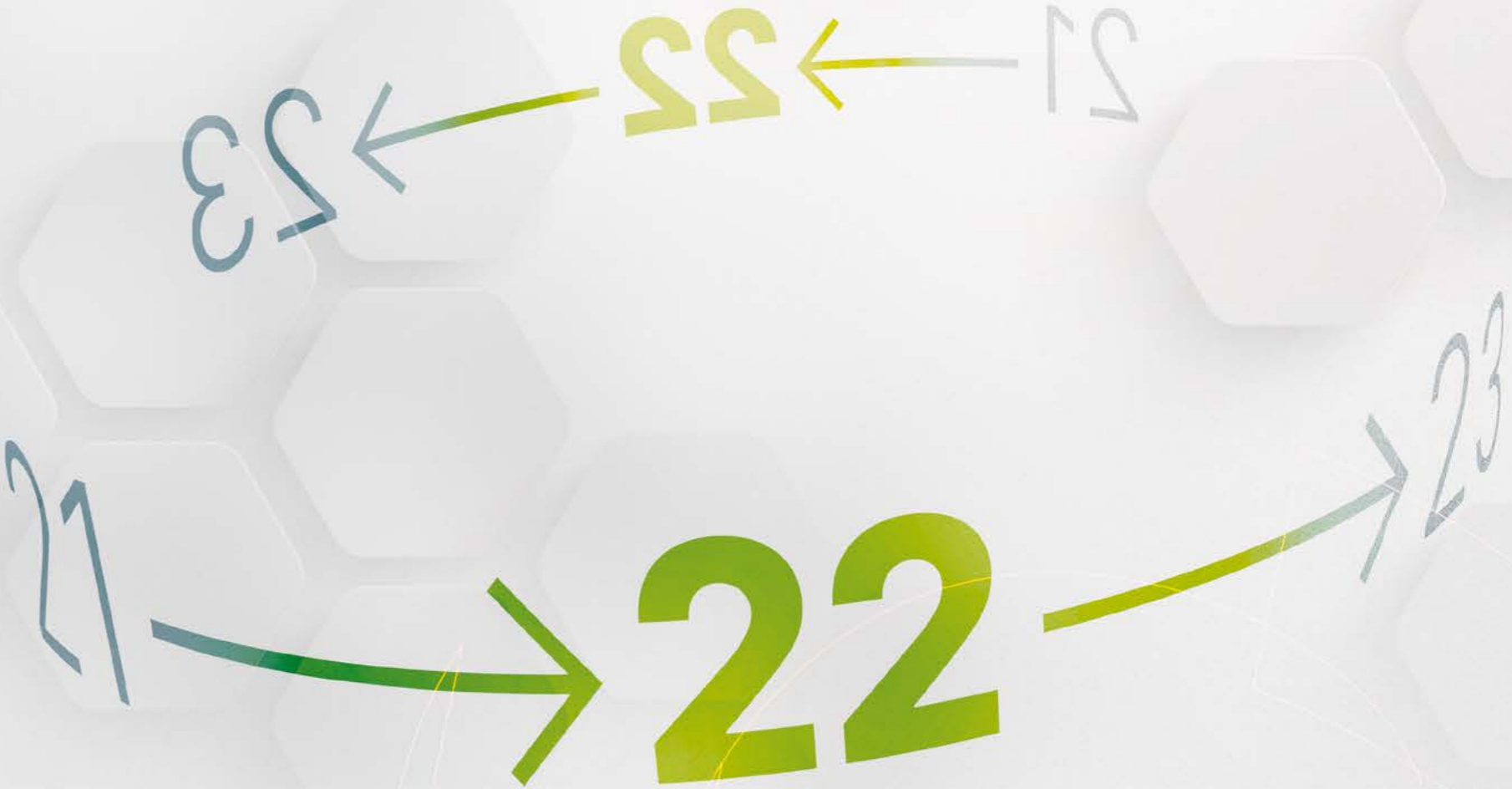


# OKsystem

## Annual Report 2022



### OKsystem

Na Pankráci 125, 140 00 Prague 4  
+420 236 072 111  
info@oksystem.cz

[www.oksystem.com](http://www.oksystem.com)

# Table of contents

I.	General information about the Company	→ 4
II.	The Company's development and its market	→ 6
III.	Expected future development	→ 16
IV.	Financial statements for 2020 and 2021	→ 18
V.	Cash flow statement	→ 22
VI.	Statement of changes in equity	→ 23
VII.	Notes to the financial statements	→ 24
VIII.	Other information	→ 29
IX.	Report on relations between related entities for 2022	→ 30
X.	Report on the financial statements and auditor's opinion	→ 32

