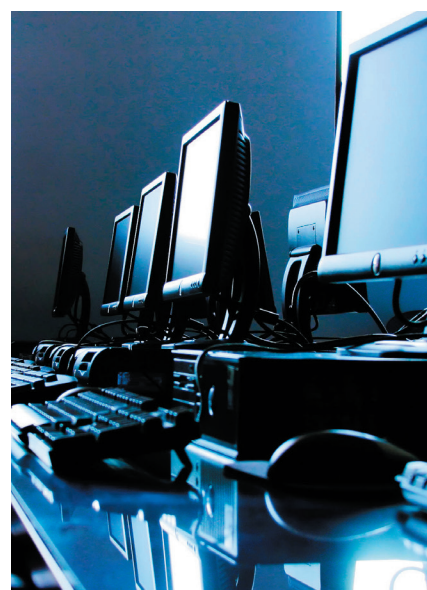
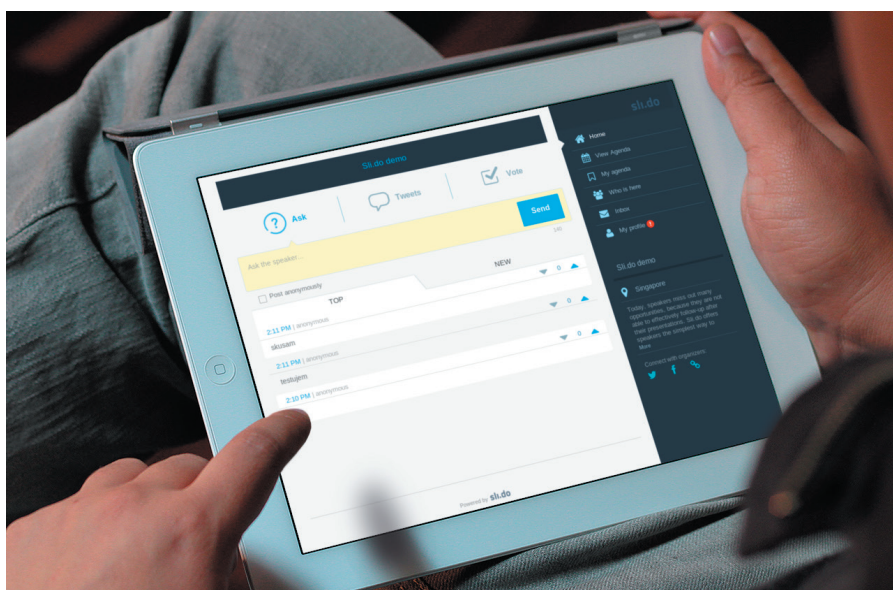


