

**SOFTIP<sup>®</sup>**

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**ANNUAL REPORT 2013**

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## INTRODUCTION FROM THE CHAIRMAN OF THE BOARD

*Dear business partners, dear friends, I have to admit something to you: I have never put much stock into unlucky number thirteen. I only ever noted Friday the 13<sup>th</sup> because of commentary in the media, I've never had an issue taking a seat in row 13 of a plane or staying on the 13<sup>th</sup> floor of a hotel, if such things even existed. At one point in time I even lived in a house numbered 13. Last year once again confirmed my conviction that thirteen is just an ordinary, everyday number. Well, actually, please allow me to say that the number is actually a bit favourable from SOFTIP's perspective. However, I will let you draw your own conclusions.*

*Chairman of the Board of Directors, Executive director and ESS Division Director*

*He was born in 1961 in Bratislava. After completing his studies at the Electro-Technical Faculty at Slovak University of Technology in Bratislava, he held positions at Benzinol, Europahaus, CABS, and Comtech in a variety of sales positions. He came to SOFTIP in 1994, becoming its Director of Sales to Strategic Customers. From 1994 to 2006 he was the director of SOFTIP Bratislava, a. s., which later became the Bratislava branch. He also was involved in the statutory bodies of SOFTIP Bratislava, a. s. and SOFTIP Sever, a. s. Since 2007 he has been the director of the Custom Information Systems Division and later the Director for Strategic Projects in the Enterprise Solutions and Services (ESS) Division. Since 2nd May 2012, he has been the Chairman of the Board of Directors at SOFTIP as well as Executive director and ESS Division Director.*

Last year our company undertook a number of major changes and steps that we managed to bring to a successful close. The establishment of Competency Centres and the introduction of an Integrated Management System were the most important from an organizational perspective. Both of these efforts were favourably reflected in the quality and efficiency of our operations and I believe that both our customers and our partners noted the same. The Microsoft Country Partner of the Year award we received is evidence of this.

In terms of products I would be remiss if I did not mention the Keepi – CLOUD BY SOFTIP cloud solution. SOFTIP uses this solution to provide companies with a modern, secure and intuitive tool for managing enterprise finances and accounting that combines all the benefits of the cloud, including convenient access to data without restrictions, cost savings by eliminating the need to invest in internal infrastructure and staff as well as immediate support and continuous access to the latest and most up-to-date technologies. Keepi has established itself on the market and its quality has been confirmed by its victory in the Microsoft Industry Awards 2013 in the category of „Best Cloud Solution (Azure+Office365)“. I believe that the number of Keepi users will continue to rise.

A major milestone in 2013 occurred thanks to cooperation that began with German company Metasonic AG. This is a young and dynamic company that has managed to work its way into becoming one of the very best IT suppliers in a very short period of time (since 2004) for customers including Audi as well as others in the electronics industry including Hitachi and NEC and telecommunications operators. Its Metasonic® Suite software platform facilitates the simple and quick creation of a model and target application for automating processes. This solution is now available to Slovak companies as well thanks to SOFTIP.

I can positively evaluate 2013 for these reasons. Revenues of more than €10 million and pre-tax profit of €660,000 created the prerequisites for future development of SOFTIP. Such development is focused primarily on providing increasing added value for our customers. We believe that this is the way forward, towards continuous innovations, the development of new solutions and improving on existing solutions. I believe that SOFTIP's excellent team of professionals will continue on this path and define new trends moving forward.

Thank you all for your excellent cooperation in 2013 and I look forward to its continuation in the future.

*Ing. Dušan Guldán,  
Chairman of the Board of Directors  
and CEO of SOFTIP, a. s.*

## COMPANY PROFILE

*SOFTIP, as one of the most significant Slovak IT companies, has long-term experience in the design and implementation of software projects as well as the development and maintenance of software products and all related services.*

Since its establishment in 1991 the company has grown and has strengthened its position into a recognised company that today cares successfully for more than three thousand customers. Such a wide portfolio of clients allows SOFTIP employees to completely focus on real business, which we then leverage during contact with new clients.

As a systems integrator and a supplier of custom information systems, SOFTIP today is known for a strong position in Slovakia and in the Czech Republic within pension fund management.

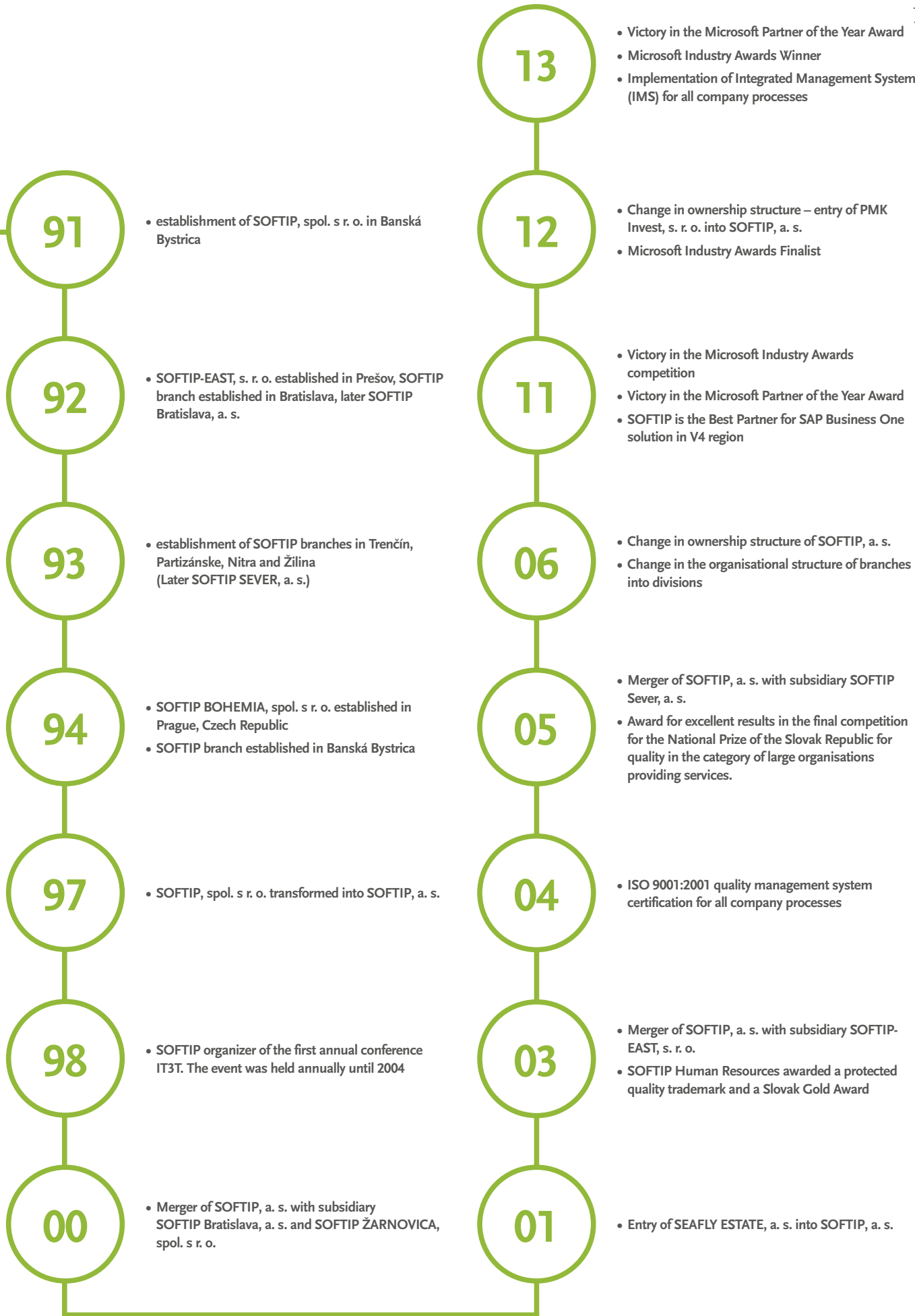
We offer all our clients what works best. We are closest to them thanks to our regional representatives. Our offices are in eight cities across Slovakia.

We are always there, at the centre of all the most important events, we follow current trends and form partnerships and alliances. In short, we do Business Live.

### BASIC IDENTIFICATION DATA

Business name: SOFTIP, a.s.  
Registered seat: Business Center Aruba,  
Galvaniho 7/D, 821 04 Bratislava  
Company Reg. No. 36 785 512  
VAT Reg. No. SK2022390942  
Bank contact: Tatra banka, a. s., account number: 2627130203/1100  
IBAN: SK09 1100 0000 0026 2713 0203  
SWIFT/BIC: ATRSKBX  
Registered in: Business Register of the District Court in Bratislava I,  
section Sa, file No. 4151/B  
Legal form: Joint stock company  
Registered capital: € 33,193.92  
Representation: In eight cities of Slovakia

## HISTORY OF THE COMPANY



# COMPANY VALUES

## 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 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

SOFTIP adopted a number of new policy measures within preparations for the introduction of an integrated management system:

To strengthen its position as a preferred supplier of IT services and solutions for the Slovak and foreign markets while maintaining ethical principles and the principles of fair competition.

To be a key partner for our customers by providing continued added value and quality.

To build relationships with strategic partners and suppliers based on mutual respect and to share together in the systematic integration of quality and environmental management.

To continuously improve the quality of our company by raising qualification levels as well as safety and environmental awareness among employees. To help employees to develop professionally and in their careers through a system of education as well as process and project management. To support mutual trust between management and employees.

To secure maximum possible protection for confidential information based on the information security management system.

To provide a high level of care for occupational health and safety. To avoid incidents.

To continuously improve the company's relationship to the environment by creating the conditions for preventing pollution, by optimizing production, by properly disposing of waste and by decreasing our environmental impact.

To respect all current laws and other regulatory requirements.

To secure an efficient integrated management system pursuant to the requirements of EN ISO 9001, ISO 10006, EN ISO 14001, ISO/IEC 27001 and OHSAS 18001 standards.



## AWARDS AND CERTIFICATES FROM STRATEGIC PARTNERS

*SOFTIP closely cooperated with major multinational IT companies when designing and proposing information projects. SOFTIP's and our employees' professional certificates from strategic partners are confirmation of the high level of such relationships and our expertise in the products provided by global leaders.*

Ján Schwarz, Technical Director

SOFTIP has been a Microsoft Gold Certified Partner since 2005. As the only company in the Slovak Republic it has also received the highest Microsoft Gold Partner for Communications level of competency, which is confirmation of our professional skills in implementing design, deployment and support for Microsoft Lync technology. The highest status of Microsoft Cloud Accelerate Partner is confirmation of our specialization in the area of designing, deploying and customizing web products and services.

