise information systems

For quite some time, we have claimed the number one position in the Slovak enterprise information system market category of the annual ERP market survey organised by the technology magazine PC Revue (NEXTECH). Among our customers are the largest companies whose products are known and used by everyone on a daily basis.

The most successful SAP Business One implementation partner

We have received multiple awards as the Best SAP Business One Partner in Slovakia. Our teams have implemented more than half the projects involving this most popular ERP system in the world for small and medium-sized enterprises in Slovakia. Furthermore, our solutions can also be found in the Czech Republic, Germany, Great Britain and other European countries.

Best Microsoft partner

For the third time, we won the Microsoft Partner of the Year award, which Microsoft offers every year in recognition of its best partners in individual countries. Along with ten prizes in the prestigious Microsoft Awards, this represents an exceptional achievement not just in the Central European region, but globally.

History milestones

1991

SOFTIP Ltd. foundation

On 26.3.1991 SOFTIP Ltd. Is founded in Banská Bystrica. Our software application for Payroll and Salaries is a huge success - in the very first year of our existence we have 223 contractual partners and 27 employees.

1994

Entry to Czech market

We successfully enter the Czech market of information systems for pension funds. We found our subsidiary in Prague.

1997

SOFTIP Ltd is transformed into a joint-stock company

2002

IT Slovak Association

We become a member of ITAS, association of the most significant Slovak and foreign professionals in the information and communications technology sector.

2004

ISO 9001:2000 Certificate

We vindicate the Quality Management System Certificate according to ISO 9001:2000 for all company processes.

2005

Microsoft GOLD Partner

We meet the qualification requirements of the Microsoft Partner Programme as a gold competency partner.

National Quality Award

We win this award for excellent results in the final of the Slovak National Quality Award competition in the category of large service providers.

2007

Start of the cooperation with SAP

We sign the partner contract on cooperation with the global leader in the field of enterprise information solutions – SAP.

2012

PMK Invest entry

New stakeholders enter SOFTIP

2013

Implementation of Integrated management system (IMS)

The quality management system according to EN ISO 9001:2008 implemented in 2004 was complemented with four management systems according to international standards.

2017

Acquisition of GT Systems 2

We further strengthen our position in the SME segment. By combining the SOFTIP and GT Systems 2 product portfolio, we create the most comprehensive offer of information systems for small and medium-sized enterprises.

2019

Award of Excellence

We won the 2019 Award of Excellence in the category of Corporate Social Responsibility.

SAP Gold Partner

We achieved the highest status under the SAP partner programme.

Slovak number one

We defended the title of the largest Slovak producer of enterprise information systems.

Values

Behind our success there are the values we believe in

Mission

To be the preferred and prospective partner of our customers, who are delivered added value by us for the realization of their enterprise objectives and an increase in their competitiveness.

Vision

To maintain a position as a significant and recognised company on the Slovak market and one of the IT market leaders;

To represent a key partner for our customers while delivering continuous added value and quality;

To belong to significant and preferred providers of services and solutions for public administration;

To be a company with a modern and transparent structure;

To win important and large projects in cooperation with partners;

To be a company with a correct communication and socially responsible business;

To be an attractive and prospective employer.

Strategy

To secure the long-term prosperity and stability of the company;

To clearly and simply focus on the existing customer base at the company and its expansion;

To build, reinforce and expand relationships with customers and partner companies;

To expand the scope and quality of provided services with emphasis on support for current and new products;

To apply a human resources policy with emphasis on increasing the qualifications and personal connection of company employees to company business;

To meet the expectations of shareholders and provide them with added value.

Company Policy

Management of the Company is committed to follow the following principles of Integrated Management System:

Being a key and a credible partner for their clients and stakeholders, constantly bringing added value, stability and quality based on the principles of ethical, transparent and anti-corruption behaviour.

Build reputation of the Company and strengthen the position of preferred provider of IT services and solutions in the Slovak and foreign markets. Nurture fair relationships with strategic partners and external service providers based on mutual trust, common fight against corruption and high quality of the provided products and services. Collectively contribute to achieving objectives of the Company.

Constantly improve qualifications, competence and personal development of employees through effective education system, process- and project management. Raise their awareness of the Anti-Corruption Policy and promote mutual trust between management and staff.

Permanently improve the Integrated Management System with regard to the identified internal and external relations and expectations of stakeholders in accordance with the applicable requirements of the standards ISO 9001, ISO 10006, ISO 14001, ISO 45001, ISO 37001, ISO/IEC 27001, ISO/IEC 27018 and GDPR.

Constantly improve processes using an effective system of risk and opportunity management to further develop the Company, increase customer satisfaction with the products and services and to achieve a high level of anti-corruption, transparent and ethical conduct.

Ensure maximum possible protection of confidential information and personal data by increasing security awareness of employees and relevant stakeholders in accordance with the established System of Information Security Management, EU Regulation (GDPR) and with the Act No. 18/2018 Coll. on protection of personal data.

Ensure a high level of care of the safety and health protection at work. Prevent incidents and increase employee and relevant stakeholders' awareness on occupational safety and health administration.

Permanently improve Company relationship towards the environment by reducing negative impacts on the environment and increasing environmental awareness of employees and relevant stakeholders.

Conform to current legislation and other regulatory requirements relating to Company activities and provided products and services.

Management systems

Integrated Management System

SOFTIP has built-in Integrated Management System (IMS) according to international standards.

The Integrated Management System was certified by the renowned TÜV SÜD Slovakia certification company. SOFTIP successfully met all conditions and requirements of the certification, approving its responsible attitudes towards environmental issues and employees' health, as well as information security and access control. SOFTIP is also bound to apply the latest techniques for effective system and process management.

The built-in Integrated Management System entitles SOFTIP to be considered the responsible company providing the highest added value for its customers.



ISO 9001

Quality Management System



ISO 10006

Guidelines for quality management in projects



ISO 14001

Environmental Management System



ISO 45001

Occupational Health and Safety Assessment System



ISO 37001

Anti-corruption management system



ISO/IEC 27001

Information Security Management System



ISO/IEC 27018

Management system of personal data protection in the cloud

Company structure

Shareholder Structure



Owner: PMK Invest, s.r.o., Krasovského 14,
851 01 Bratislava – mestská časť Petržalka
Company Reg. No.: 36 801 267

Nominal value of shares in €: 33,193.92 EUR

Percentage share in the basic capital: 100.00 %

Capital participation



Company	Share capital	Percentage share in the basic capital
SOFTIP MORAVA, s.r.o. „v likvidaci“	500,000 CZK	73.00 %
ConnSpec, a.s.	33,193.92 EUR	49.00 %
Sysklass CZ, s.r.o.	264,000.00 CZK	100.00 %

The company does not have an organizational unit abroad. In 2019 the company did not acquire any own shares, provisional ownership confirmation certificates, business shares, or any mother accounting entity provisional ownership confirmation certificates or business shares.

Company management

Board of Directors



Dušan Guldán
**Chairman of the Board, Executive Director
and ESS Division Director**

He joined the company in 1994 when he was appointed to the position of a sales manager for strategic partners. He was responsible for managing the SOFTIP branch in Bratislava. Currently, Dušan Guldán is the Chairman of the Board of Directors of the company. At the same time, he is also the executive director and the ESS Division Director.



Radovan Báľent
**Member of the Board
and SME Division Director**

He joined the company in 1993. Through the positions of a consultant and a database specialist he reached the position of the Trenčín branch director. Currently, Radovan Báľent is the Member of the board of Directors and at the same time, the SME Division Director.



Martin Vlčko
**Member of the Board
and Finance Director**

He joined the company in 2007. From the position of an economist focused on controlling he has made his way to the position of the Finance Director. Currently, Martin Vlčko is the Member of the Board of Directors and at the same time, the company's Finance Director.

Management



Ján Schwarz
Technical Director

He joined the company in 1999. He was a database specialist, senior system engineer and later, a head of system service department. Currently, Ján Schwarz has a position of the Technical Director.



Marek Sedliak
Innovations Director

He joined the company in 1997. He worked as a programmer specialist, senior programmer, and a project manager with the capacity to cover a wide competence portfolio. Currently, Marek Sedliak is the Innovations Director.



Marián Baranovič
Operations Director

He joined SOFTIP in 1994. Through the positions of a programmer and product manager he became the manager of information system development. Currently, Marián Baranovič is the Operations Director of the ESS and SME divisions.