Information & Communication Technology Sector in Slovakia



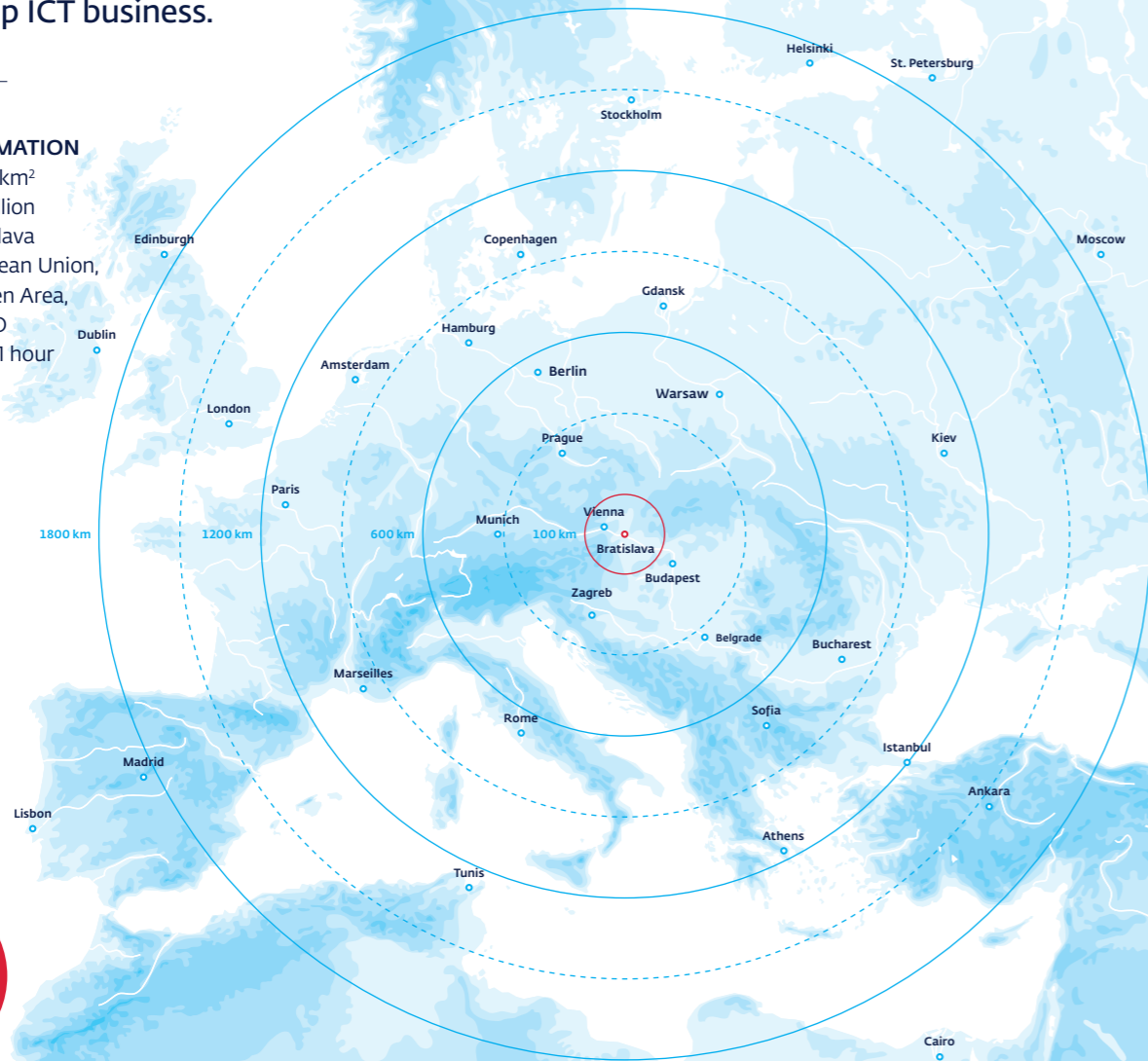
Information & Communication Technology Sector in Slovakia

The purpose of this publication is to introduce Slovakia's dynamically expanding Information & Communication Technology (ICT) sector — activities especially related to telecommunication, computer programming or internet information services and present why Slovakia is an outstanding destination for setting up ICT business.

GENERAL INFORMATION

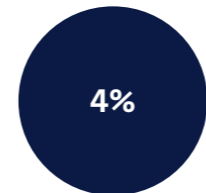
Total area: 49,035 km²
 Population: 5.4 million
 Capital city: Bratislava
 Member of: European Union, Eurozone, Schengen Area, OECD, WTO, NATO
 Time zone: GMT +1 hour

300 million clients in radius of 1000 km

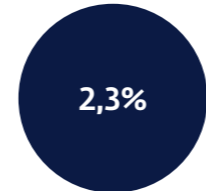


ICT at Glance

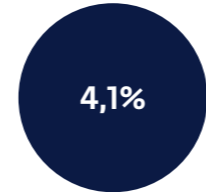
ICT sector plays an important role in the Slovak economy and has a significant potential for growth of the country's GDP. Due to favorable combination of business advantages Slovakia has become an attractive destination for ICT investors.



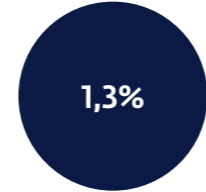
ICT's contribution to Slovakia's GDP
 Significant footprint in the Slovak economy



ICT share in the total employment
 The sector creates more than 40 000 job opportunities



ICT workers and % in the total workforce
 Overall employment in the ICT sector in Slovakia is above the EU average



Change in ICT salaries
 Growth of ICT salaries over 5 years has been moderate



Average ownership of digital devices per person
 This is more than the world average (3.6)