SOFTIP also excelled among global competition in 2013 and received Microsoft Partner of the Year Winner status thanks to its excellent innovative solutions based on Microsoft technologies. We have now received this major recognition, which is the reflection of the excellent long-term cooperation with Microsoft's Slovak representatives, a total of two times.

The use of the most advanced technologies and the quality of provided services and solutions were confirmed by a series of wins for SOFTIP, for the eighth consecutive time, in the Microsoft Industry Awards in 2013. The company received the prestigious Microsoft Industry Awards 2013 Winner award in the category of „Best Cloud Solution (Azure+Office365)“ for the Keepi – CLOUD BY SOFTIP solution.

SOFTIP also defended its gold partner status with Hewlett-Packard in 2013. The HP Gold Specialist certificate is a guarantee that the company is a supplier of top quality services and the latest technologies from HP.

We closely cooperate with other major multinational IT companies, a list of which is maintained and updated on [www.softip.sk](http://www.softip.sk).

Since 2002 SOFTIP has been a member of the IT Association of Slovakia, a professional association of the most important domestic and foreign companies in the information and communication technology sector.

A quality management system pursuant to the EN ISO 9001:2008 standard has been in place at SOFTIP since 2004. Another four management systems pursuant to international standards were added in 2013 within the project to implement the Integrated Management System (IMS), specifically:

- SO 10006 (Guidelines for quality management in projects),
- OHSAS 18001 (Occupational health and safety management system),
- EN ISO 14001 (Environmental management system), and
- ISO/IEC 27001 (Information security management system).

Certification for the implemented Integrated Management System was completed by auditors from the renowned certification company TÜV SÜD Slovakia. Upon successful completion of the certification audit SOFTIP confirmed its responsible behaviour towards the environment, the health of employees, controlled access to information and data protection and the fact that the company uses the latest methods for efficient, system and process management. The deployment of the Integrated Management System allows the company to present itself as a responsible company providing the highest added value for its customers.

The certificates cover software development, production, implementation and support, IT consulting activities, analytical and advisory services, training and education, IT sales and marketing activities as well as hardware purchasing, sales and support, outsourcing services, software and hardware.

The scope of the certified Integrated Management System includes all components of the EN ISO 9001, ISO 10006, EN ISO 14001, ISO/IEC 27001 and OHSAS 18001 standards. The company applies these standards to all its processes.

### AWARDS



### QUALITY CERTIFICATES



Organizational Structure at 31<sup>st</sup> December 2013

# COMPANY STRUCTURE

A change took place in the organizational structure of the company in 2013 due to the implementation of the Integrated Management System and the creation of the new IMS Representative and Security Manager roles.

SOFTIP conducts sales, development and maintenance activities via its two segment-oriented divisions specialized for specific types of services, products and solutions:

## SME DIVISION - SMALL AND MEDIUM ENTERPRISES

The SME Division implements our in-house ERP solution, SOFTIP HUMAN RESOURCES PLUS and solutions from our partner SAP with a range of accessory modules. 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, the Customer Support Centre and Remote Support. The company has a team of developers and consultants with a vast array of experience from the retail and service sectors and from industry and the public sector.

Another change took place in the internal organization of the division in 2013 along with the creation of Competency Centres for individual product lines and/or service segments. The specialists in the Competency Centres have unique skills and experience for specific products or services, which increases the level of their personal engagement in the development of these products and services.

## 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. One given is our customized and individual approach; another given is continuous technical and professional support provided by our staff.



SHAREHOLDERS’  
STRUCTURE

The company shareholders  
as of 31<sup>st</sup> December 2013:

OWNER	NOMINAL VALUE OF SHARES IN €	PERCENTAGE SHARE IN THE BASIC CAPITAL
PMK Invest, s.r.o., Galvaniho 17/B, 821 04 Bratislava, IČO: 36 801 267	33,193.92	100.00 %
Total	33,193.92	100.00 %

CAPITAL PARTICIPATION  
IN OTHER COMPANIES

As of 31<sup>st</sup> December 2013, SOFTIP has invested in the following  
companies:

COMPANY	SHARE CAPITAL	PERCENTAGE OWNED BY SOFTIP
SOFTIP BOHEMIA, spol. s r. o.	270,000 CZK	100.00 %
SOFTIP MORAVA, s. r. o. v likvidácii	500,000 CZK	73.00 %
SOFTIP - DELTA, a. s. v likvidácii	33,190.00 EUR	66.00 %
ConnSpec, a. s.	33,193.92 EUR	49.00 %

BOARD  
OF DIRECTORS

Board of Directors  
at 31<sup>st</sup> December 2013:

Ing. Dušan Guldán	Chairman of the Board of Directors
Ing. Radovan Bálent	Member of the Board of Directors
Ing. Martin Vlčko	Member of the Board of Directors

BOARD  
OF TRUSTEES

Board of Trustees  
at 31<sup>st</sup> December 2013:

Ing. Milan Hán	Chairman of the Board of Trustees
prof. Ing. František Janíček, PhD.	Member of the Board of Trustees
Štefan Duda	Member of the Board of Trustees

Board of Trustees from 17<sup>th</sup> April 2014:

Ing. Milan Hán	Chairman of the Board of Trustees
prof. Ing. František Janíček, PhD.	Member of the Board of Trustees
Ing. Roman Nahálka	Member of the Board of Trustees

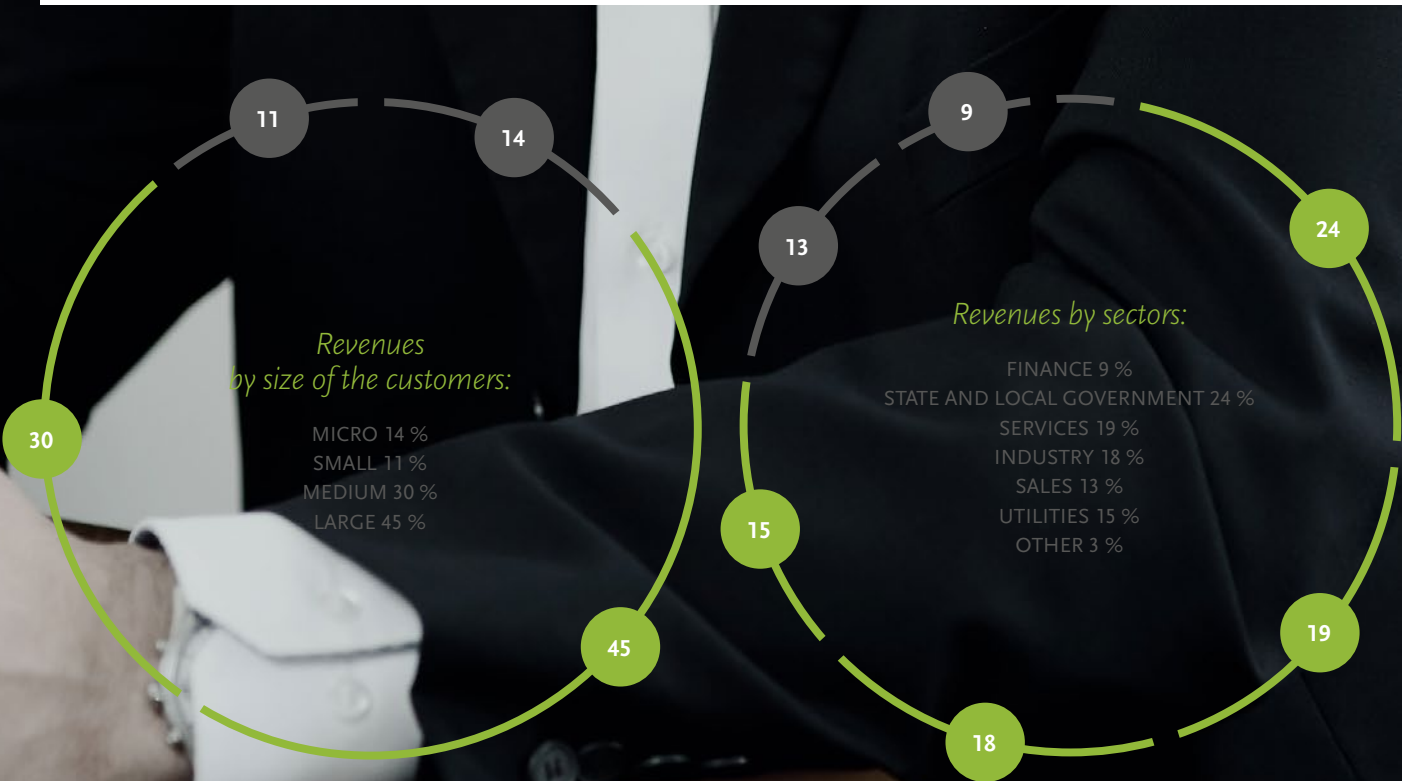




## SOFTIP IN 2013

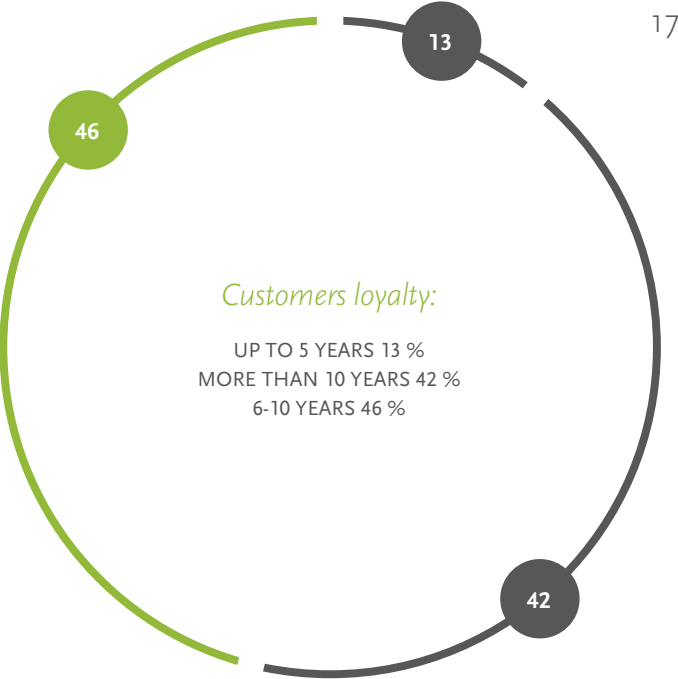
Ing. Radovan Bálent, Member of the Board of Directors and SME Division Director

He was born in 1968 in Nitra. He completed university studies Electro-Technical Faculty at Slovak University of Technology in Bratislava with a specialization in electronic computers and the creation of programming systems. He began work as a programmer at the General Hospital in Partizánske. In 1993 he joined SOFTIP, working first as a consultant and then later as a database specialist. From 2002 to 2006 he held the position of Director at the Trenčín branch. Since 2007 he was been the Director of the Enterprise Resource Planning (ERP) Division and the Sales Director of the Small and Medium Enterprises (SME) Division. Since 2nd May 2012 he has been a Member of the Board of Directors at SOFTIP and SME Division Director.