Miroslav Tobiáš
SME Division Sales Director

He joined SOFTIP in 1996. He started as a sales manager, later he became a Director of the SOFTIP branch in Banská Bystrica. Currently, Miroslav Tobiáš is the Sales Director of the SME Division.

Board of Trustees

Jozef Mokry
Chairman of the Board of Trustees

Peter Kotuliak
Member of the Board of Trustees

Roman Nahálka
Member of the Board of Trustees

Two divisions, countless possibilities

An easy and flat structure creates ideal prerequisites for providing our customers with addressed and personalized service. It allows us to provide an immediate feedback to their requirements and provide the customers with the right experts and makes easier not only the service but also new product deployment.

ESS Division **Enterprise Solutions and Services**

The ESS Division focuses on the public, finance, retail, services, production, energy and utility sectors.

It delivers services, solutions and products characterized by their uniqueness and complexity.

Focus on the customer's core business activities helps us deliver solutions that meet the needs and requirements of each customer's unique business.

SME Division **Small and Medium Enterprises**

The SME Division implements our in-house ERP solutions, HR systems and solutions from our partner SAP with a range of add-ons.

The division deploys its specialized team to design and complete the full delivery of complex system services including hardware and software.

It also provides complete support through its Call Centre, Helpdesk and Remote Support.

The Executive Director is directly responsible for the individual organisational bodies of the company its internal organisation, such as the Integrated Management System Officer, Security Manager, Data Protection Officer and the Anti-Corruption Manager.

Both divisions of the company have competence centres that are responsible for individual product ranges or service segments, where the objective is to gather unique know-how and form employee relationships with the given products and services, in order to create the best possible conditions for their further development.

Simplified organizational structure of SOFTIP



Main events of 2019

April

We have changed our address within Žilina

The SOFTIP branch in Žilina moved from its original office at Velká Okružná to newly refurbished modern office premises located at Rosinská cesta 8, right next to Žilina Forest Park.

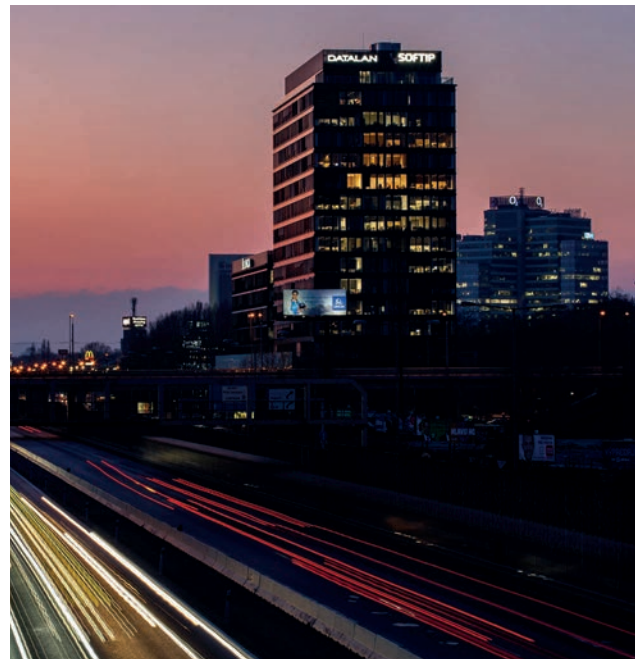
May

We organised the SOFTIP HR DAY 2019

For the third year our successful HR conference, without an unnecessary focus on theory, was held on 22 May 2019 at the Kaskády Hotel, Sliach – Sielnica. Excellent speakers, inspirational topics and great opportunities for interaction provided for an attractive agenda at this popular event for HR professionals.

We defended our number one position in Slovakia

In the Slovak ERP market survey, which is released annually by the editorial office of the technology magazine PC Revue (NEXTECH) we have repeatedly taken the first position defending the title of the largest Slovak producer of enterprise information systems.



June

The registered office of the company has changed

At the beginning of the year, we moved from Galvaniho Street in Bratislava to our new premises in the Einsteinova Business Centre at Krasovského 14, right next to the Janko Kráľ Garden. From 1 June 2019, the new address also became our new registered office and billing address.

Award of Excellence

We won the 2019 Award of Excellence from the renowned auditing company TÜV SÜD Slovakia. We received the 2019 award in the category of Corporate Social Responsibility.

August

We joined forces with CAD Studio

We initiated closer cooperation with the renowned CAD Studio, who became our business partner for the SOFTIP MONACO information system in the Czech market. This will improve the availability of the top product for the technical preparation of manufacturing needed by Czech mechanical engineering companies.

November

We have obtained the Microsoft Partner Gold Security Certificate

We became the first company in the territory of the former Czechoslovakia to obtain the Microsoft Partner Gold Security certificate. We thereby achieved the highest possible level in this new competence of Microsoft, which confirms our expertise, abilities and our rich experience in deploying security solutions for customers.

October

Company presentation at the International Engineering Fair in Brno

The 61st edition of the International Engineering Fair basically confirmed the massive onset of digital technologies in the industry. In five days, more than 81 thousand visitors to the largest fair in Central Europe saw the presentations of 1662 exhibitors from 30 different countries, including Slovakia.

December

We joined the Paris Call

We signed the Paris Call to promote trust and security in digital spaces. This represents the largest group of stakeholders worldwide, who have joined forces to promote security in digital spaces and jointly address the new cyber threats to which we are exposed.

We became an SAP Gold Partner

At the end of 2019, we achieved the highest status under the partner programme of the German software giant SAP SE. After fulfilling several demanding criteria, we joined the ranks of its GOLD partners.

We are the largest Slovak producer of enterprise information systems

In April 2019, PC REVUE – NEXTECH magazine conducted a survey of the sale of enterprise information systems (ERP) on the Slovak market. The survey covered 17 suppliers who offer their products in Slovakia ranging from accounting management and payroll processing solutions for small companies, to comprehensive economic information systems for large customers including related services.

In the survey, SOFTIP repeatedly vindicated its leadership position in the Slovak enterprise information system market when in 2018 it achieved revenue of € 11,836,451 for sales related to ERP solutions.

ERP systems licencing and service sales revenues in 2018 (Source: PC Revue, May 2019)



Firma	ERP systems licencing revenues in 2018 in EUR	ERP systems service sales revenues in 2018 in EUR	Total revenues in EUR
ABRA Software s.r.o.	300,000	820,443	1,120,443
ANASOFT APR, spol. s r.o.	830,000	410,000	1,240,000
Asseco Solutions, a.s.	1,535,745	9,210,635	10,746,380
Control Informatika SR, s.r.o.	81,783	383,072	464,854
HOUR, spol. s r.o.	629,055	3,506,182	4,135,237
InfoConsulting Slovakia s. r. o.	840,467	2,381,323	3,221,790
KROS a.s.	1,842,644	8,321,626	10,164,270
Minerva Slovensko, a.s.	350,000	1,000,000	1,350,000
SOFTIP, a. s.	505 916	11 330 535	11 836 451
Solitea Slovensko, a.s.	N/A	N/A	1,726,316
SunSoft plus spol. s r.o.	128,235	299,452	427,687
Telegrafia, a.s.	37,120	153,854	190,974
WBI, s.r.o.	140,719	2,115,769	2,256,488
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WBI, s.r.o.	140,719	2,115,769	2,256,488

The updated 2019 survey published by the editorial office of NEXTECH – PC REVUE is not yet available, so we have conducted our own survey using publicly available information. In the chart below, you can see an overview of the total revenue of the individual enterprises supplying resource planning (ERP) systems according to the editorial office of NEXTECH – PC REVUE, based on the data published by FinStat.

In 2019, the total revenue of SOFTIP was € 18.4 million, which gives us a clear number one position in this ranking.