# I. General information about the Company

<b>Business name</b>
OKsystem a.s. entered in the Commercial Register maintained by the Municipal Court in Prague, Section B, file 20326

<b>Legal form</b>
Joint-stock company

<b>Date of registration</b>
7 September 2005

<b>Registered office</b>
Na Pankráci 1690/125 140 21 Prague 4

<b>Company ID No.</b>
27373665

<b>Tax ID No.</b>
CZ27373665

<b>Corporate body</b>
<b>Board of Directors</b>
<ul style="list-style-type: none"> <li>▪ Martin Procházka Chairman of the Board of Directors</li> <li>▪ Vítězslav Ciml Vice-chairman of the Board of Directors</li> <li>▪ Zuzana Hofová Member of the Board of Directors</li> </ul>

<b>Subject of business</b>
<ul style="list-style-type: none"> <li>▪ Production, trade, and services not listed in Annexes 1 to 3 of the Trade Licensing Act</li> <li>▪ Accounting consulting, bookkeeping, tax accounting</li> <li>▪ Registry management</li> </ul>

<b>Areas of activities</b>
<ul style="list-style-type: none"> <li>▪ Wholesale and retail</li> <li>▪ Provision of software, IT advisory, data processing, hosting and related activities, and web portals</li> <li>▪ Advisory and consulting, preparing expert studies and opinions</li> <li>▪ Research and development in the natural, technical, and social sciences</li> <li>▪ Continuing education, organizing courses, training and lectures</li> </ul>

<b>Banks and accounts</b>			
<ul style="list-style-type: none"> <li>▪ UniCredit Bank Czech Republic, a. s.</li> <li>▪ ČSOB, a. s.</li> <li>▪ Česká spořitelna, a.s.</li> </ul>			
<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; border: none;">           IBAN  <b>CZ03 2700 0000 0000 4897 3004</b> </td> <td style="width: 33%; border: none;">           IBAN  <b>CZ79 0300 0000 0002 0939 0820</b> </td> <td style="width: 33%; border: none;">           IBAN  <b>CZ35 0800 0000 0000 0892 7572</b> </td> </tr> </table>	IBAN <b>CZ03 2700 0000 0000 4897 3004</b>	IBAN <b>CZ79 0300 0000 0002 0939 0820</b>	IBAN <b>CZ35 0800 0000 0000 0892 7572</b>
IBAN <b>CZ03 2700 0000 0000 4897 3004</b>	IBAN <b>CZ79 0300 0000 0002 0939 0820</b>	IBAN <b>CZ35 0800 0000 0000 0892 7572</b>	

OKsystem a.s. is the successor company of OKsystem, spol. s.r.o., Company ID No. 00221970, registered on 27 December 1990. Another successor company, which was formed by splitting the dissolving company OKsystem, spol. s.r.o., Company ID No. 00221970, is OKBC s.r.o., having its registered office at Na Pankráci 1690/125,