Top Reasons to Establish ICT Company in Slovakia

- 1 Adaptable, educated and cost-effective workforce
- 2 Highest labour productivity in the region
- 3 Excellent multilingual skills
- 4 Well-developed ICT institutional network
- 5 High quality data and network coverage
- 6 Strategic geographical location and time zonation
- 7 Political & economic stability
- 8 Euro currency as one of the few in CEE
- 9 Fastest growing Eurozone member within the last 10 years
- 10 Attractive investment incentives for ICT sector

Source: Statistical Office of the Slovak Republic, 2016; IT Association of Slovakia, 2015; Eurostat, 2015; TNS Slovakia, 2014, SARIO Calculations, 2016

Qualified Labour Force

Slovak labour force is perceived by foreign investors as educated, motivated, adaptable to culturally different management styles with great multilingual competences and very positive attitude to work habits.



LANGUAGE COMPETENCES

80% of Slovaks speak at least one other language than their mother tongue. Multilingualism is praised also among young generation. Students learn at least one foreign language already at primary school and pursue these studies at higher levels.

The Most Common Foreign Languages Taught at Slovak Secondary Schools

% of all students learning foreign languages



Source: The Institute for Information & Prognosis in Education, 2015, SARIO calculations

ICT COMPETENCES

ICT technologies became an integrated part of the daily life in Slovakia. Their role continues to grow which is reflected by steadily raising adaptability of the Slovak population to ICT technologies.

Overall Digital Literacy in Slovakia

79%

Knowledge to use a wide range of digital devices, is in Slovakia above the EU average levels

Individuals Using Internet

80%

More than 2/3 of the population actively uses internet

Households with Access to the Internet

95%

Almost all households have the possibility to connect to the internet

Source: Institute for Public Affairs, 2015, The Global Competitiveness Report 2015–2016, TNS Slovakia, 2014

Education in Slovakia

ICT programs are becoming more and more popular and sought after by young generation. Companies can find qualified future employees at

8 ICT Faculties of 6 Slovak Universities

10 865

Students in ICT field

3 405

Graduates in ICT field

Source: Institute of Education Information & Prognosis of Slovakia for the Academic year 2015/2016 (students) and 2015 (graduates)

DUAL EDUCATION

As a pioneer in this field, since the academic year 2013/2014 T-Systems implements ICT dual education initiative where students receive 70% of practical education.

Average Gross Monthly Salary

Although salaries in the ICT sector are above the Slovak average, in comparison with the rest of the Western EU countries they remain significantly lower and still competitive CEE region wide.

Differences in salaries occur in Slovakia also on regional level allowing the investors to explore regions outside the main hubs.



AVERAGE GROSS MONTHLY SALARY IN EUR (SELECTED POSITIONS)

| Area | Position | Bratislava | | Trnava, Trenčín, Žilina, Nitra | | Banská Bystrica, Prešov | | Košice | |
|-------------------|---------------------------------------|------------|------|--------------------------------|------|-------------------------|------|--------|------|
| | | Min | Max | Min | Max | Min | Max | Min | Max |
| Technical Support | Technical Support Team Leader | 2000 | 2000 | 1700 | 2000 | 1500 | 1800 | 1700 | 2000 |
| | Technical Support Level 1 | 1200 | 1400 | 800 | 1000 | 800 | 1000 | 900 | 1200 |
| Development | Senior Architect | 3000 | 4000 | 2500 | 3200 | 2300 | 3000 | 2500 | 3200 |
| | Architect | 2500 | 3000 | 2 000 | 2500 | 2000 | 2300 | 2000 | 2300 |
| | Java (1–3 yrs experience) | 1400 | 1600 | 1000 | 1300 | 1100 | 1400 | 1000 | 1300 |
| | .Net/C# (1–3 yrs experience) | 1400 | 1600 | 1000 | 1300 | 1100 | 1400 | 1000 | 1300 |
| Gaming | Game Play Programmer | 1700 | 2000 | 1300 | 1600 | 1300 | 1600 | 1500 | 1800 |
| | Linux System Administrator | 1600 | 1900 | 1300 | 1600 | 1300 | 1600 | 1400 | 1700 |
| | Senior Linux System Administrator | 1900 | 2500 | 1600 | 1900 | 1500 | 1800 | 1600 | 1900 |
| | Production Tools Software Engineer | 1800 | 2300 | 1600 | 1900 | 1400 | 1700 | 1600 | 1900 |
| Other | Network Engineer (3–5 yrs experience) | 1800 | 2200 | 1500 | 1800 | 1400 | 1700 | 1500 | 1800 |
| | Window Administrator | 1500 | 1800 | 1300 | 1600 | 1300 | 1700 | 1400 | 1700 |

Source: Grafton Recruitment Slovakia, 2016

ICT Companies in Slovakia

Information & Communication Technology sector has a solid position in the Slovak economy that is demonstrated by presence of foreign owned companies as well as strong domestic companies.