**Comparison of the total
2018-2019 revenue
(source: FinStat, May
2020)**



Company	Total 2018 revenue in €	Total 2019 revenue in €	%
Abra Software s.r.o.	€ 1,184,480	N/A	N/A
ANASOFT APR, spol. s r.o.	€ 9,780,034	€ 11,814,473	20.80 %
Asseco Solutions, a.s.	€ 10,746,380	€ 12,600,067	17.25 %
Control Informatika SR, s.r.o.	€ 549,115	€ 474,543	-13.58 %
HOUR, spol. s r.o.	€ 4,246,449	€ 4,286,278	0.94 %
InfoConsulting Slovakia s. r. o.	€ 1,891,975	€ 1,544,099	-18.39 %
KROS a.s.	€ 10,176,966	€ 11,332,468	11.35 %
Minerva Slovensko, a.s.	€ 1,493,311	€ 1,267,469	-15.12 %
NordERP a.s.	€ 511,962	€ 463,676	-9.43 %
QI GROUP SLOVAKIA s.r.o.	€ 477,928	€ 432,760	-9.45 %
SOFTIP, a. s.	€ 19,760,841	€ 18,439,176	-6.69 %
Solitea Slovensko, a.s.	€ 2,122,598	N/A	N/A
SUNSOFT plus spol. s r.o.	€ 1,124,807	N/A	N/A
Telegrafia, a.s.	€ 7,065,876	€ 6,349,379	-10.14 %
WBI s. r. o.	€ 237,565	N/A	N/A

Global IT spending is expected to reach 4 trillion dollars

Global IT spending is projected to increase to \$3.9 trillion, an increase of 3.4% from 2019. These numbers are based on the January 2020 forecast of Gartner. In 2021, global IT spending should cross the 4 trillion dollar mark.

Gartner expects that in 2020, the fastest growing market segment will be enterprise software with a double-digit increase of 10.5%, which will be mainly due to the ongoing transition to SaaS (Software as a Service). They also expect the spending in this market segment to grow when it comes to non-cloud-based software; however, the growth in this area will be significantly slower. Most budget increases will be consumed by SaaS; however, Gartner also expects continued purchases of licensed-based software will expand throughout 2023.

Worldwide IT Spending Forecast (Billions of US Dollars)



	2019 Spending	2019 Growth %	2020 Spending	2020 Growth %	2021 Spending	2021 Growth %
Data Centres	205	-2.7	208	1.9	212	1.5
Enterprise Software	456	8.5	503	10.5	556	10.5
Devices	682	-4.3	688	0.8	685	-0.3
IT Services	1,030	3.6	1,081	5.0	1,140	5.5
Communications Services	1,364	-1.1	1,384	1.5	1,413	2.1
Overall IT	3,737	0.5	3,865	3.4	4,007	3.7

Note: The updated 2020 forecast was issued by Gartner in January 2020, and it does not take the consumer behaviour changes caused by the Coronavirus (Covid-19) pandemic into account.

We bring the widest product and service portfolio

We offer everything that a company in IT could need. We know the specifics and peculiarities of individual segments and related processes.

A broad portfolio of our own solutions is complemented by the top products resulted from strategic partnerships with Microsoft and SAP. We develop all the solutions to meet individual needs of each customer. Except for the ERP systems, we design IT infrastructure, implement custom products and solutions and provide complex IT services and consultations. The scope of our services makes us a Slovak IT market leader.

ERP Systems

An Enterprise Resource Planning system focused on the area of production, logistics, distribution, supplies, invoicing and accounting concerning companies of all size

SOFTIP PROFIT PLUS

The most popular Slovak ERP system

SOFTIP PACKET

A proved ERP system for small companies

SAP BUSINESS ONE

Globally widest ERP system for small and medium-sized enterprises

SAP ERP

An ERP system with a high segment specification for medium-sized and large companies

KEEPI – CLOUD BY SOFTIP

Online accounting for sole-traders with the basic functionality provided free of charge

HR Systems

An information system for HR management from staff recruitment and selection, their adaptation, development, education to assessment and remuneration

SOFTIP HR PLUS

The most popular information system for salary and wage processing

SOFTIP HAPPY HR

An upgraded web application for modern HR management

ATTENDANCE SYSTEMS

An intelligent solution to register staff attendance

Management IS

Software tools for managers to support planning and decision-making at all management levels

SOFTIP BI

A custom-made management information system

Production Systems

The most complex offer of solutions within production enterprises operating in different industrial segments

SOFTIP PRODUCTION

A complex information system for planning and managing custom-made production

SOFTIP MONACO

A next generation information system for technical documentation

SOFTIP AddOn Production

SAP Business One AddOn application for production register and management

SOFTIP SYSKCLASS

A proved specialized software for technical preparation of production

Customer IS

Complex and unique solutions and products covering the most specific customer requirements

SOFTIP AUDIT

Complex planning and processing of internal audits in line with EN ISO 19011:2011

SOFTIP AUTHOR ROYALTIES

An information system for calculating author and artist royalties

SOFTIP EVO

Information system for electronic public procurement

SOFTIP EZO

An information system for recording contracts and orders

SOFTIP FRP

An information system for project financial management

SOFTIP GARANT

A group of products focused on supporting pension company performance and management

SOFTIP HR PORTAL

Information system for modern Human Resources management

SOFTIP CONSOLIDATION

An IS for fast and repeated setting of consolidation package

SOFTIP AERIAL MONITORING

Unmanned research, monitoring, surveillance and processing of scanned data

SOFTIP RECEIVABLES

Information system for registration and management of receivables

SOFTIP INSURANCE

An information system to manage the processing of insurance events in companies

SOFTIP COMMISIONS

IS for registration and management of the network of traders and intermediaries

SOFTIP SIMBIZ

An economic simulation game focused on teaching economic praxis

Services

The widest IT service portfolio in Slovakia covering all needs in the IT area

CLOUD SOLUTION PROVIDING

The latest Microsoft cloud technology guaranteed by the best service of its top partner

IT DEVELOPMENT CONCEPT

IT strategy created in cooperation with experts

MICROSOFT AZURE

A flexible cloud platform for modern companies

MICROSOFT SHAREPOINT

A portal solution for team cooperation and document administration

OFFICE 365

Office that you have already known, enriched by tools supporting cooperation

SERVICE OUTSOURCING

Personnel and salary outsourcing, e.i. outsourcing in the IT area

MAINTENANCE AND SERVICE

A wide spectre of professional services from Audit to Back-up

SOFTWARE HOUSE

Custom software development, including follow-up support and care

TRAININGS

Legislative seminars, trainings on SOFTIP applications, individual education

Service that you can rely on

Our customers have the opportunity to establish a long-term relationship with us via contract on Service Level Agreement (SLA – Service Level Agreement).

It is a repeated provision of service in agreed quality and size. From the point of view of a customer a tailor-made SLA can be perceived as an additional service with an added value related to the usually provided service.

Helpdesk

You can find updated current information on software products, including the possibility to download a new version and related auxiliary documentation at cpz.softip.sk. Here, you can also register your problem or a question on the software you use, as well as to monitor the solution status. All SOFTIP customers can become the CPZ users when they fill in a registration form.

Call Centre

Do you need professional advice on our applications? You will be provided an instant phone consultation with our professionals on all applications you use. Call 048 43 58 600 or 02 205 701 15 (for SAP Business One). The main condition for a successful communication is your assigned licence number. Call Centre is available every working day from 8:00 A.M. till 16:00 P.M.

Service line

Are you interested in the service provided by our professional consultants? Call 048 4358 700 or write us at SMEsluzby@softip.sk. You can order a service provided by our consultants including the service of Remote support for customers. The service line is available every working day from 8:00 A.M till 16:00 P.M.

Remote Support

A remote support allows our customers to use all services provided by our consultants in the shortest time possible via remote access (Go To Assist –GTA). For entering the Application you need a user code provided by a SOFTIP professional

Interesting projects in 2019

ADECCO Slovakia

SOFTIP HR PLUS interconnected with Microsoft Dynamics NAV

The main objective of the project with the ADECCO recruitment agency was to implement the SOFTIP HR PLUS IS and to develop extensions related to the calculation of billing data for clients. Because the company uses Microsoft Dynamics NAV for its economic processes, the second part of our job was to implement interfaces with this IS. The customer obtained a high-quality personnel and payroll system that is integrated with its financial system. The verification and deployment stages of the project will continue well into 2020.

BAD

Interconnection with the Horec IS

For BAD, who operate the Kaskády Hotel & Spa Resort, we implemented an interconnection with the Horec hotel management system to be used for billing purposes. The communication interface allows the Financial Department to efficiently import outgoing invoices from Horec to SOFTIP PROFIT PLUS IS, where they are carried into the accounts. This solution gave the company an efficient tool which saves a lot of time compared to the manual entry of invoices, ensures data consistency and eliminates human error.