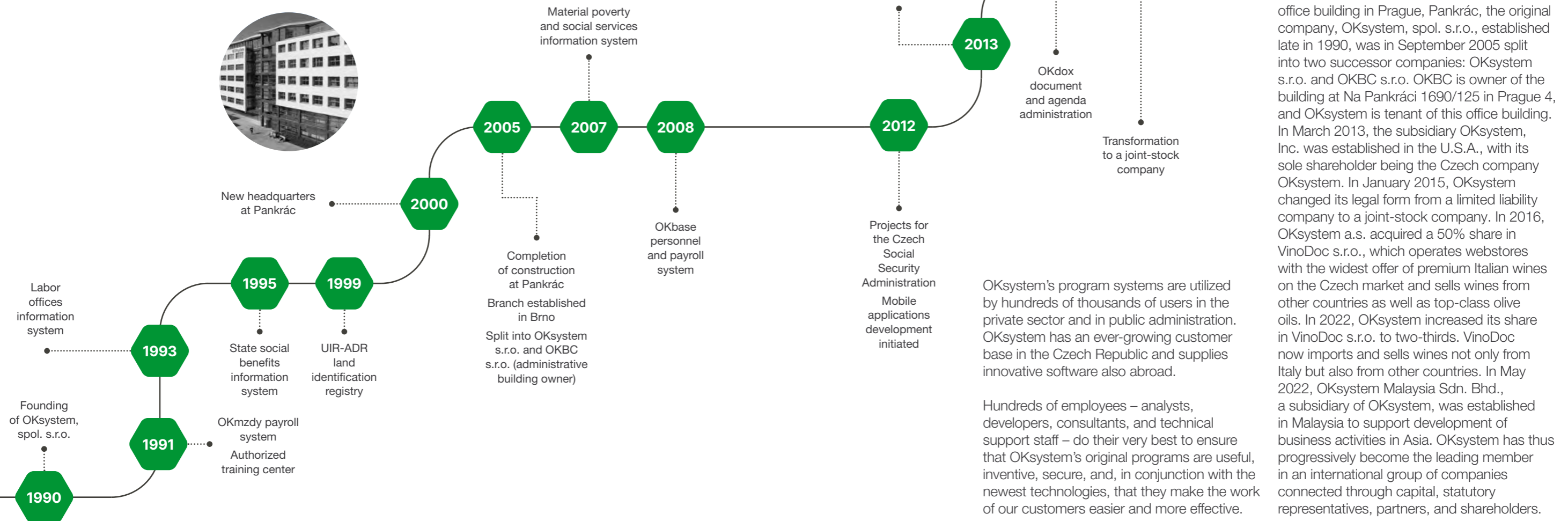
140 21 Prague 4, Company ID No. 27373703. Effective as of 1 January 2015, OKsystem s.r.o. was transformed into a joint-stock company on the basis of an accepted project to change the legal form in accordance with Act No. 125/2008 Coll., on Conversions of Commercial Companies and Cooperatives.

## II.

# The Company's development and its market

OKsystem is a Czech software company founded in 1990, right after the momentous political and economic changes in what was then still Czechoslovakia. In the changing conditions of the transition to a market economy, networks of personal computers began to be used widely. During the 1990s, OKsystem took advantage of this opportunity and filled niches in authorized computer network training, developing application programs in client/server architecture with graphical user interfaces, as well as developing and implementing extensive program systems for reformed or newly established state administration offices. Before global IT companies had established their branches in the Czech Republic, OKsystem already had gained a significant market share and it grew into a larger, well-established, and respected IT company.

OKsystem's experts have been carefully following developments in the ICT industry and successfully incorporating new technologies into its program systems and services. Succeeding generations of software and new applications are created in a modern multilayer architecture while emphasizing cybersecurity and personal data protection and while utilizing cloud and web services as well as mobile devices. OKsystem thereby continues to strengthen its market position and grow its market share. Annual turnover has reached roughly CZK 780 million and the number of employees has progressively grown from the 4 founding partners to a workforce of 400. Development of key products and successful implementations of important contracts can be seen below in a timeline of OKsystem's historic milestones:



In connection with the construction of an office building in Prague, Pankrác, the original company, OKsystem, spol. s.r.o., established late in 1990, was in September 2005 split into two successor companies: OKsystem s.r.o. and OKBC s.r.o. OKBC is owner of the building at Na Pankráci 1690/125 in Prague 4, and OKsystem is tenant of this office building. In March 2013, the subsidiary OKsystem, Inc. was established in the U.S.A., with its sole shareholder being the Czech company OKsystem. In January 2015, OKsystem changed its legal form from a limited liability company to a joint-stock company. In 2016, OKsystem a.s. acquired a 50% share in VinoDoc s.r.o., which operates webstores with the widest offer of premium Italian wines on the Czech market and sells wines from other countries as well as top-class olive oils. In 2022, OKsystem increased its share in VinoDoc s.r.o. to two-thirds. VinoDoc now imports and sells wines not only from Italy but also from other countries. In May 2022, OKsystem Malaysia Sdn. Bhd., a subsidiary of OKsystem, was established in Malaysia to support development of business activities in Asia. OKsystem has thus progressively become the leading member in an international group of companies connected through capital, statutory representatives, partners, and shareholders.

OKsystem's program systems are utilized by hundreds of thousands of users in the private sector and in public administration. OKsystem has an ever-growing customer base in the Czech Republic and supplies innovative software also abroad.

Hundreds of employees – analysts, developers, consultants, and technical support staff – do their very best to ensure that OKsystem's original programs are useful, inventive, secure, and, in conjunction with the newest technologies, that they make the work of our customers easier and more effective.