TOP ICT EMPLOYERS — IT & Telecommunication Service (TS) Providers in Slovakia

| COMPANY NAME | COUNTRY ORIGIN | FIELD | HQ | EMPLOYEES |
|----------------------------------|------------------|-------|-------------------------|-----------|
| IBM International Service Centre | United States | IT | Bratislava | 3 608 |
| T-Systems | Germany | IT | Košice | 2 592 |
| AT&T Global Network Services | United States | IT | Bratislava +reg. office | 2 500 |
| Accenture | United States | IT | Bratislava | 600 |
| Soitron Group | Slovakia | IT | Bratislava | 500 |
| ESET | Slovakia | IT | Bratislava +reg. office | 500 |
| First Data | United States | IT | Bratislava +reg. office | 420 |
| Erste Group | Austria | IT | Bratislava | 420 |
| InsData | Austria | IT | Nitra | 400 |
| Asseco Central Europe | Poland/ Slovakia | IT | Bratislava +reg. office | 392 |
| Datalan | Slovakia | IT | Bratislava +reg. office | 350 |
| IBM Slovensko | United States | IT | Bratislava +reg. office | 350 |
| Atos IT Solutions & Services | France | IT | Bratislava +reg. office | 341 |
| Gratex International | Slovakia | IT | Bratislava | 335 |
| Slovak Telekom | Germany | TS | Bratislava +reg. office | 3 290 |
| Orange Slovensko | France | TS | Bratislava +reg. office | 1 333 |
| O2 Slovakia | Czech Republic | TS | Bratislava +reg. office | 396 |
| SWAN Mobile | Slovakia | TS | Bratislava +reg. office | 220 |

Source: Global Slovakia, 2016. Please note that the present list of TOP ICT companies in Slovakia is subject to change and does not represent an exhaustive overview.



5 Slovak IT Companies in Technology Fast 50 in CEE 2015

RANKING POSITION IN TOP 50 FASTEST GROWING IT COMPANIES IN CEE REGION

4

BSP Applications
Tailor-made IT Solutions for Business

17

Visibility
Online Marketing

29

Pixel Federation
Development of browser-based and mobile games

31

CEIT
Technical Innovation
Applied R&D for Industry

32

Promiseo
Online marketing

Source: Deloitte, 2015

Notable Slovak Patents

Did you know that behind numerous globally well-known products stands a Slovak company? Here are some examples of successful Slovak brands.



ESET
Protects users in 180 countries
Global leader in security software development including award winning NOD32® Antivirus



SYGIC
Most downloaded offline navigation in the world
Developer of GPS navigation software for mobile devices and solutions for business



SOITRON
Soitron developed a system for intelligent police cars
Developer of IT solutions from integrated communication systems to mobile police units



PIXEL FEDERATION
Games by Pixel Federation are played on the most popular social media
Development of browser-based and mobile games



SLI.DO
The application was already used at more than 3 500 events in around 70 countries
Application allows presenters directstreaming and participants to ask questions during public events