INDEX NOSLUŠ

Upgrade of ISPA to the .NET Core environment

For the INDEX NOSLUŠ recruitment agency, we migrated their specialised recruitment agency management application – ISPA – from Silverlight to .NET Core. This solution offered new technological and security features, a modern and user-friendly interface and several innovative data processing features. The solution has been fully integrated with the SOFTIP PROFIT PLUS ERP system, as well as the SOFTIP HR PLUS personnel and payroll system.

KOSIT

Information Management System

At KOSIT, whose main business is the collection, processing, disposal and recovery of waste for hundreds of thousands of residents in Eastern Slovakia, we integrated their existing information management system in seven additional subsidiaries, increasing their total number to 19. We also expanded the functionality of the information management system by an application utilising Power BI technology. This is an application for the automated evaluation of data recorded by camera systems, in connection with data from the ERP system for the recording of so-called weight certificates. Another focus of the BI tool is the gradual creation of complex reporting in the field of process efficiency measurements.

Krava & Company

Meat processing automation

For KRAVA & CO, whose main business is cattle breeding and beef production, we designed and implemented a solution linking the SOFTIP PROFIT PLUS ERP system with a new weighing system containing a software solution to record all processes and components included in the meat processing operations. In order to automate the process, and due to increase in customer orders, we also deployed the eOBO web application which allows contractual customers to remotely submit orders. The deployment of this solution significantly increased the efficiency of the meat processing and the sales documentation.

LUKNAR

SAP HANA based SAP Business One

At LUKNAR, a leader in design, sales, installation and servicing of professional kitchen supplies, we deployed a new SAP HANA-based SAP Business One information system. The implementation covered warehousing, purchases, sales and accounting. The solution also included a mobile application for service engineers who are equipped with a tablet. This has completely replaced the paper-based service documentation, in which data such as the time of the on-site service, used materials, photographs and the customer's signature were recorded. The system also prepares all the related documents and sends them via e-mail. All entries are automatically updated in the ERP SAP Business One system.

Medirex

Information Management System

We developed a custom-made personalised IMS for the largest and most modern network of diagnostic laboratories in Slovakia. This solution provides managers with information pertaining to the company's planning, personnel cost monitoring, social fund performance, fluctuations, employee overviews and history. The main benefit of the solution is that Medirex have obtained a tool that supports their strategic decision-making. This solution saves time when preparing reports and analyses and provides consistent information to all users from a single source.

PUNCH Precision Slovakia

SAP S/4HANA

For the newly-established PUNCH Precision Slovakia, a subsidiary of the global supplier of aluminium forged products and undercarriage components for OEMs and Tier 1 suppliers, we successfully completed the deployment of SAP S/4HANA. The project included the delivery of a complete information system including the hardware, system installation, licensing, and the system setup and commissioning.

SAD Trenčín

SharePoint-based approval system

For the Slovak bus service in Trenčín, we supplied a solution with electronic document management (DMS) elements. This solution is built around the Microsoft SharePoint platform and allows the company to record and approve incoming invoices, contracts, orders, internal regulations and documents. With regards to incoming invoices, the system is interconnected with the Suppliers application of SOFTIP PROFIT PLUS. As soon as a received invoice has been approved, it can be exported to the accounting records in the aforesaid application. The deployment of the new approval system has made the document approval and storage process of the company much more efficient and transparent.

Slovenská pošta

Medical Checkups

We developed a web application to monitor the employee medical checkups for the largest employer in the postal service industry. This solution is part of the SOFTIP HR Portal, and is basically an extension of the HR management system SOFTIP HR PLUS. The Medical Checkups application allows users to assign health risks and risk categories to individual positions, working activities and workplaces, based on which the employees are required to have different types of medical checkups at different frequencies corresponding to the given risks and risk categories. The digitalisation of this process has increased the efficiency of the company's HR management.

Slovenská pošta

Database migration to the MS SQL Server

Another interesting project for Slovenská pošta was the migration of its Oracle databases to Microsoft SQL. The objective of this project was technology unification and the complex development of the infrastructure for the used applications. The primary objective was to improve the performance of the entire environment in which the SOFTIP applications run. In order to do so, we completed the transition from RDBMS ORACLE to MS SQL and upgraded the terminal farm. At the same time, the most recent OS versions were deployed.

Strategic partners

Evidence of our know-how and experience is provided by our certificates

Achieving the highest obtainable competences in individual partner programmes and our prestigious certificates and awards bear witness to the fact that, even as a Slovak business, we can not only keep up with the best but also be their respected partners.

Gold
Microsoft Partner


We have been a member to the Microsoft Partner programme since 2005. At present, SOFTIP holds 10 gold and 2 silver competency awards. We also won ten accolades at the Microsoft Awards and were awarded as Microsoft Partner of the Year title three times, which is an exceptional achievement not just within the Central European region.

In 2019, we became the first partner in the territory of the former Czechoslovakia to obtain the Microsoft Partner Gold Security certificate. In four months, we achieved the highest possible level in this new competence of Microsoft, which confirms our expertise, abilities and our rich experience in deploying security solutions for customers.



At the end of 2019, we became an SAP Gold Partner which is the highest level in the partner programme implemented by this German software giant. We have been an SAP partner since 2007. This indicates how demanding the criteria are for suppliers interested in achieving the Gold level standard.

As a Slovak business, we are in a unique position – we are Gold Partners of the IT companies dominating the global market for enterprise information systems. Whether its Microsoft or SAP, their choices confirm the outstanding level of both our experts and our services. They guarantee both our reliable deployment and follow-up customer care.

We closely cooperate with the most important global IT companies



SOPHOS



Lenovo



A list of all partners is published at www.softip.sk

Customers

Retail and Services

AIR CARGO GLOBAL, ASBIS SK, ATENA - PERSONAL CONSULTING, ColosseoEAS, DATALAN Quality Instruments, Direct Parcel Distribution CZ, Direct Parcel Distribution SK, ENERGOINVEST, FORTUNA SK, INCAR, INDEX NOSLUŠ, KOSIT, KPMG Slovensko Advisory, Letisko Sliač, McROY Jobliner, Medirex Servis, MEDUSA GROUP, Nitrianska teplárenská spoločnosť, Ochrana a bezpečnosť SE, Odvoz a likvidácia odpadu, Prievidzské tepelné hospodárstvo, SAD Prešov, SAD Prievidza, SEPS, Slovak Investment Holding, Slovenská autobusová doprava Dunajská Streda, Slovenská autobusová doprava Trenčín, Slovenská autobusová doprava Žilina, SLOVNAFT TRANS, Trenkwalder, UPC BROADBAND SLOVAKIA

Industry

ATTACK, Baliarne obchodu Poprad, Berndorf Sandrik, Bau3Mex, Cestné stavby Liptovský Mikuláš, CNC frézovanie, Danfoss Power Solutions, DIN - TECHNIK, DKI Plast, DREVONA PRODUCTION, Elba, ENPAY TRANSFORMER COMPONENTS, EURO-BUILDING, europac, FESTAP, FIMAD, GALMM, Heineken Slovensko, IKEA Industry Slovakia, Illichmann Castalloy, KERKOTHERM, Klauke Slovakia, Klauke UK, KONŠTRUKTA – Industry, LED-SOLAR, línea – D, LOKO TRANS Slovakia, MERCHYOU, Metsa Tissue Slovakia, Milan Tomaškovič – ToMaC, Mlyn Kolárovo, MATADOR HOLDING, MONDI SCP, MSA, NORWIT SLOVAKIA, Novoplast, OMNIA KLF, Pivovar STEIGER, PLASTEX, Považská cementáreň, PRELIKA, Renost, RKS Trenčín, QUILTEX, SHP Group, SL SLOVAKIA, Slovalco, STAROPRAMEN-SLOVAKIA, STAVEX Nitra, STM Slovakia, TATRA TRUCKS, TATRAMAT – ohrievače vody, TAYLOR-WHARTON SLOVAKIA, TESLA STROPKOV, TUCHYŇA VÝŤAHY, U. S. Steel Košice, VIPO, Witzemann Slovakia, ZF Slovakia, ZVL auto

State and Public Administration

Generálna prokuratúra Slovenskej republiky, LESY Slovenskej republiky, Ministerstvo kultúry Slovenskej republiky, Ministerstvo životného prostredia, Národná agentúra pre sieťové a elektronické služby, Slovenská agentúra životného prostredia, Slovenská akadémia vied, Slovenská inovačná a energetická agentúra,