The change in form to a joint-stock company enabled the separation of strategic and operational management and thus created conditions for more efficient management. OKsystem's Board of Directors is comprised of three members, and its Supervisory Board has two members. Martin Procházka, who together with other partners

cofounded OKsystem at the beginning of the 1990s and who has managed the Company for more than a quarter century, is Chairman of the Board of Directors. Vice-chairman of the Board of Directors is Vítězslav Ciml, the CEO of OKsystem. Chief Financial Officer Zuzana Hořová is a Member of the Board of Directors.



### Corporate Body – Board of Directors



**Martin Procházka**  
Chairman of the Board of Directors



**Vítězslav Ciml**  
CEO and Vice-chairman of the Board of Directors



**Zuzana Hořová**  
Member of the Board of Directors



### Supervisory Body – Supervisory Board

**Eva Vodenková**  
Chairwoman of the Supervisory Board

**Šárka Cimlová**  
Member of the Supervisory Board

OKsystem is a member of the Confederation of Industry of the Czech Republic, within which it participates in several expert teams.

The Company's management as well as its expert, administrative, and sales departments are set up and managed according to a fixed organizational structure. Project teams are also established as needed in order to implement orders and projects. Such teams are comprised of the Company's specialists and are led by project managers in cases of large projects or lead

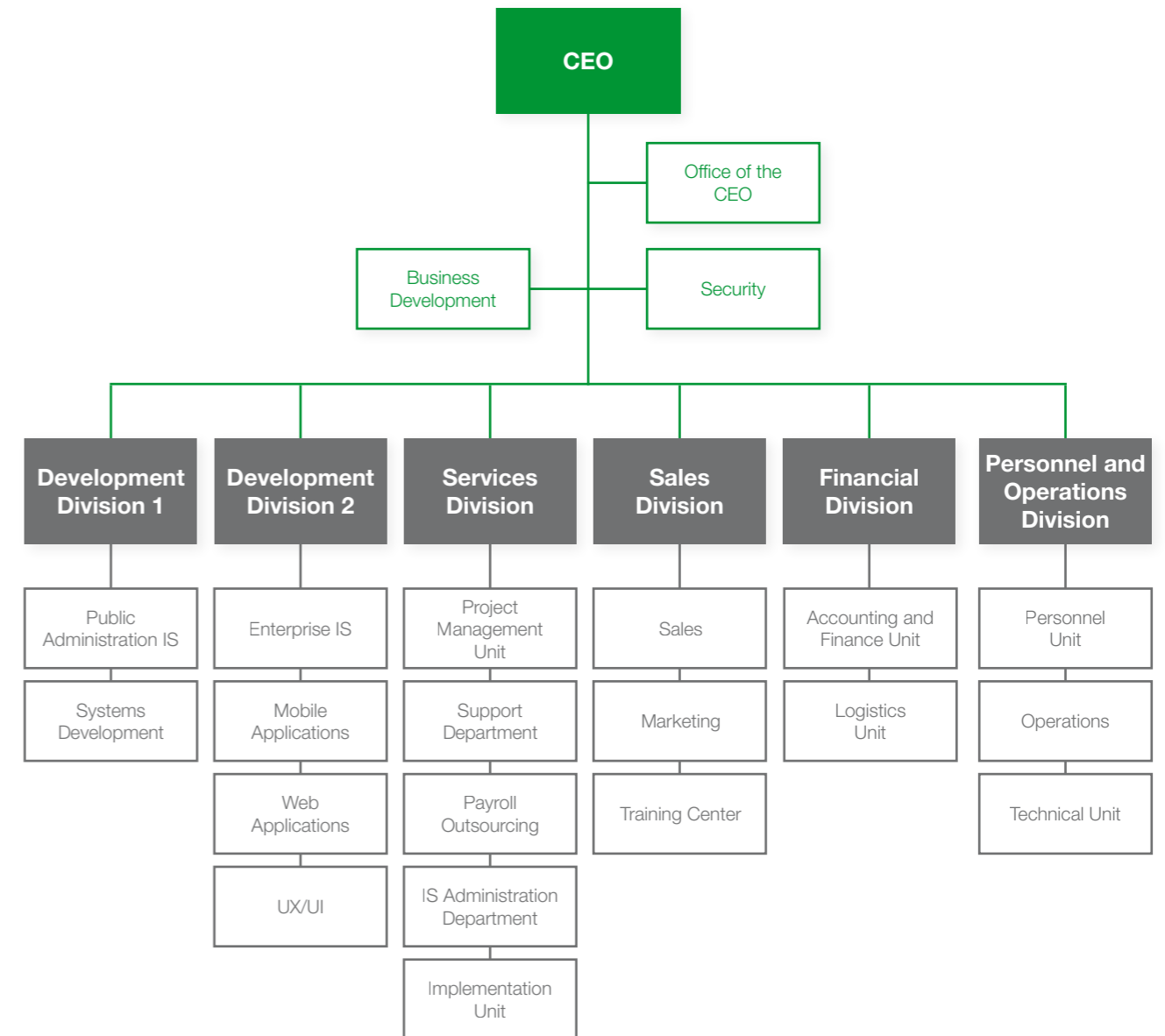
consultants in cases of smaller orders. OKsystem has been awarded a Security Clearance Certificate issued by the National Security Authority at the Confidential level. The certificate, allowing the Company access to classified information both generated within the Company and provided to it, is valid until January 2029. An integrated management system has been introduced for the conduct of OKsystem's main activities, and this system is being further developed. The system consists of components in accordance with ISO 9001, ISO 14001, and ISO 27001.