## LONG-TERM RELATIONSHIPS WITH CUSTOMERS

SOFTIP as a customer-focused company is aware of the importance of long-term partnership with its customers. Clear evidence in support of this approach is the fact that nearly 42 % of SOFTIP's contracted partners have been loyal customers for 10 years or longer. Another 45 % have used our products for more than 5 years and this group of customers generates more than half of SOFTIP's revenues. The successful acquisition of new customers who have concluded contracts over the past 5 years is another point of interest and revenues generated by this segment equalled a quarter of all of SOFTIP's revenues.



## CUSTOMERS BY SEGMENT AND SIZE

SOFTIP has long been successful in implementing large-scale orders for the state and public administration. This success is reflected in the fact that the highest share of revenues is attributed to this segment. Revenue diversification from different segments is another positive as it means that no single segment predominates with regards to the company's overall revenues.

The stability of SOFTIP's revenues is also given by the fact that the largest share of these revenues (up to 45 %) is from the large customer segment, which features companies with more than 250 employees. Another 30 % of SOFTIP's revenue is from medium-large companies with 50 to 249 employees. SOFTIP's product portfolio is able to meet the needs of the largest and the most demanding clients. This sets SOFTIP apart from other ERP solution providers on the Slovak market, who largely deploy their solutions in the small business segment.

## SERVICES, SOLUTIONS AND PRODUCTS

*SOFTIP has been a stable and important contractor on the market for IT solutions in Slovakia for more than 20 years. We provide services to more than 3,000 customers, allowing us to affect the overall perception of the IT market, its development and direction in a significant manner. The influence that SOFTIP has is primarily seen in the area of ERP and HR solutions as well as in the delivery of custom, portal and system services.*

### PROJECT MANAGEMENT

SOFTIP has long-term experience in managing wide-ranging IT projects. Project management is one of the most critical processes in the company and this is the reason why we focus so much attention on methodology. A methodology-based procedure helps to manage any kind of project including customer projects, internal projects, product development and service delivery. Experienced project managers, who are regularly trained by renowned foreign trainers, are entrusted with project management. Adherence to the defined methodology is checked by both internal and external auditors.

### SECTOR SOLUTIONS

During its two decades of work on the Slovak and Czech markets, SOFTIP solutions have been implemented in thousands of companies. Such a wide portfolio of clients allows us to completely focus on real business and to gain expertise in various segments. This is the reason why our solutions are individually suited to the conditions of customer's segments: Sales, Industry, State and local government, Utilities, Finance and Services.

### MAP OF SOFTIP SERVICES, SOLUTIONS AND PRODUCTS

#### MANAGEMENT SUPPORT

MANAGEMENT INFORMATION SYSTEMS SOFTIP MIS  
• SOFTIP MPP • MICROSOFT DYNAMICS CRM • SUITE  
BUSINESS PROCESS MANAGEMENT METASONIC • PERSONAL  
CONTROLLING

#### HUMAN RESOURCES

SOFTIP HUMAN RESOURCES PLUS • SOFTIP EHR •  
ATTENDANCE AND MEALS SYSTEM • INFORMATION SYSTEM  
FOR HR AGENCIES ISPA

#### ERP

SOFTIP PROFIT PLUS • SAP BUSINESS ONE • SAP BUSINESS  
ALL-IN-ONE • KEEPI • CLOUD BY SOFTIP • SOFTIP PACKET

#### INDUSTRY SOLUTIONS

SOFTIP DOPRAVA • SOFTIP VÝROBA

#### CUSTOM SOLUTIONS

IS FOR PENSION FUNDS SOFTIP GARANT • WEBGARANT •  
PPORTAL AND WEB SOLUTIONS • CENTRAL PROCUREMENT  
• FINANCIAL PROJECT MANAGEMENT • ELECTRONIC  
DOCUMENT EXCHANGE • REGISTERS FOR RECORDING  
AND ADMINISTERING DATA

#### SERVICES

AUDIT IT • OUTSOURCING • SYSTEM AND INFRASTRUCTURE  
SERVICES • INTEGRATED COMMUNICATIONS • ADATA  
ARCHIVING AND BACKUP • INFORMATION SECURITY  
• SYSTEMS INTEGRATION • OPTIMIZATION OF IT  
INFRASTRUCTURE • VIRTUALIZATION • BUSINESS ANALYSIS  
AND FEASIBILITY STUDIES • CONSULTING AND ADVISORY  
SERVICES • EDUCATION





## MANAGEMENT INFORMATION SYSTEM

*SOFTIP MIS is a management information system intended for use by top management and other levels of management in order to leverage information from all available data sources regardless of information system to serve as a decision support resource.*

SOFTIP MIS keeps staff at all levels of management informed of the results of their department while maintaining data consistency, i.e. there is only one „version of the truth“ in the entire company. SOFTIP MPP, which features a very short period for implementation, a major advantage, is offered as a bundle of management information system solutions added on to the SOFTIP PROFIT PLUS IS. This solution includes four modules (Economics and Finance, Sales, HR and Assets), which can be purchased individually and then developed to match the customer's specific needs.

*Ing. Igor Gašparík, Product Manager for Management Information Systems*

### NEWS IN 2013

- Incorporation of cash flow into SOFTIP MPP with the ability to monitor cash flow development over a fixed term and to respond to deviations by taking timely action using analysis of such development,
- Financial analysis support using SOFTIP MPP predictions and the actual calculation of selected ratio indicators as well as graphical representation of their development,
- SOFTIP MPP implementation in the form of outsourcing in the SOFTIP data repository which is currently operated for three major clients.

### MOST SIGNIFICANT IMPLEMENTATION IN 2013

- ENERGOINVEST – analysis of the current status and continuous monitoring of projects and evaluating their costs and revenues from the perspective of the company,
- Slovenská autobusová doprava Žilina – further development of MIS functionality - analysis of ticket revenues and fuel consumption analysis,
- KONŠTRUKTA – creation of the Business Plan web application to enable the uploading of cash registers to enhance the evaluation of the fulfilment of the plan and cash flow for individual orders in MIS,
- KOFT Bratislava – analysis, sales
- SAD Prešov – analysis of costs, income and profitability of bus lines,
- Slovenský vodohospodársky podnik – reporting for the Networked Utility Regulatory Authority (URSO).





# BUSINESS PROCESS MANAGEMENT

*At the end of 2013 SOFTIP signed a partnership agreement (VAR) with the German company METASONIC AG and expanded its product line to include unique solutions for automation and dynamic control of enterprise processes using the Metasonic® Suite platform.*

*Ing. Milan Toth, Product Manager for Business Process Management*

## METASONIC® SUITE BENEFITS

This tool is used for the entire life cycle of the BPM (Business Process Management) project, from analysis to automation, the actual operation of processes and on through monitoring and subsequent process optimization. It delivers a solution with immediate results and simple integration. Any changes in the processes may be implemented on the fly without major investments and with a quick return on investment. The same applies throughout the life cycle of the installation and not just at the beginning.

SOFTIP introduced this breakthrough technology in cooperation with its strategic partner, METASONIC AG, during a spring road show held at the beginning of April 2014 in three cities in Slovakia (Košice, Sliač and Modra). Road show participants appreciated the practical presentation of solutions and process modelling with Metasonic® Touch Table. The most appealing advantages of the Metasonic® Suite were the ability to decrease process implementation time by 30 to 70 % and the ability to decrease application development time by 40 - 60 %.

- Defining business rules no longer requires programming skills. Rules can now be created directly by the employees whose specialized knowledge drives the process. This saves time and costs and prevents errors
- Formbased Process Navigation provides you with a fast and easy way to include all users in the process. Some of your employees thus need not be confronted with the new user environment, which significantly increases acceptance of the process solution
- As a result of the ability to work on a process model as a team, modelers with different focuses (e.g. specialist users or IT integrators) working from different locations can work on the same model.



## SOFTIP PROFIT PLUS

*SOFTIP PROFIT PLUS is an innovative and complex ERP information system that SOFTIP first brought to market in September 2012. This fully integrated solution for managing economic and financial processes, sales and logistics processes and a complex solution for HR and payroll management was functionally expanded to include a module for managing production, new e-modules and MPP management overviews. This solution supports mobile technology as well.*

Thanks to the SOFTIP PROFIT mobile application, management and sales staff now have all the data they need including the statuses of orders and receivables as well as prices and current stock levels immediately at their fingertips on their mobile devices. SOFTIP PROFIT PLUS is today used by more than 660 customers with more than 8,200 users.