Slovenská zdravotnícka univerzita v Bratislave, Slovenské národné múzeum, Štatistický úrad Slovenskej republiky, Štátna ochrana prírody Slovenskej republiky, Úrad pre dohľad nad zdravotnou starostlivosťou, Úrad pre verejné obstarávanie, Ústredie práce, sociálnych vecí a rodiny,

Utilities

Podtatranská vodárenská spoločnosť, Severoslovenské vodárne a kanalizácie, SLOVENSKÝ VODOHOSPODÁRSKY PODNIK, Stredoslovenská vodárenská prevádzková spoločnosť, TEPELNÉ HOSPODÁRSTVO Košice, Trenčianske vodárne a kanalizácie, Západoslovenská vodárenská spoločnosť

Finance

Aegon Pojišťovna, Conseq penzijní spoločnosť, DÔVERA zdravotná poisťovňa, Erste Group, KB Penzijní spoločnosť, NOVIS Poisťovňa, OVB Allfinanz Slovensko, PB Finančné služby, Union poisťovňa, Union zdravotná poisťovňa, Všeobecná úverová banka

Wholesale and Retail

COOP Jednota, BILLA, COREX, COREX SERVIS, dm drogerie markt, EUROSAM, IKEA Components, JANEBA TIME SR, KOFT Bratislava, LORIKA Slovakia, MABO, MEDITRADE, NITRAZDROJ, PHOENIX Zdravotnícke zásobovanie, SLOWWOOD Ružomberok

Healthcare

Detská fakultná nemocnica s poliklinikou Banská Bystrica, Falck Záchranná, Univerzitná nemocnica Martin, Ústredná vojenská nemocnica SNP Ružomberok, Železničné zdravotníctvo Košice

Marketing communications

Communications about our company's events

Building a strong and distinctive SOFTIP brand as the Slovak leader in the enterprise information system market and improving awareness of the extensive portfolio of our products and services are the two main paths followed by our marketing communications.

Online communication

The key element of our external communication is the www.softip.sk website, which serves as the central source of information about SOFTIP, our products, services and the latest news.

To increase visitor numbers to the SOFTIP website we are running a year-round online campaign focussed on presenting the extensive portfolio of our products and services through success stories (case studies) utilising several digital formats – specifically, text adverts in the Google search engine, graphical adverts (banners) and a digital campaign on social media.

We are active on social networks. On Facebook, we currently have almost 3 thousand followers, and on LinkedIn over 600 followers. The SOFTIP YouTube channel has over 460 subscribers. We also run an active Twitter account.

We communicate with our potential customers through our monthly electronic newsletter called SOFTIP NEWS, containing a summary of the most interesting articles relating to the last month. On average, the newsletter is read by two thousand readers.

We systematically cooperate with external media – we publish press releases, expert articles and case studies, as well as interviews and statements from members of the management team on current topics.

Events

Professional events, seminars and conferences, as well as informal events and PR events that are organised throughout the year for our current and potential clients, form an important part of our marketing efforts.

Two main milestones were achieved last year: the spring SOFTIP HR DAY conference; and the Brno International Engineering Fair in the autumn.



On Wednesday, 22 May 2019, we organised the third edition of our popular HR conference without an unnecessary emphasis on theory – SOFTIP HR DAY. Over a hundred HR and payroll professionals travelled to the Kaskády Hotel in Sliač to get some inspiration. The most frequently discussed topic among the participants was the support of innovation in organisations, as well as a panel discussion with representatives of universities with a focus on communication between employers and the young generation.



Perhaps the most controversial topic to be discussed was the lecture on exposing corporate psychopaths by Nora Lauková, an expert in non-verbal communication.



The International Engineering Fair was held from 7 October to 11 October 2019, at the exhibition centre in Brno. More than 81 thousand visitors saw the presentations of 1662 exhibitors from 30 different countries, including Slovakia. The main theme of the fair was the fourth industrial revolution and the digital factory. Digital transformation was also the main topic at the SOFTIP booth, where we presented the most recent updates on software solutions for the technical preparation of manufacturing (TPM), as an integral step between product design and manufacturing. Besides our technical consultants, there were also representatives of our partner company CAD Studio at the SOFTIP booth, with whom SOFTIP has entered into a partnership in the Czech Republic.

In this regard, we also partnered with this company at the CADforum technical conference organised by CAD Studio on 17 and 18 September 2019 in Brno. The largest Czech and Slovak professional CAD event saw a record-breaking number of 460 visitors, who were interested in recent developments and experiences with computer aided design in mechanical engineering, manufacturing and the building industry. The technical portion of the event included a common lecture on automation of the technical preparations for manufacturing.

In collaboration with SAP Slovensko, we organised the now traditional meeting of the customers and users of SAP Business One. The fifth edition of the event, named SAP PARTNER DAY, was held on Tuesday, 18 June 2019, at Šimák Castle in Pezinok. A total of 50 participants came to learn about the most recent SAP Business One developments and its add-ons, and to draw inspiration from the successful implementation of the world's most popular ERP system in small and medium-sized enterprises.

On 11 and 12 April, in collaboration with Microsoft, we also organised our traditional event for all IT professionals at the Zochova Chata Hotel near Modra. To more than 50 participants, our experts presented the most recent Microsoft technologies that are helping to create a modern workplace, increase employee efficiency and protect company data. There were also live demonstrations of security threats and examples of the methods to prevent them.

In addition, we organised a number of smaller events aimed at the reinforcement and development of relationships with our customers and employees, such as the traditional spring cycling tour and our partner days for customers of different target groups.

Internal communication

We pay a lot of attention to the development of internal communication and the support of team collaborations among our employees.

The main source of the internal information at SOFTIP is the intranet, where employees can find all important information in one spot – company documents, calendars, new products, completed projects and current event announcements, as well as information about awards and certificates. In 2019, the most important intranet-related event was its migration to the new Microsoft Teams environment. We have been using this solution for quite some time now, to support team collaboration through instant messaging, video-conferencing and file sharing. Microsoft Teams integrates all these features into a shared workspace in a single application, which further simplifies and improves the collaboration between individual team members.

The current developments in the company, its strategy and the future plans of employees are presented in regular meetings between our two divisions and the central units.

Equally popular are the company-wide summer and winter team-building events which, besides including technical aspects, provide an ideal space for informal conversations with the company's management and shareholders. The summer Wild West themed SOFTIP MEETING was held on 13 and 14 June 2019, in the Sitno Hotel in Vyhne, while the winter Czechoslovak rock themed SOFTIP MEETING took place in the Grand Hotel in Jasná on 13 and 14 December 2019.



Included in the summer meeting at Vyhne was an announcement of the results of the internal SOFTIP AWARDS competition, in which employees vote to determine the winners in the categories of "Personality of the Year" and "Project of the Year". The 2018 Personality of SOFTIP award went to Tatiana Janovcová, who won after being nominated for the first time ever. For the second consecutive time, the title was won by a woman. The 2018 Project of the Year was awarded to the ESS Development Competence Centre team lead by Jozef Macko, for the Dobierkovač information system that was implemented for Direct Parcel Distribution SK. An award bestowed by a professional jury composed of the editors of the TOUCHIT and IT Systems journals and a representative of the renowned auditing company TÜV SÜD Slovakia was won by the SOFTIP project team that was managed by the Chief Innovation Officer of SOFTIP, Marek Sedliak, in recognition of the Electronic Public Procurement system that was implemented for the Public Procurement Office.

Corporate social responsibility

We are a company capable of inspiring others

For our engagement in corporate social responsibility projects, SOFTIP received the Outstanding Company of the Year 2019 award in the Corporate Social Responsibility category.

By donating 1% of our 2019 taxes, we supported five different recipients. The first one was the Svetielko nádeje civic association at the Children's University Hospital in Banská Bystrica, which helps children and the families of children suffering from oncological or other serious diseases. The second recipient was the Down Syndrome Society in Slovakia that unites families and friends of people with Down Syndrome, which we've been supporting over a long-term period. The third recipient was the Sports Club University of Matej Bel Banská Bystrica, which has managed to restore the university basketball tradition by supporting the ŠK UMB Banská Bystrica basketball club. Another recipient was the Dúhové deti civic association that was established to help Silvinka Dávidová – a daughter of our former colleague. The fifth recipient was the SAMIK civic association, whose mission is to support the creation and presentation of spiritual and cultural values.