During 2022, organizational changes were made within OKsystem in the area of security. As of 1 January 2022, a security department was created that is led by Security Director Mgr. Ing. Michaela Stonová, Ph.D. Within this department there is a position of Personal Data Protection Officer. A separate sales unit has been created for payroll

and HR systems. Product manager positions have been created for managing development, implementation, and support in OKbase, BabelApp, and Checkbot projects. These changes were made with the aim of improving the quality of provided services and supporting OKsystem's further growth.



### Organizational chart of OKsystem a.s. as of 31 December 2022

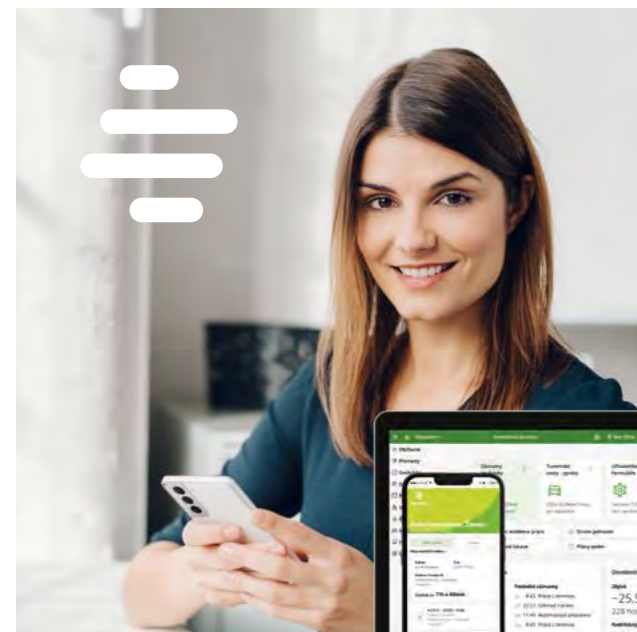


OKsystem's management, sales personnel, developers, and other in-house experts search for market niches and commercial opportunities to which it can respond as a software company with its broad know-how. OKsystem can then either participate in a public tender consisting in, for example, designing and developing a custom application program system; initiate new activities;

or develop an original, proprietary product intended for general, repeated application. Such were the origins over time of our OKbase, BabelApp, Checkbot, OKdox, OKmzdy, and OKadresy product lines, mobile applications, public administration contracts, payroll outsourcing, professional training courses for IT professionals, and other activities.

## OKbase

In 2022, the functions of the OKbase human resources system were expanded, new customers were acquired, and the system's market position was further strengthened. OKbase is designed for HR managers, payroll accountants, managers, and, by means of an interactive web and mobile interface, all employees. It is used by leading Czech and multinational companies and government offices, often with dozens of branches across the Czech Republic. Users from the business sector include, for example, Allianz pojišťovna, Aon, Billa, BNP Paribas, Carrier, Caterpillar, Contipro, ČMSS, C.S.CARGO, Czechoslovak Group, Direct pojišťovna, Dixons, Eberspächer, ELECTROLUX, Four Seasons, GE Aviation, Global Payments, Huawei, Jan Becher, John Crane, Konica Minolta, Lagardere, LINET, MOL, Olympus, Omnipol, Penny Market, Porsche Engineering, and Shell. In public administration, users include Prague Botanical Garden, Czech Geological Survey, Czech Trade Inspection Authority, Czech Statistical Office, Ministry of Transport, Ministry of Culture, Ministry of Regional Development, Ministry of Education, Youth and Sports, Ministry of Foreign Affairs, Ministry of the Environment, State Housing Development Fund, National Treasury Shared Services Center, State Printing Works of Securities, Moravian-Silesian Region, National Gallery, National Cyber and Information Security Agency, Road and Motorway Directorate, State Office for Nuclear Safety, State Veterinary Administration, State Agricultural Intervention Fund, City of Brno, State Land Office, and Military Forests and Farms of the Czech Republic. In the areas of health care and pharmacy, OKbase is used for instance by Česká lékárna holding, a.s. (the largest pharmacy network operator in the Czech Republic, Dr. Max pharmacies),