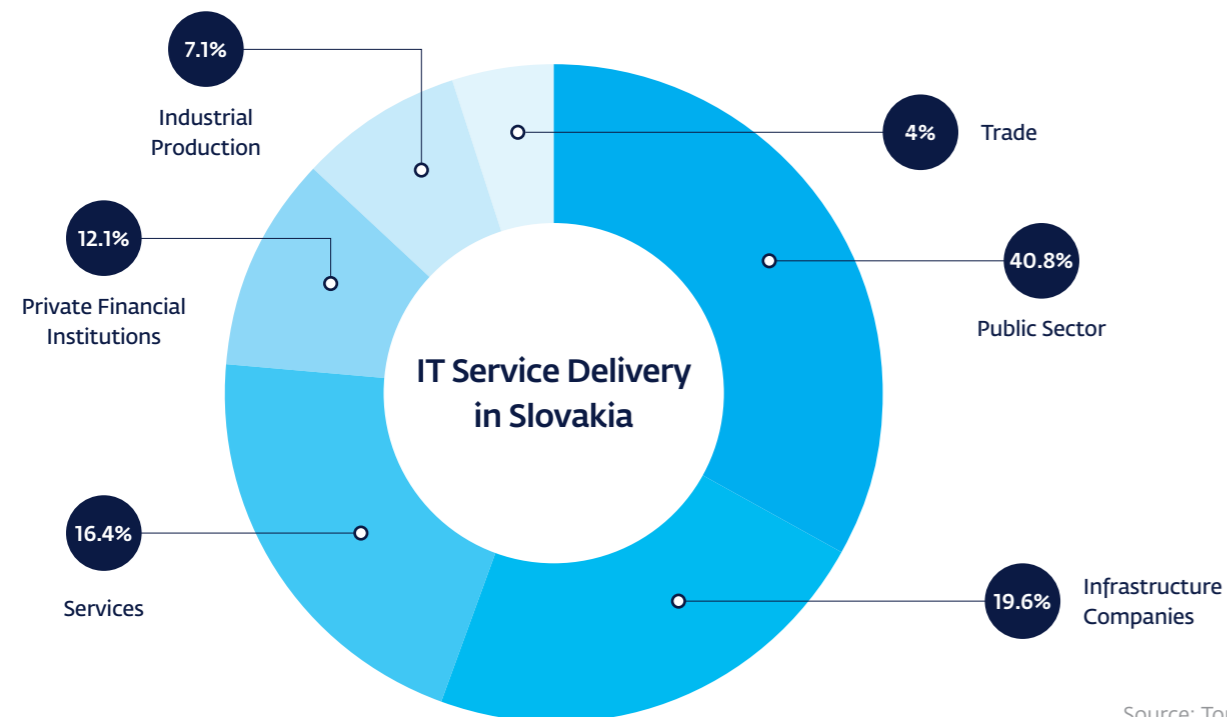
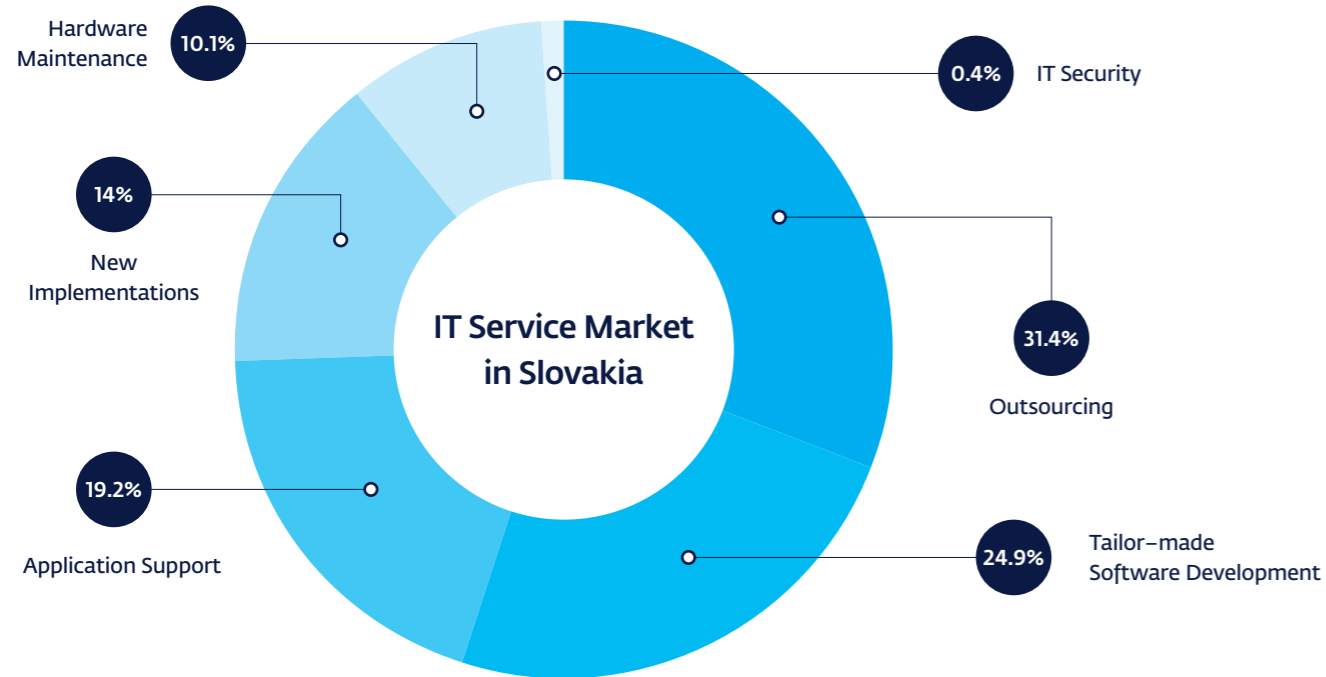