We have long been one of the largest supporters of the Down Syndrome Society in Slovakia. We are very pleased that we have also been able to raise awareness of the need to help among our employees and have initiated various volunteer events and fundraisers to support the society's activities. At our Christmas fundraiser organised at the Winter 2019 SOFTIP MEETING, we managed to collect a record-breaking € 1750 from our employees, which SOFTIP then doubled. We thus contributed a total of exactly € 3500 to the Down Syndrome Society in Slovakia. We are also a regular supporter of the March Sock Challenge, which is organised to raise awareness of Down Syndrome.



We organise the SOFTIPÁCKA KVAPKA KRVI (SOFTIP blood donation) event in Banská Bystrica, which attracts dozens of volunteers every year and takes place at the turn of October and November. Over four years we have managed to attract almost two hundred donors, out of whom every fifth has been a first-time donor. In total, we have gained a total of 37 new voluntary blood donors. That is the most important outcome of this event organised in cooperation with the National Transfusion Service of the SR and our other partners, by which we motivate our employees and the public to help those who depend on our assistance.

For several years, we have been the titular partner of the Three Kings Night Run through the streets of Banská Bystrica, which regularly starts the Marathon BB Tour season on 6 January. On Monday, 6 January 2020, a total of 1432 runners embarked on the 5.39 km long Three Kings Night Run. This year, the Three Kings Night Run saw new records set in both the men's and the women's category.

We have established long-standing cooperation with schools. Besides sharing our know-how in the form of lectures delivered by our employees at schools, or offering free admission to the SOFTIP HR DAY for the best students and their teachers, we also strive to improve the quality of education by donating surplus furniture and equipment, which are still of high quality, but are no longer of use for us. For example, in 2019, we have donated the complete equipment for a classroom and a relaxation zone for students to the Secondary Technical School of Jozef Murgaš in Banská Bystrica.

We are also a proud partner of the Planet of Experiences for Children project, which offered a series of events for children with the aim of making the summer days for children in orphanages more pleasant.



**VÝNIMOČNÁ
FIRMA**

Environmental activities

We strive to be as considerate to the planet as possible

The Environmental Management System (EN ISO 14 001) has been part of the SOFTIP Integrated Management System (IMS) for several years. Even though our negative impact on the environment is minimal, we evaluate the environmental aspects of our activities every year and take measures to reduce their impact.

We try to minimise the waste that we create and we separate the waste at all workplaces. To create stronger motivation of our colleagues, we have removed the trash bins from beneath desks.

We don't buy water in plastic bottles. Mineral water and sweetened drinks in plastic bottles have been an absolute taboo for several years. Instead, we provide water in glass containers and use our own glasses.

By taking a conscious approach to printing, we have reduced our toner and paper consumption. Furthermore, when we do have to print something, for example, because we are required to do so by law, we use eco-labelled paper.

We have made many of our processes electronic. Internally, we use our own applications – such as SOFTIP HAPPY HR, which enables the paperless approvals of holidays and educational activities – to help reduce our paper consumption.

In relation to our customers, we strive to promote electronic invoicing, which undoubtedly has a positive impact on the efficient use of natural resources. That is why we have implemented e-invoicing in our information systems and customer solutions.

We optimise our business trips. We use conference calls and remote document sharing to communicate with each other. When choosing the company's motor vehicles, we place an emphasis on the environmental considerations.

We support the national Bike to Work campaign. We have created conditions for everyday commuting to work by bicycle, including by adding parking spaces to the underground garage and offering the possibility to take a shower.

As a part of our internal communication, we have increased the environmental awareness of our employees. On the intranet, we exchange personal experiences and inspire each other with ideas on how to live greener.

We work in a green way. Our new headquarters at the Einsteinova Business Centre in Bratislava received the prestigious BREEAM certificate rating "Excellent", which is the second highest possible rating. It certainly deserves the designation as a "Green building".

People

Our team is comprised of 195 experts throughout Slovakia

All of us have a passion for modern IT technologies in common, and the desire to discover new possibilities.

Personnel Policy

As of 31 December 2019, SOFTIP had 195 employees which represents a year-on-year increase of roughly 3%.

In terms of positions, most of the newly-hired employees were consultants for HR solutions and services, which is an area that has recently been becoming increasingly popular among our customers. There were also some changes in our system engineer, analyst and programmer positions. The company is currently going through a natural change of generations.

Our HR management is fully automated, thanks to the SOFTIP HAPPY HR application. The modules that were deployed last year are currently being fine-tuned to provide the maximum user comfort.

Employees

Every year, we select and reward the best employees in selected positions. It has become a long-standing tradition and a pleasure to present the Years of Service awards to the employees at our regular December company-wide employee meetings.

We use our integrated management system to receive and resolve any employee requests. All the requests are electronically evaluated.

Development of the number of employees

2015 - 173

2016 - 173

2017 - 171

2018 - 190

2019 - 195

In terms of our employee structure, SOFTIP currently has 67% male and 33% female employees.

Structure of employees by gender

Male 67%

Female 33%

Education

Employee education is one of the employee care policies we have implemented. The obtained knowledge and the investment in employee education will benefit both the employees and the employer. From this viewpoint, the employee education process is deemed to be a great investment.

Employee education is perceived as one of the benefits which should reduce employee fluctuations and strengthen the company, which in turn will become more competitive. Working with cutting-edge technologies basically necessitates regular training and a general broadening of one's horizons.

In 2019, we focussed on employee education across the entire company and on expanding our process optimisation know-how, as well as improving the knowledge of Enterprise Architect, JAVA, UML and expanding ITIL project manager skills through achieving TOGAF, CRISC and PRINCE 2 certification. Last, but not least, our system engineers and specialists improved their knowledge so that, as a Microsoft Gold Partner, we could gain and/or maintain our Microsoft Azure, Security, Gold Communication, Office 365 and Microsoft Teams related competencies. Most of the educational activities allowed the participants to obtain certificates.

Our consultants also attend year-round training courses focussed on legislation and the related changes. We must also mention our employer endorsed year-round employee self-education.

In 2019, we spent almost € 225 thousand on employee education in terms of the time spent on educational activities and the external costs.

Our continued objective is to develop the potential of our employees, to give them the opportunity for personal and professional growth.

Benefits

We perceive the benefits provided to our employees as an opportunity to distinguish ourselves from other employers, and an opportunity to provide our employees with better health and family care.

Thanks to our existing programmes we have had the opportunity to cover a wide range of activities ranging from health care (the traditional Green Day of Health with focus on the prevention of civilization diseases) to wellness, provided by our contractual partners. For more information on our benefits, please visit our career website <https://www.softip.sk/sk/o-nas/kariera>.

The most frequently used benefit is extra leave, which has been very popular with our employees since its introduction in 2017. Five extra days of leave are available to all employees once they have used up all the days of their legal leave entitlement. This extra leave can be utilised until April of the next year.

We think about our employees even when it comes to planning their private lives and free time. Thanks to flexible working times, we have a 40-hour work week with fixed working hours from 9:00 a.m. to 2:30 p.m. Employees who live further from their workplace and for whom a daily commute is complicated also have the opportunity to work from home.

Employees can also submit their own ideas when it comes to our benefits. In 2019, our company spent a total of € 150 thousand on employee benefits. Our main objective is to introduce fair benefits for all employees in all the workplaces of SOFTIP, and for every generation of employees.

In terms of the economic results, 2019 was an exceptional year

In fact, it was the best in our history. We confirmed the direction of the company and its stable and strong position in the Slovak ICT market.

Just like in previous years, the factors contributing the most to our success were our broad portfolio and the diversification of our products and services for different market segments. The complexity of our portfolio gives us a unique position among IT companies, making us resistant to fluctuations in individual segments.

In 2019, we reported earnings before tax of 2.54 million . This is historically our best result. There was a slight decrease in our sales revenue, which was the third highest in the company's history (with better results only in 2008 and 2018), amounting to € 18.23 million . In comparison to previous years, all other financial indicators improved, except for our sales revenue. We produced an added value in excess of € 11.6 million, which is an increase of 7% compared to 2018. In terms of our economic, business and employment contribution, SOFTIP ranks among the most important businesses with a positive impact on all Slovak regions.