*Ing. Dušan Homola, Product Manager for the SOFTIP PROFIT PLUS IS*

## MAJOR IMPLEMENTATIONS IN 2013

- Medirex Servis - development and implementation of a solution to assure a central purchasing process for all companies in the Medirex Group. The solution is based on the SOFTIP PROFIT PLUS IS with the new eNKP web application intended to collect requests from individual companies built on this basic foundation. This is an integrated, multi-company solution working with a unified database.
- EUROPLAC - a unique integrated solution built on the SOFTIP PROFIT PLUS IS and Microsoft Dynamics CRM platforms. The connection of these two systems enables flexibility and efficient management of individual sales cases by the sales manager in Germany as well as efficient and automated processing of closed sales cases into the production process and then into the delivery process and financial processing in Slovakia. All users of this process have all the information they need available in real time thanks to this solution. EDI communication with customers in Germany was also resolved for EUROPLAC. This solution facilitates the importing of orders in EDI format and their subsequent processing and confirmation of delivery. EDI communication at the level of delivery and invoicing documents then follows.
- Staropramen-Slovakia - solution for logistics and monitoring the movement of tapping equipment in the segment of hotels, restaurants and food service establishments. The solution is integrated into the SOFTIP PROFIT PLUS production IS and facilitates the efficient connection of fixed asset records.
- Falck Záchraná - a solution was developed for the simplified recording and approval of business documents, even without access to the production IS. The solution is based on the Microsoft SharePoint 2010 product and is connected to the SOFTIP PROFIT PLUS production IS. Thanks to this new solution the potential loss of documents was minimized and the payment of invoices that are only reimbursed with approval from an authorized person was expedited.
- INDEX NOSLUŠ - customization and installation of an eCRM application for recording potential customers and related sales activities.
- Baliane obchodu Poprad - import of delivery notes and invoices from the e-shop to the SOFTIP PROFIT PLUS production system.
- Evonik Femas - import of personnel data from SAP to SHR.
- FRUCONA Košice - generation of SSCC codes for deliveries to the METRO chain and EDI communications.
- ENPAY TRANSFORMER COMPONENTS - development of a solution for monitoring the movement of transformer coil sheets, their subsequent separation and monitoring of additional attributes until delivery for production. Modern work methods have been deployed for electronic scales, the deployment of material markings and monitoring of the movement of materials using EAN codes. The solution was developed in cooperation with Bartech and uses mobile equipment with a connection to the SOFTIP PROFIT PLUS production system.



## SOFTIP PROFIT VÝROBA

*A special application of the SOFTIP PROFIT PLUS IS – VÝROBA along with other modules of the SOFTIP PROFIT PLUS IS ensures support and control over production processes in an organization. This module provides users with a comfortable way to automate and optimize production activities to achieve maximum productivity, efficiency and flexibility in production activities.*

It also provides on-line information on the status of production, including financial aspects, in conjunction with the economic and HR modules. This complex solution provides the customer with a tool for supporting the company management and optimum planning while helping to ensure the management of production quality while resolving the processing of real calculations for the plan and real levels in conjunction with the economic system.

We recorded increasing interest from customers in the SOFTIP PROFIT VÝROBA application in 2013. Delivery of a high quality solution was supported with subsequent development activities, thanks to which we adapted the software to the needs to customers to the maximum possible extent. Numerous priorities were incorporated specifically for the mechanical engineering and metallurgy segment.

*Ing. Ján Kapoun, Production Manager for SOFTIP PROFIT VÝROBA*

### NEW FUNCTIONALITIES INCORPORATED IN 2013

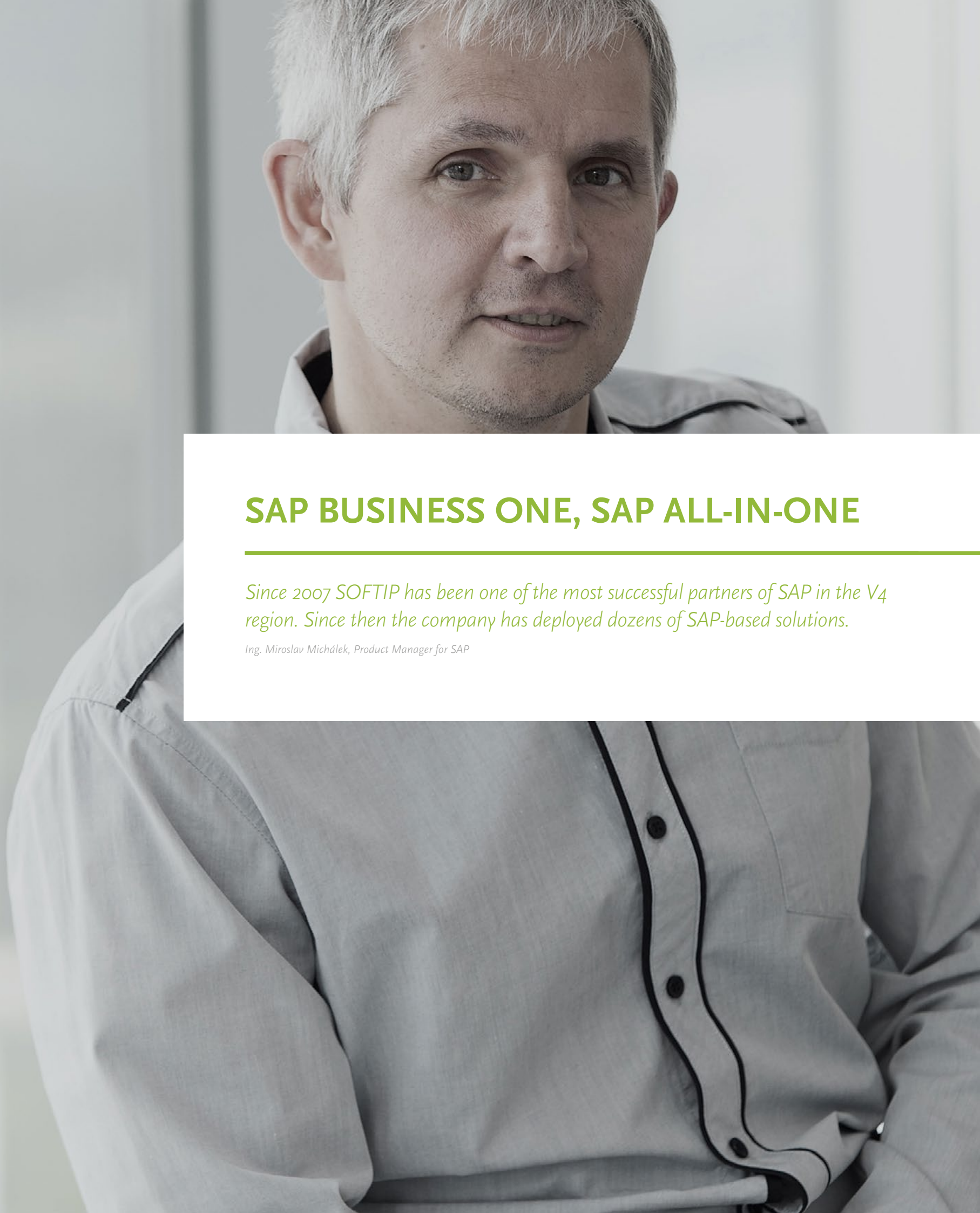
- Part identification for individual materials,
- Records of certifications and attestations for materials, suppliers and cooperating parties,
- Records of measurements that are part of any phase of the production process,
- Separate records for separating materials,
- Extensive records of the parameters and properties of materials, merchandise, products and services,
- Completion of monthly production closing and expansion of functionality for accounting unfinished production in real time,
- Separate tool room records,
- Quality records and 9 types of technical standards with automatic comparison and pairing were added in order to support the unambiguous identification of materials,
- Comprehensive records of production set up times for individual production operations and their projection into calculations and production process capacities,
- Automatic scanning and bulk processing of checked out production process operations,
- Methods for checking out products were expanded to include the scan reading of work sheets and automatic registration,
- Activities in response to requests and completing bids for customers,
- Complete records and settlement of non-conforming production,
- Comprehensive records of cooperation.

These incorporated changes are fully modifiable for other market segments, which enables us to complete additional orders.

### IN 2013 WE COMPLETED WORK ON THE FOLLOWING MAJOR PROJECTS

- FIMAD – machine tool production with requirements on precise records of all inputs and processes with product passports.
- Technical refurbishment and protection of railways - records, administration and management of small construction orders. Calculations and management of maintenance activities within the repair, maintenance and production of new production resources.
- Illichmann Castalloy - precision production records in the foundry segment with connection to on-line accounting of unfinished production. Operational report on non-conforming products with the bulk reject settlement.
- Plastex – a special order for calculating, technical set up, management and evaluation of processes in the segment of the production of printing plates and printing services.
- RKS Trenčín – monitoring of unfinished products by individual orders in the structure of the calculation formula with continuous support for unfinished product inventories and with connection to in-process order status monitoring.





## SAP BUSINESS ONE, SAP ALL-IN-ONE

*Since 2007 SOFTIP has been one of the most successful partners of SAP in the V4 region. Since then the company has deployed dozens of SAP-based solutions.*

*Ing. Miroslav Michálek, Product Manager for SAP*

The SAP Business One application integrates and covers all basic enterprise activities from classifying relationships with customers, marketing events, purchasing, sales, and warehousing records to financial accounting, maintenance and production processes for small and medium enterprises. Information about the enterprise is captured in a single system and is continuously available across the entire organization and even remotely using a mobile application.

SAP Business All-in-One solutions are the best choice for medium sized enterprises searching for a comprehensive, integrated industry solution to enhance their business in every regard. These solutions facilitate the management of all activities, including financial accounting, human resources, procurement, warehousing management, production, logistics, product development and enterprise services to customer service, sales and marketing.

In 2013 SOFTIP confirmed its position as the leader on the Slovak market and became SAP Slovensko's most successful partner for the SAP Business One product.

We achieved a number of successes and interesting business cases. In addition to standard implementations we focused in 2013 on the development of special functionalities build on the SAP Business One foundation, which in practical terms meant the development of a factoring system for Poštová Banka Finančné služby financial services company and the development of a system for the NOVIS Poistovňa insurance company. The development of these products highlighted new opportunities to meet the needs of clients.

The system was also installed and placed into productive operations for DPD, s. r. o. in Bratislava during 2013. We then were successful in the procurement process conducted by its Czech counterpart and began productive operations of the system for DPD in the Czech Republic on 1.1.2014.

We also expanded our portfolio of clients to include new industries including aviation with Air Cargo Global, where we are currently engaged in work on its German operations after successfully getting its Slovak operations on-line and operational.

This is not the only success our company has had outside the borders of our country. We successfully completed the installation of an information system in the Polish branch of Meditrade.

SOFTIP also confirmed its position as leader at SEPS when it took over from another partner in 2013 and successfully completed a comprehensive project from introductory analysis to a number of programming modifications and data migration.

In terms of SAP Business All-in-One solutions we along with our partner Tempest took over support for SANECA Hlohovec (the former Slovakofarma and later Zentiva) from a Czech partner.

We have also continued to experience success with KLAUKE Slovakia and Klauke UK, both in terms of support and in incorporating new functionalities as requested.

A new customer in this segment is FUCHS OIL Brezno, where we provide support for Slovak users and ensure compliance with Slovak legislation.