INNOVATRICS
Wide range of application — from attendance system to presidential elections
Biometric Software for identity management based on fingerprint and face recognition technology

Inside ICT Market in Slovakia

The majority of IT services in Slovakia are provided by outsourcing centers and software houses. From the prospective of IT customers, the largest share of the segment is represented by the public sector.

DIVERSIFICATION OF TELECOMMUNICATION SEGMENT
 Traditional activities of telecommunication operators are gradually expanding beyond mere provision of telecommunication services. Building a diversified portfolio enriched by internet sale or IT services, such as data centers or software houses, is becoming an integrated part of their business.



Source: Top Trend, 2015

ICT Supporting Platforms



ITAS

- headquartered in Bratislava
- established in 1999
- Slovak association of 90 ICT companies representing about 80% of the Slovak IT market
- members employ more than 25 000 people Association of 90 companies

ITAS runs several projects including:

- Digital transformation — interlinking ICT sector with other Slovak industries
- Support of educational initiatives at all levels — from academic programs to requalification
- IT Testing — verification of IT skills among population in Slovakia



KOŠICE IT VALLEY

- headquartered in Košice
- established in 2007
- Slovak association of 56 members and sympathizers, including private, public and academic sector

Activities of Košice IT Valley are carried out in the Eastern Slovakia:

- over the years focus on education stays as one of the priorities, but scope of the cluster itself has gone beyond
- innovations, research & development, support of collaboration within the cluster and support of investments become an integral part of the cluster



ZAICT

- headquartered in Žilina
- established in 2008
- Slovak association of 12 members including private, public and academic sector

ZAICT activities are mainly in Žilina region at:

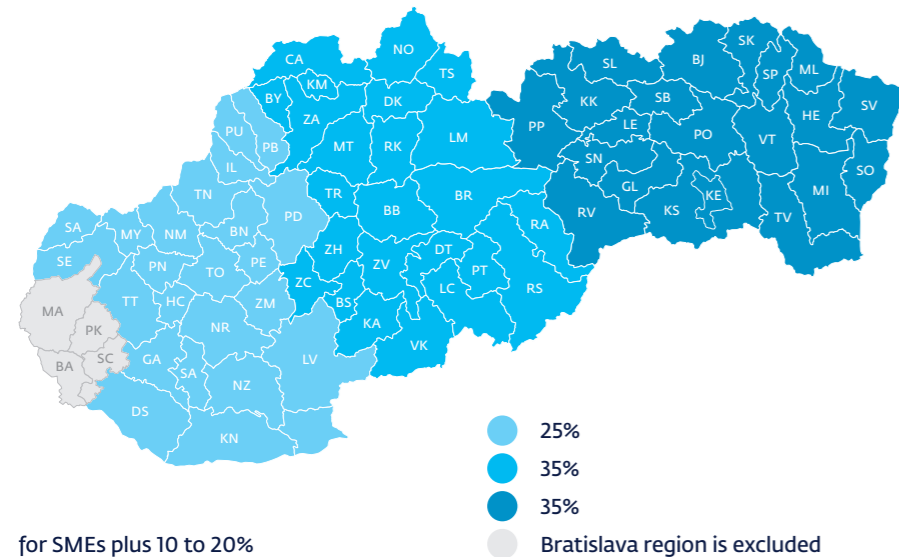
- interconnection of private sector and R&D institutions
- supporting lectures of ICT companies at secondary schools
- offering educational programs and organizing school camps for raising IT skills

Investment Incentives

The primary role of the investment incentives is to motivate investors to place their new projects in regions with higher level of unemployment. The positive impact of a new investment shall be proved by jobs creation, improved chances for graduates to get a job, as well as by creation of new entrepreneurial opportunities for local companies.