KRKA ČR, EUC a.s., SMITHS Medical, ROCHE, and General University Hospital in Prague. In the areas of science and education, our clients include the Czech Academy of Sciences, Institute of Physics, Masaryk Institute, Archives of the CAS, Czech Technical University in Prague, and University of Chemistry and Technology in Prague. New customers who selected and ordered OKbase in 2022 include, for example:

- Aisan Industry Czech, s.r.o.
- APAG Elektronik
- Aperam Stainless Services & Solutions Tubes CZ s.r.o.
- B+N Czech Republic Facility Services s.r.o.
- Benefit Management s.r.o.
- Comdata Czech a.s.
- Delirest services s.r.o.
- DHL Supply Chain s.r.o.
- Grafton Recruitment
- KONE Industrial – koncern s.r.o.
- KPMG Česká republika, s.r.o.
- Mail Step a.s.
- Olympus Medical Products Czech spol. s r.o.
- Pivovary Staropramen s.r.o.
- Sécheron Hasler
- SENCO Příbram
- Schrack Technik spol. s r.o.
- VISCOFAN CZ s.r.o.

In 2022, the OKbase human resources system continued to fulfil the long-time vision for digitalization and digital transformation of HR companies and HR processes. Digitalization of payroll accounting (Payroll Accounting Documents module) saw significant expansion among customers and improvements in functionality, such as possibility of electronic forwarding of various confirmations. Development further concentrated on broad problematics of shift planning. OKbase facilitates initial capacity planning, assigning shifts to specific employees, and making operational changes to the plan and shift fulfilment. In this area, implementation of artificial intelligence (AI) algorithms significantly help the users by making the planning and fulfillment processes more efficient. OKbase specialists have been strengthening their know-how in personnel management so that OKsystem has become a partner to customers seeking not only software, but also help with optimization, setup, and long-term sustainability of their personnel processes. The aim is to reach a point where OKsystem “delivers not software but a service.” Last but not least, in 2022, developers worked on technological refinements to the information system and gave increased attention to security, not only on levels of design and system improvements but also on that of back-testing.

## Checkbot

During 2022, Checkbot, an application designed for monitoring Yaskawa robots in real time, saw further development on multiple levels. In the first quarter of 2022, OKsystem a.s. became a contractual partner of Yaskawa Europe GmbH and the Checkbot application achieved a status as authorized product of the robot manufacturer within the Yaskawa ECOSYSTEM. This change brought in further development of international activities and represents first steps in the application's direct sales abroad. During the year, the application was introduced at sales meetings in 20 countries of the world, and it was installed in sales outlets (robot showrooms) of Yaskawa's national representation in 7 countries of the world. The first installation for a customer outside of the Czech Republic – at the KIA production plant in Žilina, Slovakia – was successfully executed. Checkbot installation at MUBEA Stabilizer Bar System s.r.o. in Prostějov was significantly broadened. In October, the Checkbot application was presented at the International Engineering Fair in Brno, where it shared a stand with Yaskawa Czech s.r.o. The application's scope and contributions of individual functionalities were regularly evaluated with existing customers within the Czech Republic. The findings were applied to new versions, which were introduced during the year. Among new features launched in 2022 include especially extended options of individual views and combination of graphs and active features on the user's home screens (dashboards, widgets), more detailed access control and setting of rights for individual user roles, as well as display of ongoing tasks and programs down to the detailed line levels in a given robot's jobs, tasks, and subtasks. A significant innovation was incorporation of a backup function for cmos.bin files, which, along with the entire file backup section, creates a competitive advantage for the application. By connecting larger numbers of robots and cameras, further analyses were made, which was followed by optimization of parameters of the databases used and refinements to the principles



of collecting individual data. Emphasis was given to maintaining a high standard of cybersecurity for the application as a whole, as well as for its individual components. The UX department was involved to a larger extent in the continuous development. From 1 June 2022, coordination of development, analytical work, and planning for further advancing the application falls under the newly established position of a product manager. Checkbot was provided free of charge and installed in the modern robotics classroom at the Ječná Secondary Technical School of Electrical Engineering in Prague, where students work with Yaskawa robots in practical lessons. In 2022, OKsystem's representatives were able to hand out certificates to the first 40 students graduated from the robotics course at this school. The certificates confirm their knowledge and qualification to operate the Checkbot software.