## KEEPi – CLOUD BY SOFTIP

*SOFTIP brought the modern Keepi - CLOUD BY SOFTIP accounting software to market in 2013 for sole traders and small businesses featuring a broad range of tools including single entry and double entry accounting and tax records.*

*Ing. František Lovíšek, Head of the CLOUD Competency Centre*



Keepi is available on-line with the basic functionality offered without any fees or time restrictions and regardless of the number of users or the size of the processed agenda. Users have the option to purchase above-standard services using the e-shop for a period of their choosing.

The primary advantages offered by Keepi are legal compliance and reliable support in addition to its modern design. The Keepi team specialists help advise users via email, a discussion forum and now via on-line chat.

Keepi is continuously developed based on the needs of customers, which this cloud ERP solution is quickly gaining. In the 9 months since it was released onto the market more than 3,380 users have worked with Keepi and these users have issued more than 37,000 documents.

In addition, shortly after being brought to market, Keepi – CLOUD BY SOFTIP received its first major award winning the Microsoft Industry Awards 2013 in the category of „Best Cloud Solution (Azure+Office365)“.

Keepi has its own website [www.keepi.sk](http://www.keepi.sk) and is on Facebook.

The web application itself is available at <https://keepi.eu>





# HUMAN RESOURCES MANAGEMENT

*SOFTIP HUMAN RESOURCES PLUS is a complex package of applications defined for processing HR and payroll agendas. It is an innovative solution based on the proven SOFTIP HR platform.*

*Ing. Marián Baranovič, Product Manager for Human Resources and Operational Director for the SME Division*

In addition to a rework and more transparent visuals for users, the solution also received a number of new and useful functions. With around 1,400 customers and 7,000 users, this solution is one of the most widespread applications for managing human resources in Slovakia.

Year 2013 represented a major milestone for us - we began work on the new SOFTIP Happy HR product which contains modules for assessment, organizational management, education, the adaptation process, employee recruitment, social policy and employee services. All applications are focused on human resources, the most important resource companies have and the primary driver of innovation and development.

We succeeded in winning new customers including the Matador Group, Slovak Medical University, Children's Hospital in Banská Bystrica, PHOENIX Zdravotnícke zásobovanie, a.s. and others.

More than 1,000 users attended our regular annual seminars on legislative changes and we also recorded exceptional interest in training on the theme of social and health insurance statements over the summer with more than 300 users in attendance.

We also began using the agile SCRUM development methodology for managing product development in 2013. We are actively working on a backlog of development requests and are adding production functions at 14-day intervals. Our development efforts are focused on the real needs of companies and users and we are very thankful for the support of our customers who are cooperating with us.

Major roll outs include the following functionalities: a new OSA application for user changes - a working time account, incorporation of IBAN formats for accounts in conjunction with the transition over to SEPA, statistical reports for the Ministry of Health of the Slovak Republic, calculation of the special tax for state officials, amended social and health insurance reports for previous periods and the historical data archive service.

We completed custom work for Index Nosluš for accounting specific deductions by individual orders as well as specialized layouts for Danfoss Power Solution, Falck Záchranná, Billa, Children's Hospital in Banská Bystrica and other companies. Outputs generated from the product can be sent to all third party Slovak accounting software suites and to the SAP Business One or SAP Business All-in-One products as well.



# CUSTOM SOLUTIONS

*The SOFTIP GARANT group of products is intended to support operations and management of pension funds, supplemental pension and pension management companies (2nd and 3rd pillars of the pension assurance system).*

The GARANT IS product provides a back-office solution for pension management companies supporting all operating processes and enabling the achievement of low operating costs. The product secures complex records and processes contracts and addenda, receipt of contributions and the management of personal accounts, assessment, calculation and payment of claims, calculation and payment of commissions, accounting records, the public contribution agenda and other functions.

The webGARANT front-office solution provides an interface for clients, sales network support functionalities and functions for comprehensive client service in the company's branch network.

The GARANT IS and webGARANT solutions provide numerous data and communication interfaces to the internal systems of pension management companies and external cooperating systems.

The third member of the product group is the GARANT MIS - a data warehouse solution for internal analysis and reporting. Alternatively we provide an interface for external data warehouses and reports - systems.

## OTHER TYPICAL CUSTOM SOLUTIONS

- Portal and web solutions as an add-on to existing production and supporting systems or as separate solutions for selected areas of support:
  - Add-on solutions to existing production and support systems for remote acquisition and provisioning of information (webGARANT, Transport, providing information from productive system using mobile equipment and others)
  - Independent solutions for selected areas of support (Asset records, Electronic orders, Financial project management, Contract records, Sales network administration - webGARANT BCR)
  - Integration solutions (integration of multiple existing systems)
  - Management overviews (consolidation of distributed data)
- Business Intelligence and Management Information Systems including controlling and add-ons to support decision making at all levels of management in all types of organizations, from manufacturing companies, water utilities, financial institutions to state and public authorities.
- Business Process Management and Workflow Solutions for the design (modelling) of automation, management (measurement and monitoring) and optimizing processes. These solutions are based on existing Metasonic Suite or MS Sharepoint technologies.

## MAJOR PROJECTS IMPLEMENTED IN 2013

- Slovak Academy of Sciences - financial management for projects,
- Všeobecná úverová banka - connection between bank ERP and central procurement,
- NOVIS - solution for insurance company,
- Slovalco – Business Intelligence,
- Tatry Mountain Resorts – infrastructure and system services.



## PORTFOLIO OF SERVICES

*SOFTIP delivers custom system solutions, services with high added value and long-term partnership including guaranteed cooperation with the best the IT market has to offer. We continuously monitor technological trends and implement innovative solutions. We offer everything any every company could ever need in the area of IT.*

Solution development and implementation based on specific customer requirements and the optimization of company processes, including performance

Our employees have excellent knowledge in this area. Their experience comes from many projects requiring the application of the latest technologies and our solutions are tailored to our customers' requirements so that they would best suit their needs.

### IMPLEMENTATION OF ERP SOLUTIONS WITH ADDED VALUE

Our history of thousands of implemented projects in all industrial sectors and commercial segments also includes services for state and local government as well. We help customers uncover opportunities for development and we have proven the ability to offer them more than just ERP. For example, the Management Information System „add-on“ or the expanded e-shop are good examples today. We are able to identify the critical sales and operations problems and successfully resolve them and eliminate their causes. We understand the business of our clients and we only offer them what really works.

### OUTSOURCING

Outsourcing is one of the ways to regulate costs and to continue to increase company productivity. Outsourcing secures operations by using the best professionals without requiring any investment into expensive training for internal employees.

We offer:

- Human resources, payroll and accounting outsourcing
- IT outsourcing
- SOFTIP PROFIT PLUS, SOFTIP PACKET and SOFTIP HUMAN RESOURCES PLUS application outsourcing

### SYSTEM AND INFRASTRUCTURE SERVICES

We analyse our customers' infrastructure and propose individual solutions that will help utilize such infrastructure effectively and optimize costs. Implementing IT networks, operating systems, databases, administration and optimizing their performance based on individual requirements all use a state-of-the-art system of integrated communications (Unified Communications), or infrastructure virtualisation. We have long-term experience in the field of infrastructure services and we are continuously improving on the knowledge we have gained in the past.

### INTEGRATED COMMUNICATIONS

We deploy the latest technologies to unify communication channels, facilitate multimedia conferencing capabilities and mutual cooperation between teams as well as calls to other telephone networks with optimized costs. SOFTIP as the only partner in Slovakia with the highest level Microsoft Gold Partner for Communications competency delivers Microsoft Lync solutions that provide many advantaged based on close integration at the operating system level as well as other Microsoft products.

### DATA ARCHIVING AND BACKUP

Data are frequently the largest and most valuable asset a company has and a loss of data seriously compromises its ability to conduct business activities. For this very reason our specialists analyse existing conditions in detail and propose an ideal and secure way to back up systems to the customer in order to avoid potential failures in the future. We also provide data restoration if such an event occurs in the future.

INFORMATION SECURITY

The availability of information is important but more critical are the rights to access such information and the ability to work with the information itself. The need for security deals with the theft of critical data as well as access to data at the individual levels of management and work. SOFTIP provides comprehensive service in the area of data security, which takes the form of a physical security project to minimize the threats related to the loss or misuse of sensitive data while fully respecting all laws defined in existing legislation, in particular legislation dealing with personal data protection.

SYSTEMS INTEGRATION

Currently no company exists that would have and use a single purpose information system containing all business critical data. Just the opposite, pressure is increasing on securing mutual and trouble-free communication between various technologies, applications and platforms to provide and ensure consistent and up-to-date data. Based on our own vast experience we are able to significantly speed up and ease the process of creating connections between individual systems. This is how we save customers both time and money.

OPTIMIZATION OF IT INFRASTRUCTURE

Maximizing the efficiency and utilization of individual IT tools and processes in a company is not a simple task. Companies that try and grapple with these challenges alone are frequently faced with significant investments in terms of money and time spent by internal employee on activities that are not a part of the company's core business. We have the specialists who have faced similar challenges many times in the past and who are able to ensure high quality services when configuring modern business IT infrastructure.

VIRTUALIZATION

We design and implement an ideal scenario to enable the virtualization of the customer's IT infrastructure. This frees up funds that would otherwise be used to acquire, operate, administer and modernized hardware infrastructure. Instead the company gains a flexible hardware base that copies the need of the company as demands increase in terms of the number of clients, employees and performance.

BUSINESS ANALYSIS AND FEASIBILITY STUDIES

Our experts analyse the quality and functionality of company processes and propose solutions for such processes improvements. At the same time they help discover weaknesses in client projects and help support their strengths. They can pinpoint whether these are worth implementing or not considering the time, incurred costs and their extent.

CONSULTING AND ADVISORY SERVICES

Our employees can provide our customers with expertise and experience. We know the answers to our customers' questions; we can advise them how to solve their issues, how to avoid them and what to improve.

EDUCATION

We have our own training centre where we deliver:

- SOFTIP PROFIT PLUS, SOFTIP HUMAN RESOURCES PLUS and SOFTIP PACKET application training
- Seminars focused on current legislative changes and their integration into applications
- Education and testing in the ECDL system
- Training for Microsoft products
- Training customized to meet specific customer requirements

ADDITIONAL SERVICES

- Transformation, migration and manipulation of large volumes of data
- Project management and coordination of project activities
- Services to support productive operations
- Prophylactic information system controls
- Software and hardware audits

## RELIABLE SUPPORT

### SLA - SERVICE LEVEL AGREEMENT

We can create long-term relationships with our customers by concluding service level agreements (SLA). These represent repeated services provided in the agreed quality and scope. From their point of view, customized SLAs can be regarded as a supplementary service with added value, which is connected with the standard provided services. It shall relieve customers of supporting activities so they can fully focus on their core business.