The excellent results for the given year were achieved in a highly competitive environment, showing the complexity of our company and our focus on the efficiency of our internal processes. An excellent sales strategy and the ability to implement small and large projects alike are the main success factors in our company.

comparison Revenues total in EUR



2015 - 9.539.302

2016 - 7.471.353

2017 - 8.152.168

2018 - 10.901.699

2019 - 11.642.017

We have also seen positive growth in the field of turn-key development projects in the commercial segment, as well as in the state and public administration segments. ERP system, SAP solution, infrastructure solution, production management and payroll outsourcing sales have remained stable.

The company is financially stable, which is the basis for following its development strategy. We only used loans to a minimal extent throughout the year. In 2019, we capitalised the research and development expenses of SOFTIP AUDIT, for interconnecting SOFTIP MONACO and SOFTIP PROFIT PLUS, as well as for the development of the cash-on-delivery system for a distribution company and the development of unified CV record-keeping in SOFTIP HAPPY HR. Our largest capitalised development project was the technological modernisation of our flagship product SOFTIP PROFIT PLUS.

The Independent Auditor's Report states that the Financial Statements, as on 31 December 2019, provide a true and accurate image of the company's financial situation.

On 31 December 2019, the company had no overdue payables and its solvency could once again be documented by a Certificate of Registration in the list of businesses issued by the Public Procurement Office.

Selected economic indicators



	2015	2016	2017	2018	2019
Equity	2,564,860	1,530,218	1,541,084	2,393,055	2,479,194
Revenues total	13,831,363	11,062,842	11,211,337	19,647,252	18,226,226
Added Value	9,539,302	7,471,353	8,152,168	10,901,699	11,642,017
Profit before tax	2,341,628	1,330,189	1,414,441	2,375,989	2,539,100
Profit after tax	1,789,449	901,154	1,092,520	1,856,298	2,027,063
Added Value / 1 empl.	55,671	43,644	48,195	57,402	60,982
Profit before tax / 1 empl.	13,666	7,770	8,362	12,510	13,300
Revenues total / 1 empl.	80,720	64,623	66,280	103,450	95,470

**Balance sheet as
of December 31,
2019, comparing the
development since 2015
in EUR**



	2015	2016	2017	2018	2019
Total assets	5,451,523	3,871,411	4,054,670	5,937,712	6,045,510
Non-current assets	387,978	285,332	1,004,313	671,001	903,948
Non-current intangible assets	211,039	162,089	297,006	591,007	672,423
Property, plant and equipment	166,319	123,243	89,512	70,158	213,795
Non-current financial assets	10,620	x	617,795	9,836	17,730
Current assets	4,826,043	3,323,642	2,803,236	5,015,507	4,875,909
Inventory	16,725	20,127	25,564	15,542	17,474
Non-current receivables	361,771	187,470	163,884	265,413	402,514
Current receivables	3,770,013	2,521,862	2,297,727	2,659,822	4,343,020
Financial accounts	677,534	594,183	316,061	2,074,730	112,901
Accruals / deferrals	237,502	262,437	247,121	251,204	265,653
Total equity and liabilities	5,451,523	3,871,411	4,054,670	5,937,712	6,045,510
Equity	2,564,860	1,530,218	1,541,084	2,393,055	2,479,194
Share capital	33,194	33,194	33,194	33,194	33,194
Capital funds	x	x	x	x	x
Funds created from profit	x	x	x	x	x
Legal reserves	6,639	6,639	6,639	6,639	6,639
Net profit / loss of previous years	735,578	589,231	400,936	492,302	399,782

Balance sheet as of December 31, 2019, comparing the development since 2015 in EUR

▷

	2015	2016	2017	2018	2019
Net profit / loss for the accounting period after tax	1,789,449	901,154	1,092,520	1,856,298	2,027,063
Liabilities	2,736,577	2,199,191	2,333,325	3,330,434	3,227,405
Provisions	x	x	x	x	x
Non-current liabilities	71,138	49,627	42,662	46,289	43,165
Non-current provisions	7,217	6,344	3,091	4,527	8,676
Current liabilities	2,032,010	1,253,128	1,808,267	2,386,252	2,350,942
Current provisions	618,005	86,946	48,861	461,662	410,947
Term bank loans	8,207	803,146	430,444	431,704	413,675
Accruals / Dererrals	150,086	142,002	180,261	214,223	338,911

Income statement as of December 31, 2019, comparing the development since 2015 in EUR

▷

	2015	2016	2017	2018	2019
Revenue from the sale of merchandise	430,024	397,866	442,731	392,830	423,742
Costs of merchandise sold	329,532	314,348	370,191	297,045	346,744
Profit margin	100,492	83,518	72,540	95,785	76,998
Revenues from SOFTIP product and service sales	13,401,339	10,664,976	10,768,606	19,254,422	17,802,484
Activation	18,965	59,245	196,211	113,589	212,950
Production consumption	3,981,494	3,336,386	2,885,189	8,562,097	6,450,415

**Income statement
as of December 31,
2019, comparing the
development since 2015
in EUR**



	2015	2016	2017	2018	2019
Added value	9,539,302	7,471,353	8,152,168	10,901,699	11,642,017
Personnel expenses total	6,945,773	6,088,428	6,664,808	8,333,703	9,026,119
Taxes and fees	16,992	6,155	5,413	7,685	5,209
Tangible and intangible fixed assets depreciation	209,536	178,844	99,288	147,441	194,260
Tangible and intangible fixed assets revenues	2,795	1,263	1,164	15,789	5,025
Carrying value of non-current assets sold and raw materials	56	0	17,528	3,507	14,447
Generation and settlement of value adjustments for receivables	-469,179	-3,047	-8,036	22,260	1,585
Other operating income	63,064	134,432	85,059	153,388	201,221
Other operating expenses	44,729	-34,786	52,696	155,339	60,078
Profit / loss from operations	2,857,254	1,371,454	1,406,694	2,400,941	2,546,565
Revenues generated from security and share sales		10,000	0	0	0
Sold securities and shares		10,603	0	0	0
Revenues generated from financial fixed assets		0	0	0	0
Generation and settlement of value adjustment for financial assets	452,946	0	0	0	0
Interest income	155	13	0	0	0

**Income statement
as of December 31,
2019, comparing the
development since 2015
in EUR**



	2015	2016	2017	2018	2019
Interest expense	43,649	17,286	2,033	6,622	1,934
Exchange rate gain	12,587	874	2,447	2,879	14,629
Exchange rate losses	16,983	8,310	7,624	8,011	9,287
Other revenues from financial activities	,	0	32,166	0	0
Other expenses related to financial activities	14,790	15,953	17,209	13,198	10,873
Profit / loss from financial activities	-515,626	-41,265	7,747	-24,952	-7,465
Economic result from common business activities before tax	2,341,628	1,330,189	1,414,441	2,375,989	2,539,100
Tax from common business activities	552,179	429,035	321,921	519,691	512,037
Economic result from common business activities after tax	1,789,449	901,154	1,092,520	1,856,298	2,027,063
Profit / loss for the accounting period before tax	2,341,628	1,330,189	1,414,441	2,375,989	2,539,100
Profit / loss for the accounting period after tax	1,789,449	901,154	1,092,520	1,856,298	2,027,063

Independent Auditor's Report



REPORT OF INDEPENDENT AUDITOR

regarding the audit of the Financial Statements

of joint stock company

SOFTIP, a.s.

Bratislava

For the year 2019

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REPORT OF INDEPENDENT AUDITOR

For the shareholders, supervisory board, board of directors of the company SOFTIP, a.s.
Bratislava

I. Report on the Audit of Financial Statements

Opinion

We performed the audit of the enclosed Financial Statements of the company SOFTIP, a.s. with the registered office in Bratislava, ID: 36 785 512 which comprise the Balance Sheet as of December 31, 2019, the Profit and Loss Statement for the year ending as of the above mentioned date and the Notes comprising the summary of significant accounting principles and accounting methods and other explanatory information.