## BabelApp and other mobile applications

BabelApp is a secure corporate communications platform that has been developed as an original solution since 2013. It enables instant messaging and secure voice communication across the internet (Voice over Internet Protocol – VoIP). BabelApp is useful for anyone who works with confidential or sensitive data on a daily basis. With this platform, users can send and receive encrypted messages, including attachments, on mobile phones and tablets using the iOS or Android

operating system and on PC and Mac desktops. Data communication between users is intermediated by the BabelApp Server. The server maintains records of user accounts and devices, provides client licenses, stores public keys, and ensures delivery of encrypted messages and notifications. The BabelApp Server has no access to private keys and is in no way involved in message encryption, which is performed in end-to-end mode between the end devices.



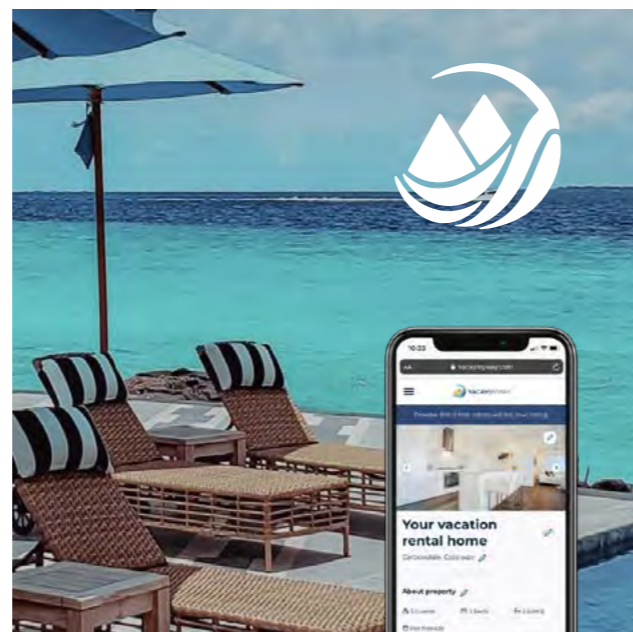
BabelApp also provides encrypted calls between mobile devices connected to a data network. In the process of establishing a phone connection, the caller and call recipient automatically exchange public parts of temporary keys and agree on securing the relationship through one-time cryptographic keys. Voice transfer is then conducted securely and directly between the end clients, or through the server in cases that for any reason direct connection cannot be secured. Users whose end devices are connected to a company BabelApp Server also can communicate with users on other BabelApp Servers. Integrating the BabelApp corporate platform with third-party

applications is easy. It is thus possible to ensure secure communication not only between individuals but also between the user and the information system, as well as between information systems. The BabelApp secure communications platform also enables recording of secured notes – a user can use any device to take notes “just for himself or herself” and such notes synchronize automatically on all of the user’s devices while adhering to all security standards. BabelApp is protected against attacks using blockchain technology. To verify private keys, BabelApp uses a unique mechanism that works with a secure repository where data once entered is impossible to modify in any way. To store and verify public keys, the same blockchain database is used as is used for Bitcoin cryptocurrency transactions. In this way, any attempt of a potential attacker to listen in on communication between users of the BabelApp platform by becoming an active intermediary is prevented. In information science and cryptography, this is known as a man-in-the-middle (MITM) attack. BabelApp has become the first app of its kind in the world to use in practice the features of blockchain to enhance security and limit potential attacks on the communication platform.

In addition to the BabelApp platform for secure corporate communications, OKsystem is designing, developing, and updating a number of other mobile apps for the iOS and Android mobile operating systems in accordance with customer requests. Among other things, mobile applications extend and enable functions of the OKbase human resources system.