### CUSTOMER SUPPORT CENTRE

At <http://cpz.softip.sk/> find our customers up to date information on used software products including the possibility of downloading a new version of the application software and the covering documents. They can also register a problem or question and track the status of their solutions.

### CALL CENTRE

By calling 048 4358 600 we provide immediate consultation with an expert over the phone.

### SERVICE LINE

Customers can simply dial 048 4358 700 to order service work from our professional consultants, including remote customer support services.

### REMOTE CUSTOMER SUPPORT

Remote customer support allows to use all the consulting services in the shortest time possible via remote access.

## REFERENCES

*The following major companies are SOFTIP customers:*

### SALES

Berndorf Sandrik • BILLA • COOP Jednota • Diligentia R.C. • DIN - TECHNIK • EURO PUMPS TECH • INTERPHARM Slovakia • JANEBA TIME SR • Jungheinrich • LORIKA Slovakia • MEDITRADE • NITRAZDROJ • PHOENIX Zdravotnícke zásobovanie • STAROPRAMEN SLOVAKIA • ZOP plus

### INDUSTRY

Baliarne obchodu Poprad • C.M.R. Slovakia • COREX • Danfoss Power Solution • EUROPLAC • IKEA Industry Slovakia, odštepny závod Trnava • Illichmann Castalloy • Klauke Slovakia • Knauf Insulation • KONŠTRUKTA – Industry • Lindenmaier Slovakia • MATADOR Industries • Panasonic AVC Networks Slovakia • Pivovar STEIGER • QUILTEX • Sivalco • SLOVNAFT • TATRAMAT - ohrievače vody • TESLA STROPKOV

### STATE AND LOCAL GOVERNMENT

Generálna prokuratúra SR • Krajské a Okresné sudy SR • LESY Slovenskej republiky • Ministerstvo kultúry Slovenskej republiky • Najvyšší súd Slovenskej republiky • Slovenská agentúra pre cestovný ruch • Slovenská agentúra životného prostredia • Slovenská akadémia vied • Slovenská obchodná inšpekcia • Slovenská pošta • Slovenské národné múzeum • Špecializovaný trestný súd • Štatistický úrad Slovenskej republiky • Štátna ochrana prírody Slovenskej republiky • ŠTÁTNE LESY TATRANSKÉHO NÁRODNÉHO PARKU • Úrad pre dohľad nad zdravotnou starostlivosťou • Ústredie práce, sociálnych vecí a rodiny

### UTILITIES

Podtatranská vodárenská spoločnosť • Povodí Moravy • Severoslovenské vodárne a kanalizácie • Slovenský plynárenský priemysel • SLOVENSKÝ VODOHOSPODÁRSKY PODNIK • SLOVINTEGRA ENERGY • Stredoslovenská vodárenská prevádzková spoločnosť • Trenčianska vodohospodárska spoločnosť • Západoslovenská vodárenská spoločnosť

### FINANCE

AEGON Penzijní společnost • Conseq důchodová penzijní společnost • DŮVERA zdravotná poisťovňa • KB Penzijní společnost • NOVIS Poistovňa • Slovenská sporiteľňa • Všeobecná úverová banka • Raiffeisen Penzijní společnost

### SERVICES

Direct Parcel Distribution SK • FORTUNA SK • INCAR • INDEX NOSLUŠ • KOFT Bratislava • KPMG Slovensko Advisory • Letisko Sliač • McROY Slovakia • OLO, Odvoz a likvidácia odpadu • SLOVINTEGRA • SLOVNAFT TRANS • Start People • Tatry mountain resorts • Towercom • Trenkwalder

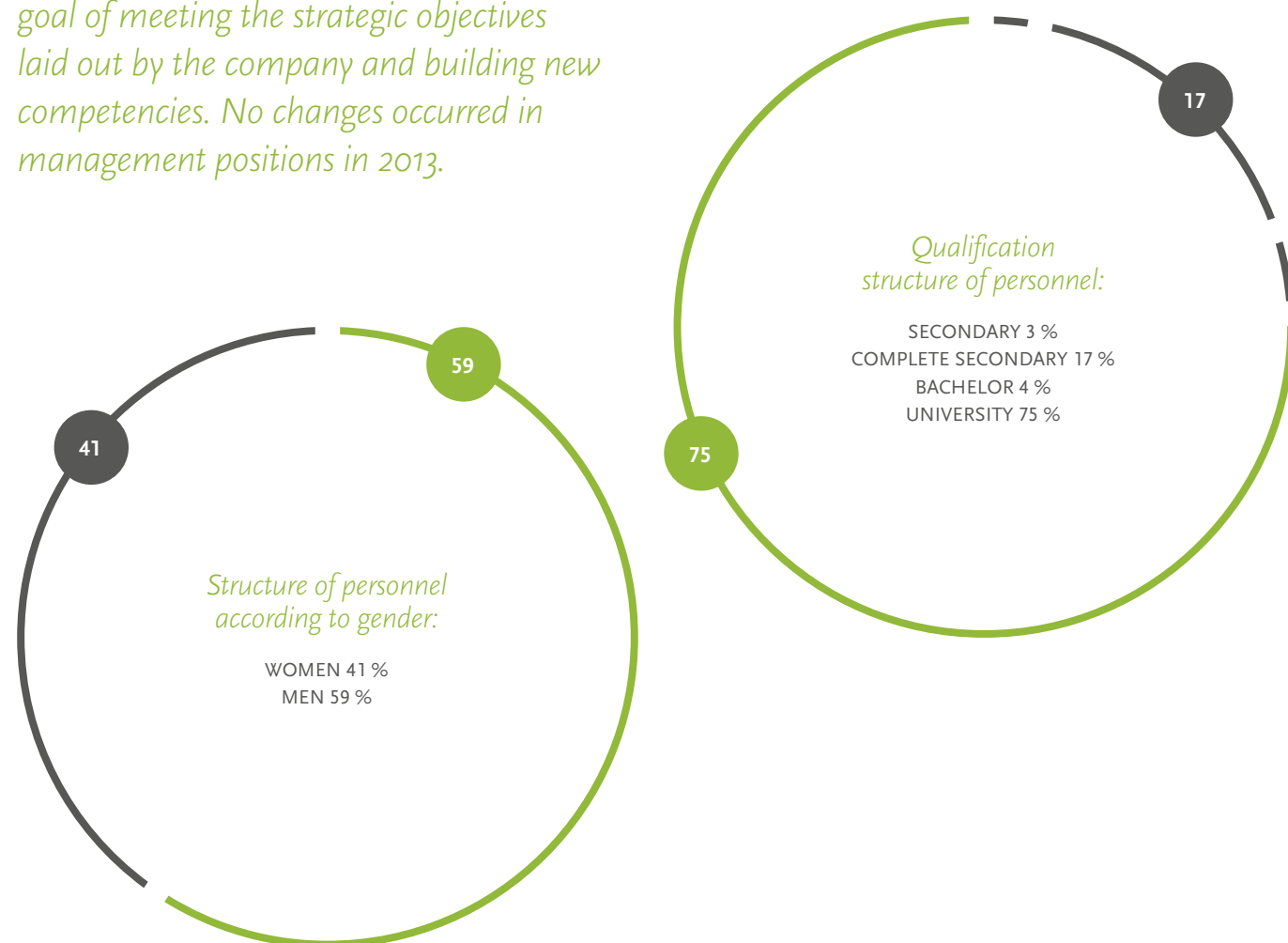
### HEALTH

Detská fakultná nemocnica s poliklinikou Banská Bystrica • Falck Záchranná • MEDIREX SERVIS • Nemocnica s poliklinikou Partizánske • Svet zdravia • Univerzitná nemocnica Martin • Ústredná vojenská nemocnica SNP Ružomberok • Železničné zdravotníctvo Košice

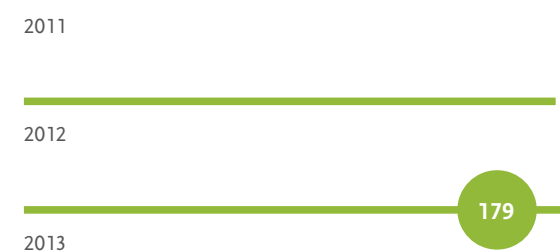
## HUMAN RESOURCES

As of 31<sup>st</sup> December 2013, SOFTIP employed a total of 179 employees, 74 of whom were women, representing 41 % of the total number of employees, the same as in 2012. The number of employees increased by 1 employee in a year-on comparison. Over 2013 the process of making changes in the structure of employees continued with the goal of meeting the strategic objectives laid out by the company and building new competencies. No changes occurred in management positions in 2013.

Education activities continued in the field of professional and technical training as well as sales skills built upon trainings completed in past years. Standard education in the field of professional and technical training continued with focus on changes in legislation, certification trainings and participation in workshops and conferences. Trainings were completed for pre-sales consultants and sales managers to strengthen presentation and negotiation techniques. A series of innovative workshops were conducted inside the company in cooperation with a partner, IPA Slovakia. We also completed first aid courses for employees.