In our opinion, the enclosed Financial Statements presents a true and fair view of the financial situation of the company SOFTIP, a.s. as of December 31, 2019 and the economic result of the Company for the year ended as of the above mentioned date in accordance with the Act on Accounting No.431/2002 Coll. as amended. (hereinafter the "Act on Accounting")

Basis of the Opinion

We performed the audit according to International Standards on Auditing - ISA. Our responsibility according to the standards is referred in the paragraph "Responsibility of Auditor for the Audit of Financial Statements. We are independent from the Company in accordance with the provisions of Act No. 423/2015 Coll. on Statutory Audit, as amended, and Act No. 431/2002 Coll. on Accounting, as amended (hereinafter referred to as the "Act on Statutory Audit") related to ethics, including the Code of Auditor's Ethics, relevant for our audit of Financial Statements, and we also fulfilled the other requirements of these provisions related to ethics. We are convinced that the auditor evidence as acquired provide the sufficient and appropriate basis for our opinion.

Emphasizing paragraph

We would like to draw your attention to the section "Information about events that occurred after the date of the financial statements" in the Notes to the Financial Statements. This section contains information that, at the end of year 2019, information from China about COVID-19 (Coronavirus) appeared for the first time. In the first months of 2020, the virus spread throughout the world and negatively impacted many countries. Although the entity's management did not see a significant decrease in sales at the time of publishing these Financial Statements, the future development of the situation cannot be predicted. Management will continue to monitor the potential impact and takes all possible steps to minimize any negative effects on the Company and its employees. At the beginning of March 2020, company took preventive measures against the transmission of the virus to society and measures for the continuous continuation of activities (going-concern) even when working from home and providing services remotely. The shareholders and the management of the company considered all the potential impacts of COVID19 on business activities and concluded that they did not have a significant impact on the ability to continue to operate continuously and function as a healthy entity for the next 12 months.

Responsibility of the Statutory Body and persons charged with governance for Financial Statements

The statutory body is responsible for the compilation of these Financial Statements so that it could provide true and fair view according to Accounting Act and for internal controls which the statutory body considers necessary

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for the compilation of Financial Statements that are free from material misstatement, whether due to fraud or error.

When preparing the Financial Statements, the statutory body is responsible for the assessment of the Company's ability to continue as a going concern, for the description of facts related to the Company's ability to continue as a going concern, if necessary, and for the use of the assumption of going concern in accounting, unless the statutory body intends to wind-up the Company or to cease the Company's activities, or it would have no other option than to do so.

Persons charged with governance are responsible for overseeing the company's financial reporting process.

Responsibility of the Auditor for the Audit of Financial Statements

It is our responsibility to obtain reasonable assurance that the Financial Statements as whole are free of material misstatements whether due to fraud or error and to issue the Auditor's Report including an opinion. The reasonable assurance is the assurance of high level, but it does not guarantee that the audit performed in accordance with International Standards on Auditing will always reveal material misstatements, if any. The misstatements may occur due to fraud or error, and they are considered to be material if it might be reasonably expected that individually or together they could influence the economic decisions of users taken based on this Financial Statements.

Within the framework of audit performed according to International Standards on Auditing, during the period of audit we use professional judgement and maintain an attitude of professional scepticism. Furthermore:

- We identify and assess risks of the material misstatement of Financial Statements whether due to fraud or error, we propose and carry out auditing procedures responding these risks, and we acquire audit evidence that are sufficient and appropriate for providing the basis of our opinion. The risk of not revealed material misstatement due to fraud is higher than this risk due to error, because fraud can include a secret agreement, counterfeiting, intentional omission, false declaration or circumvention of internal control.
- We familiarise ourselves with internal controls relevant for our audit to propose auditing procedures appropriate in the given circumstances, but not for the purpose to express an opinion for the effectiveness of the Company's internal controls.
- We evaluate the appropriateness of used accounting principles and accounting methods and the reasonableness of accounting estimates and the relevant information referred, carried out by the statutory body.
- We provide conclusions whether the statutory body appropriately uses the assumption of going concern in its accounting and based on acquired audit evidence also the conclusion whether there is a material uncertainty related to events or circumstances which might significantly doubt the Company's ability to continue as a going concern. If we conclude that there is a material uncertainty we are obliged to draw your attention in our Auditor's Report to the relevant information stated in Financial Statements or if the information is not sufficient, to modify our opinion. Our conclusions are based on audit evidence acquired as of the date of the issue of our Auditor's Report. However, future events or circumstances may cause that the Company will not continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial Statements including the information referred in the Financial Statements, and whether the Financial Statements presents underlying transactions and events in the manner which results in their fair presentation.

We also communicate with persons charged with governance the planned scope and timing of the audit, and significant audit findings, including any significant internal control weaknesses that are identified during our audit.

II. Report on Additional Requirements of Acts and Other Legal Regulations

The Report on the Information Referred in the Annual Report

The statutory body is responsible for the information referred in the Annual Report compiled in accordance with the requirements of Accounting Act. Our abovementioned opinion on the Financial Statements does not relate to any other information referred in the Annual Report.

With respect to the audit of Financial Statements, it is our responsibility to familiarise ourselves with the information referred in the Annual Report and to evaluate whether the information is not substantially

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inconsistent with the audited Financial Statements, with our knowledge obtained during auditing the Financial Statements, or the information appears to be materially misinterpreted otherwise.

The Annual Report was not available as of the day of the issue of Auditor's Report resulting from the issue of the audit of Financial Statements.

After we receive the Annual Report, we will evaluate whether the Annual Report of the Company comprises the information as required in accordance with Accounting Act, and based on works performed during the audit of Financial Statements, we will express our opinion, whether:

- the information referred in the Annual Report for the year 2019 is in compliance with the Financial Statement for the relevant year;
- the Annual Report includes the information according to Accounting Act.

Furthermore, we will state whether we found any material misstatements in the Annual Report based on our knowledge about the entity and its situation as acquired during the audit of Financial Statements.

Banská Bystrica, March 18, 2020

BDR, spol. s r.o. Banská Bystrica
M.M.Hodžu 3, 974 01 Banská Bystrica
Licence SKAu No. 6
Commercial Register of District Court in Banská Bystrica
Section: Sro, Insert No.: 98/S, ID: 00614556



Ing. Dagmar Mihálová
key audit partner
licence SKAu No. 53

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Significant post-balance sheet events

At the end of 2019, we recorded the first news regarding Covid-19 (Coronavirus) from China. In the first months of 2020, the virus has spread globally, negatively impacting many countries. Even though at the time of publishing these Financial Statements the SOFTIP management hasn't recorded any significant reduction of sales, it remains difficult to predict future developments.

The management will keep monitoring any potential impact and will take all possible steps to alleviate any negative impact on the company and its employees. At the beginning of March 2020, SOFTIP adopted preventive measures to counter the spreading of the virus and to ensure business continuity by intensifying work from home practices and remote service provisions. After having considered the potential impact of Covid-19 on the company's business activities, the shareholders and the company management have arrived at the conclusion that their ability to ensure the uninterrupted and smooth operations of the company within the next 12 months will be significantly limited. All relevant information is being constantly updated and can be found at <https://www.softip.sk/sk/o-nas/novinky/koronavirus-preventivne-opatrenia/>

On 16 January 2020, the sole shareholder of SOFTIP, a.s., exercising the powers of the General Meeting, approved the use of the undistributed 2018 profit in the amount of € 300,000.00 and resolved to disburse the entire amount to the sole shareholder of SOFTIP, a.s. (PMK Invest, s.r.o.) in the form of a dividend.

Contact

The 2019 annual report was published in May 2020 and it is a publicly available document. An electronic version is available for download on the website www.softip.sk, under "About us", along with copies from previous years.

Seat & invoicing address:

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851 01 Bratislava - mestská časť Petržalka

Post address & contact:

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Na Troskách 26, 974 01 Banská Bystrica
TEL: +421 48 4340 111, FAX: +421 48 4230 712
softip@softip.sk, obchod@softip.sk

Basic identification data:

Business name: SOFTIP, a. s.
Seat: Krasovského 14, 851 01 Bratislava
- mestská časť Petržalka, Slovenská republika
Company reg. No.: 36 785 512, Vat reg. No.: 2022390942
Vat reg. No.: SK2022390942
Bank contact: Tatra banka, a. s.
IBAN for payments in eur: SK09 1100 0000 0026 2713 0203
IBAN for payments IN CZK: SK66 1100 0000 0028 2400 0862
Legal form: Joint Stock Company
Company registered in Business Register of the District Court in Bratislava I, section Sa, file No. 4151/B