MAXIMAL REGIONAL INTENSITIES OF INVESTMENT AID IN SLOVAKIA



SHARED SERVICES CENTERS

- Minimum investment into long-term assets: 0.4 mil. EUR within 36 months, at least 200 ths. EUR covered by own equity
- Minimum 40 newly created job positions and at least 60% of newly created jobs for employees with university education

Eligible Activities

New establishment or expansion of centers providing services with high added value, and employing qualified experts in: software development centers, expert solution centers, technology customization centers or customer support centers (mainly in the field of IT, human resources, finance, procurement, etc.).

TECHNOLOGY CENTERS

- Minimum investment into long-term assets: 0.5 mil. EUR within 36 months
- At least 200 ths. EUR covered by own equity
- Minimum 30 newly created job positions and at least 70% of newly created jobs for employees with university education

Eligible Activities

Technology center is a place where the company carries out research or innovation activities of technologically advanced products, production technologies or processes. Common or regular improvements or the production process do not classify as eligible technology center activities.

ELIGIBLE PROJECTS

The Act on Investment Aid divides the projects which may be supported into four categories:

- industry
- technology centers
- shared service centers/ strategic service centers
- tourism

ELIGIBLE COSTS

- costs of land acquisition
- costs of buildings acquisition and construction
- costs of new technological equipment and machinery acquisition
- intangible long-term assets — licences, patents, etc.

OR

- total wage costs of newly-created jobs for 2 year period

FORMS OF INVESTMENT INCENTIVES

- contribution for the creation of new jobs
- cash grant
- tax relief
- transfer of the state/municipality property to the investor for the discounted price

SARIO Profile

Slovak Investment and Trade Development Agency (SARIO) is a governmental investment and trade promotion agency of the Slovak Republic. The agency was established in 2001 and it operates under the Ministry of Economy of the SR.

INVESTMENT SERVICES

SERVICES FOR POTENTIAL INVESTORS

- Investment environment overview
- Assistance with investment projects implementation
- Starting a business consultancy
- Sector and regional analyses
- Investment incentives consultancy
- Site location and suitable real estate consultancy

SERVICES FOR ESTABLISHED INVESTORS

- Identification of local suppliers, service providers
- Assistance with expansion preparation and execution
- Relocation assistance, work/stay permits
- Support of innovation and R&D activities
- Social networking

FOREIGN TRADE SERVICES

IF YOU ARE LOOKING FOR

- Slovak supplier or subcontractor
- Information about Slovak export/trade environment
- Sourcing opportunities
- Forming a joint venture, production cooperation or other forms of partnership with a Slovak partner

SERVICES FOR EXPORTERS

- Information on foreign territories
- Customized search for foreign partners
- On-line database of business opportunities
- Export Training Centre
- Subcontracting assistance

INNOVATION SUPPORT

- Support activities for development and popularization of Slovak innovations and R&D environment
- Establishment of relations with domestic and foreign well-established innovative companies
- Interconnection of Slovak R&D capacities with industrial production and investors' needs in order to transfer leading innovative technology processes closer

- to production praxis
- Encouragement to foreign investors to bring investments with substantial R&D components to the SR
- Ecosystem analysis of local investment opportunities as well as domestic and foreign investors in order to support acquisitions and joint ventures projects
- Specific information from the field, in order to obtain capital and foreign markets penetration

439

Number of SARIO Investment Projects from 2002 — 2015

22

number of SARIO investment projects in BSC sector 2002 — 2015

Our Award



2014 Global Best to Invest 2013 Selection Site magazine

ALL OUR SERVICES ARE FREE OF CHARGE!

**SARIO IS YOUR ONE STOP SHOP FOR INVESTMENT & TRADE IN SLOVAKIA.
TALK TO US TODAY!**

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