### Number of employees

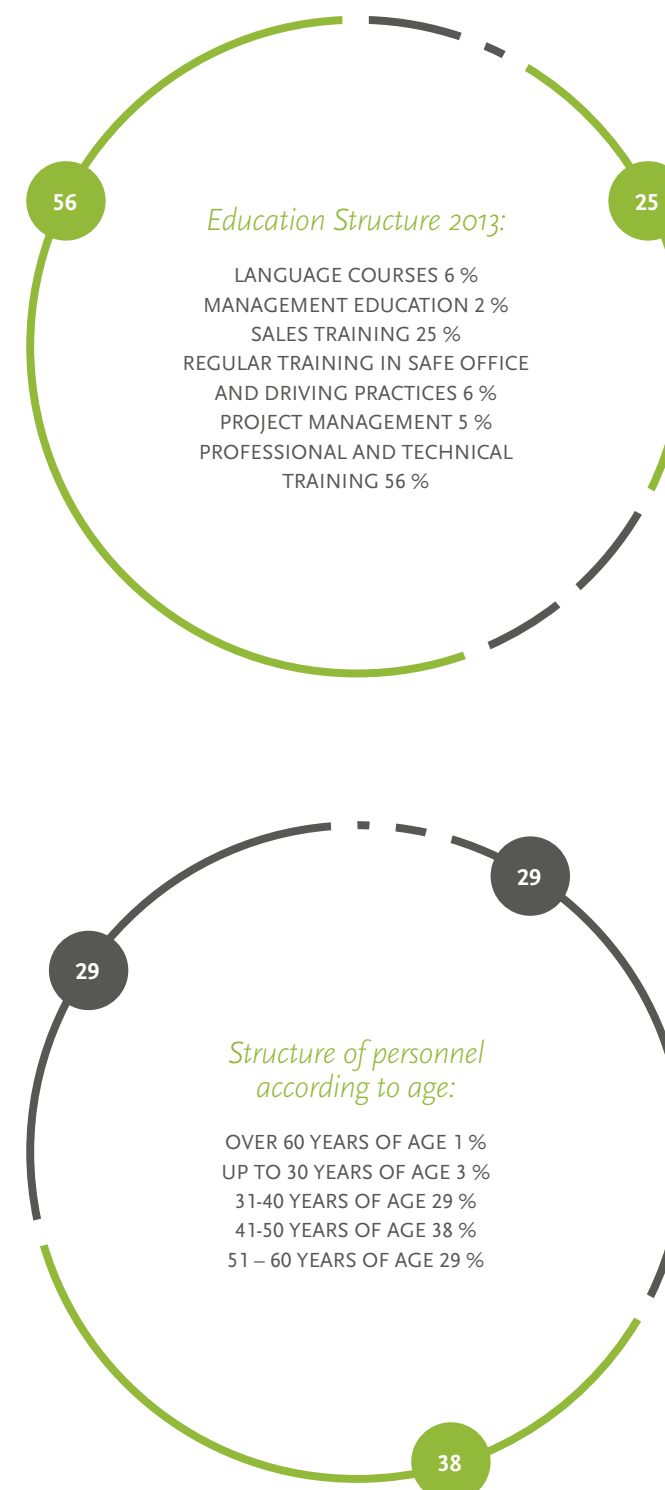


Within SOFTIP's social program and benefits, just as in past years, the company continued to provide employees with the option of fully paid excused sick days, a contributions towards supplemental pension insurance, above-standard preventative health exams, a contribution for the birth of a child, awards for important anniversaries and birthdays both at home and at work as well as contributions towards language classes and more. The company spent a total of €129,000 on such benefits, representing an increase of €8,000 over 2012.

After deciding to increase the value of meal vouchers by 30 cents in 2012 SOFTIP further reinforced this benefit at the start of 2014 by increasing the value by another 50 cents while preserving the original employee contribution towards the cost of meal vouchers. The statutory contribution to the social fund was at the level of 1 % of gross employee payroll. Employee assessment was completed in the personal development and employee performance management system as well as 360-degree assessment of management staff. An employee assessment pilot is currently under way using our new add-on web application to the human resources system that will soon be released to the market.

Mutual trust between employees and management has been enhanced thanks to a company-wide meeting held in Jasna and our Christmas celebration. We continue to resolve employee suggestions within the IMS. In 2013 we conducted employee satisfaction research with the goal of determining employee opinions and stances towards the company and fulfilling one of the points of the company's policy to be an attractive and sought-after employer.

Ing. Martin Vlčko, Financial Director



# SOCIAL RESPONSIBILITY

*One of SOFTIP's guiding principles is a responsible approach to the environment and society at large. We are concerned with improving the quality of life for our employees and society in general. In 2013 our support was primarily directed towards education, sports and environmental protection.*

SOFTIP had a presence at the Envirofilm 2013 international environmental film festival. The 19<sup>th</sup> year of this important environmental event, organized by the Slovak Agency of the Environment, was held 3 - 8 June 2013 in Banská Bystrica and eight other festival cities.

SOFTIP was also present at the 29<sup>th</sup> International SNP Judo Tournament for men and women that served as the Zoltán Pálkovács Memorial in the 100 kg class held on 24 August 2013 in Banská Bystrica. The tournament featured a record 155 participants from 13 countries.

SOFTIP was also a part of the film prepared by State Nature Conservation of the Slovak Republic named „Wandering Visegrad Hucul Friendship“ on the breeding of hucul horses, which are among the most endangered horse breeds.

Excess furniture from SOFTIP's offices in Žilina was donated to the Martinská Primary School in Žilina in order to furnish school premises.

The company also used its 1.5 % of tax charitable contribution to support the Down's Syndrome Society in Slovakia civic association which has helped people with Down's Syndrome for more than 20 years and their inclusion into an active life, their education, work activities and free time activities.

For us, social responsibility includes an active approach to protecting health and improving the quality of the environment by taking action and creating conditions to prevent environmental pollution. SOFTIP supplemented its existing Quality Management System in 2013 to include an Environmental Management System (EN ISO 14001) within the Integrated Management System (IMS) project.

Environmental aspects are evaluated on an annual basis and measures are adopted to mitigate our negative impact on the environment. We have introduced recycling measures at all of our workplaces. Printing optimization has helped us decrease toner and paper consumption. At the same time we maximize the use of electronically registered documents and company records. We also use Microsoft Lync functionality (conference calls, shared screens, shared documents, etc.) within internal communication activities.

A major component in operating the fleet of company vehicles are environmental aspects. Fuel consumption is an important criterion when selecting new vehicles. We also contribute to environmental protection by optimizing business travel. We increase the environmental awareness of our employees within internal communication activities.

With respect to our customers, we also have undertaken a concerted effort to switch over to electronic invoicing, which has a clearly positive impact on more efficient use of natural resources and is also very convenient and cost efficient. As of 30<sup>th</sup> April 2014 we have concluded more than 600 contracts on electronic invoicing. Since March 2014 we have enhanced electronic invoicing capabilities to include the ability to distribute invoices using the partnering Zelená pošta system. We have implemented identical solutions for sending electronic invoices in solutions for our customers.

We turn over all scrapped technical equipment to authorized recyclers and disposal companies licensed for electrical equipment and electronics. The collection of electronics and electrical equipment by our contracted partner was a service provided to our customer as well. We are proud to exclusively install components that comply with the RoHS (Restriction of the use of certain Hazardous Substances) Directive in technical infrastructure we deliver to customers.



# COMMUNICATING COMPANY NEWS

*The objective of SOFTIP's communication strategy in 2013 was to increase awareness about the company and to build a strong and unmistakable SOFTIP brand. During the year we systematically cooperated with external media outlets using published press reports and statements from members of company management on current topics.*

We communicated with current and potential customers using regular presentation days, seminars and other formal and informal activities.

The most content rich external communication channel is the [www.softip.sk](http://www.softip.sk) website that serves as a central source of information about the company and its products and services with simplified access to the Customer Zone. The „Write to us“ section is used to provide answers to more general questions about SOFTIP; similarly, the email address [softip@softip.sk](mailto:softip@softip.sk) is available to make direct contact.

Information and answers to questions related to the use of SOFTIP software products are provided by the Call Centre at 048 4358 600 and the Customer Support Centre on-line at <http://cpz.softip.sk/>. In addition, SOFTIP provides a remote support (GTA - Go To Assist) service which customers can use to access all common services provided by SOFTIP's consultants thanks to an on-line remote connection. Servicing completed by our specialized consultants can be ordered on the Service Line at 048 4358 700 or at [SMEsluzby@softip.sk](mailto:SMEsluzby@softip.sk).

In the area of internal communication SOFTIP annually invests into increasing the efficiency of team cooperation between employees located at various sites across Slovakia and the Czech Republic. In 2007 SOFTIP as the first in the Slovak Republic internally rolled out a complete Microsoft Lync solution for integrated communication and the development of the solution is on-going. This innovative integrated communication system significantly contributed to an increase in the security of communications, decreased communication costs and, most importantly, improved and sped up team cooperation among our employees.

# SOFTIP IN THE MEDIA

Another major internal communication channel is the Intranet portal which we use to regularly publish notices and documents. At the start of 2014 the homepage of the Intranet was completely redesigned and Yammer, a special social network created especially for companies, was fully integrated into the portal. Employees can use Yammer to create work groups, share information, knowledge and expertise, ask questions, see responses from colleagues and respond to them and even create questionnaires. Yammer is a valuable information resource and inspiration and contributes to improved mutual communication and cooperation.

As is now tradition, all employees have had the opportunity to meet their colleagues, management and shareholders in an informal environment at the annual company-wide SOFTIP meeting which was held on 7 - 8 June 2013 at Ski & Wellness Residence Družba Jasná. More than 72% of all employees attended the SOFTIP meeting in 2013.

Employees were informed and kept up-to-date at regular working meetings of both divisions regarding company news as well as corporate strategy and plans. Informal relationships were also strengthened at the Christmas events for individual sites

Research: ERP market in Slovakia in 2013  
Infoware | 7.4.2014

*SOFTIP took home second place with total revenues for ERP solutions of € 9,069,381, representing an increase of 6.52 % (+€ 555,381).*

SOFTIP deploys SAP Business One at Slovak DPD  
[etrend.sk](http://etrend.sk) | 23.10.2013

*IT product and service provider SOFTIP completed implementation of the SAP Business One software package at Direct Parcel Distribution (DPD) SK. The company delivered the information in a press release.*

Keepi – Cloud By SOFTIP is the Best Cloud Solution in 2013  
[webnoviny.sk](http://webnoviny.sk) | 1.10.2013

*The Keepi - Cloud By SOFTIP cloud web ERP solution received its first major award shortly after being released on the market winning the Microsoft Industry Awards 2013. SOFTIP has received this prestigious title for the 8th consecutive time, winning this year in the „Best Cloud Solution (Azure+Office365)“ category.*

SOFTIP delivers ERP solutions over the cloud and free-of-charge  
[aktuality.sk](http://aktuality.sk) | 25.6.2013

*Your own accounting and management of your economic agenda with no costs for software. That is the offer SOFTIP is making to small businesses and entrepreneurs. It has also introduced the new Keepi – CLOUD BY SOFTIP ERP solution.*

Microsoft Country Partner of the Year Title goes to SOFTIP  
[pcserver.sk](http://pcserver.sk) | 19.6.2013

*SOFTIP has been ranked for the second time among the holders of the prestigious Microsoft Country Partner of the Year award in which 3,000 companies from 106 countries from around the world compete.*

Research: ERP Market in Slovakia in 2012  
Infoware | 9.4.2013

*SOFTIP, a.s. took third place with total ERP revenues of € 8,514,000. Its share of the market for ERP solutions reached 11.17 %.*

The Best Tool for Managers  
Revue priemyslu | 7. 2. 2013

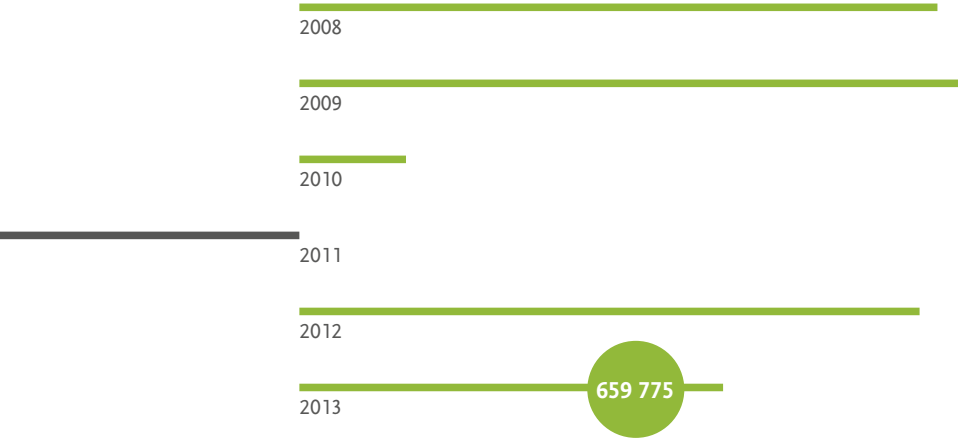
*The new SOFTIP PROFIT PLUS information system represents a comprehensive ERP solution which SOFTIP has been selling since last September. The system is suited for both companies and the public sector. This system provides critical information on the status and development of the organization in real time needed to make key decisions. SOFTIP PROFIT PLUS is based on the platform of its successful predecessor SOFTIP PROFIT.*

# FINANCIAL REPORT

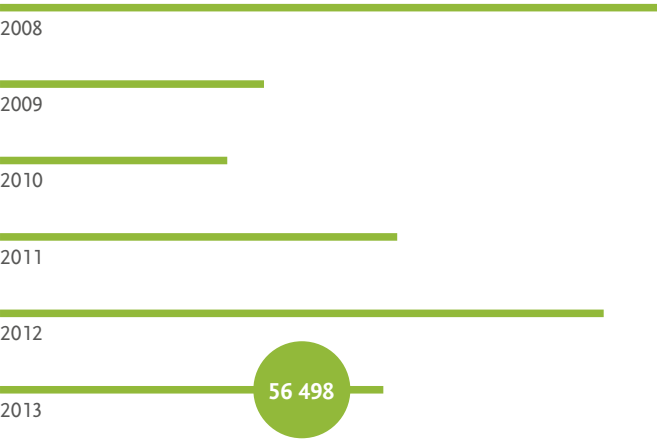
*SOFTIP generated positive earnings in 2013 representing a pre-tax profit of € 660,000. Revenues totalled € 10,063,000.*

*Ing. Martin Vlčko, Member of the Board of Directors and Finance Director*  
*He was born in 1982 in Banská Bystrica. He completed his university studies in 2005, majoring in Economics and Company Management / Small and Medium Enterprises at the Economics Faculty at Matej Bel University in Banská Bystrica. He previously worked for KIA Motors Slovakia in Teplička nad Váhom as a specialist in the Production Management - Production Process Planning and Inspection Department. He joined SOFTIP in 2007 in the Financial Department with focus on controlling. Since 1<sup>st</sup> January 2012 he has been the Financial Director at SOFTIP. Since 2nd May 2012 he has been a Member of the Board of Directors at SOFTIP.*

*Profit before Tax in EUR*



*Revenues per employee in EUR*



*Added value per employee in EUR*



The benefits of development activities conducted pursuant to the company's strategy were first realized in 2013. The company is continuing in the trend of investing in the development of its products, developing new solutions and developing the company's internal infrastructure.

The company is financially stable and in 2013 the company made significant progress in decreasing its credit debt and minimizing its long-term liabilities, thereby creating the conditions needed to fulfil the company's development strategy going forward and achieving positive results in 2014.

Earnings in 2013 when compared to 2012 were largely driven by solutions implemented in the SME segment and continued implementation of solutions for pension companies in the Czech Republic.

Another positive result was the maintenance of added value and revenue levels per employee in comparison with 2012.

The independent auditor's report declares that the financial statements as at 31<sup>st</sup> December 2013 provide a fair and true depiction of the company's financial situation.

The company does not record any overdue liabilities as of 31<sup>st</sup> December 2013 and its stable ability to make all payments was once again confirmed by the company's Confirmation of Registration on the list of qualified companies published by the Public Procurement Office.

*Ing. Martin Vlčko, Finance Director*

BALANCE SHEET

IN EUR	2011	2012	2013
Total assets	3,537,054	3,751,444	3,449,356
Non-current assets	977,731	822,786	778,130
Non-current intangible assets	512,641	515,002	556,043
Property, plant and equipment	452,679	296,373	211,623
Non-current financial assets	12,411	11,411	10,464
Current assets	2,417,183	2,753,207	2,552,957
Inventory	50,233	22,099	15,089
Non-current receivables	280,673	262,643	301,318
Current receivables	2,009,359	2,382,755	2,165,853
Financial accounts	76,918	85,710	70,697
Accruals / deferrals	142,140	175,451	118,269
Total equity and liabilities	3,537,054	3,751,444	3,449,356
Equity	136,286	894,743	648,029
Share capital	33,194	33,194	33,194
Capital funds	3,319	3,319	3,319
Funds created from profit	3,319	3,319	3,319
Net profit / loss of previous years	561,505	71,455	144,911
Net profit / loss for the accounting period after tax	-465,051	783,456	463,286
Liabilities	3,330,453	2,768,038	2,661,437
Provisions	160,593	198,126	287,518
Non-current liabilities	57,931	989,372	56,408
Current liabilities	1,275,623	1,197,001	1,616,706
Bank loans	1,836,306	383,539	700,805
Accruals / Deferrals	70,315	88,663	139,890

INCOME STATEMENT

IN EUR	2011	2012	2013
Revenue from the sale of merchandise	1,338,632	740,529	510,184
Costs of merchandise sold	1,025,402	585,376	386,719
Trade margin	313,230	155,153	123,465
Revenue from the sale of own products and services	10,932,505	10,557,543	9,552,708
Own work capitalized	224,372	144,504	247,963
Production	4,256,789	3,426,693	2,932,295
Added value	7,213,318	7,430,507	6,991,841
Personnel expenses total	6,685,645	6,052,610	5,821,250
Taxes and fees	8,462	19,004	18,589
Amortization and value adjustments to non-current intangible assets and depreciation and value adjustments to property, plant and equipment	403,326	299,329	320,531
Revenue from the sale of non-current assets and raw material	5,778	42,883	24,787
Carrying value of non-current assets sold and raw materials sold	474	17,272	29,557
Creation and reversal of value adjustments to receivables	255,185	6,302	60,901
Other operating income	70,686	59,367	118,093
Other operating expenses	373,148	103,991	164,215
Profit / loss from operations	-436,458	1,034,249	719,678
Revenue from the sale of securities and shares	50,000	0	0
Securities and shares sold	166	0	0
Income from financial assets	0	0	0
Creation and reversal of value adjustments to financial assets	0	1,281	0
Interest income	25,410	5,470	3,064
Interest expense	58,977	40,193	24,571
Exchange rate gains	17,509	16,525	40,574
Exchange rate losses	28,099	27,743	68,829
Other income from financial activities	0	0	0
Other expenses related to financial activities	19,858	13,153	10,141
Profit / loss from financial activities	-14,181	-60,375	-59,903
Profit / loss from ordinary activities before tax	-450,639	973,874	659,775
Income tax on ordinary activities	14,412	190,418	196,489
Profit / loss from ordinary activities after tax	-465,051	783,456	463,286
Profit / loss for the accounting period before tax	-450,639	973,874	659,775
Profit / loss for the accounting period after tax	-465,051	783,456	463,286





INDEPENDENT AUDITOR’S REPORT

for the shareholders of the company SOFTIP, a.s.

We have audited enclosed Financial Statements of the company SOFTIP a.s., with the registered office in Bratislava, IČO (company registration number): 36 785 512 that consists of the Balance Sheet as of December 31, 2013 Profit and Loss Statement and Notes on the year ending as of the above mentioned date as well as the survey of significant accounting principles and accounting methods and other explanatory comments.

The responsibility of statutory body for the Financial Statements

The statutory body of the company is responsible for the preparation of Financial Statements, which present a true and fair view in accordance with Act on accounting No. 431/2002 Coll., as amended (hereinafter the “Act on accounting”) and for internal controls that statutory body considers necessary for the preparation of Financial statements that are free from material misstatement, whether due to fraud or misstatement.

The responsibility of auditor

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. These standards require that we comply with ethical requirements, we plan and perform our audit in such a way to obtain reasonable assurance whether the Financial Statements are free from any material misstatement.

Performing of procedures to obtain audit evidence about the amounts and data shown in the Financial Statements is a component part of the audit. The procedures selected depend on the auditor’s judgment, including the assessment of the risk of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation of the Financial Statements, which present a true and fair view, in order to design audit procedures that are appropriate in the given circumstances, but not for the purpose of expressing an opinion of the effectiveness of the entity’s internal control. Furthermore, the audit includes evaluating the appropriateness of the accounting estimates used by the statutory body as well as the overall presentation of the Financial Statements.

We believe that the audit evidence that we obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Financial Statements present true and fair view of the SOFTIP a.s. company’s financial position as of December 31, 2013, business results and cash flow for the year ending as of the above mentioned date and in accordance with Act on accounting and with accounting principles generally accepted in Slovakia.

Banská Bystrica, March 12, 2014

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Licence SKAu No. 6  
Commercial Register of District Court, Banská Bystrica  
Section: Sro, File No.: 98/S, IČO (company registration number): 00614556  
Independent member of Moore Stephens International Limited

Ing. Viera Babjaková  
Responsible auditor  
Licence SKAu No. 167



The 2013 annual report was published in May 2014 and it is a publicly available document. An electronic version is available for download on the website [www.softip.sk](http://www.softip.sk), under “About the company”, along with copies from previous years.

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