## VacayMyWay

During 2022, OKsystem continued developing and supporting operations of VacayMyWay, a web-based service application for short-term accommodation rentals. Initial design of the application system was created by the eponymous American company based in Denton, Texas. The founders of VacayMyWay have many years of experience in the property rental industry. They set out to simplify the booking process, reduce fees, improve communication, and strengthen trust between landlords and their clients. By means of VacayMyWay, landlords can offer their houses and apartments for short-term rentals easily and on favorable terms, with no flat-rate listing fees, a transparent cancellation policy, customer support, and damage insurance. The booking system is linked to specialized information systems, such as Hostfully, NextPax, and Hostaway, which manage tens of thousands of properties. Tourists may save as much as 20% on the price of their stays compared to services provided by other booking systems.



## Other products and services

During 2022, OKsystem continued in developing and operating e-commerce systems. The online stores VinoDoc.cz in the Czech Republic and VinoDoc.sk in Slovakia offer more than 300 select wines from over 60 wineries all across Italy. The cooperation with the media house Economia on promoting and operating the online store for European wines called HNVino.cz was ongoing. Based upon a contract, OKsystem focuses on development of the online store HNVino while the subsidiary VinoDoc manages sales activities and Economia attends to marketing through its periodicals and news servers. In addition to Italian wines, it offers and delivers wines with excellent quality/price ratio from Spain, France, Germany, Austria, and Moravia. A fourth online store, OKvino.cz, offers a similarly varied selection of European wines.

BigBoard, the leader in the outdoor advertising market, became a new customer in the development of a custom information system. OKsystem has designed and developed an extensive in-house system for BigBoard to manage reservations and sales of advertising spaces, including related modules for managing advertising production, invoicing, and more. The gradual replacement of BigBoard’s existing system, which is already functionally and

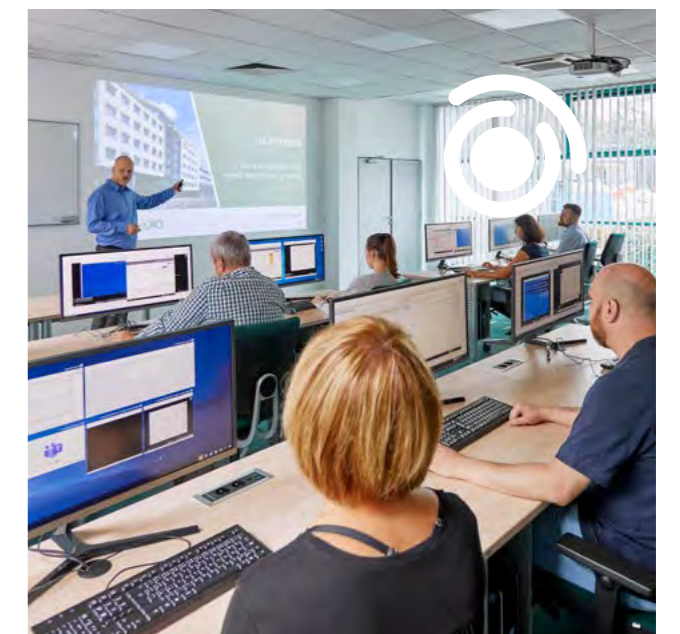
technologically inadequate, is scheduled over several years. OKsystem uses the very newest technologies for the development of web applications and, due to the high volume of data managed on the customer’s side, is working on the project with advanced data tools to ensure fast loading and real-time filtering.

OKsystem also continues to offer the tried and tested OKmzdy payroll processing system. Due to its simplicity, stability, efficiency, and low price, OKmzdy has hundreds of loyal and satisfied customers, ranging from individual entrepreneurs and small and medium-sized employers to accounting agencies.

Under the name OKadresy, OKsystem offers, delivers, and supports use of one of the fundamental registers of Czech e-government: the basic register of territorial identification, addresses and real estate (RUIAN). OKsystem thus has built upon its many years of experience in designing and operating the Regional Identification Address Register (UIR-ADR). Data in the OKadresy system is updated via the internet every day and it even is possible to work with it offline. In contrast to RUIAN, it also saves a history of changes in addresses and non-extant elements in addition to their current status.

## OKškolení

OKsystem’s training center is dedicated to training administrators and users in its own program systems and is authorized to provide professional training for Cisco, Microsoft, and SUSE Linux products. In the OKsystem building, the training center has available six computerized classrooms and a conference hall including parts that are flexibly adjustable to create a needed layout. The Company has a tradition of authorized training in the ICT field dating back to 1991, and this training center is therefore the longest running of its kind in the Czech Republic. Hundreds of computer experts and users annually attend professional training courses led by highly skilled and certified instructors. The training center offers user training for its own proprietary software, which is an integral part of every project. In addition to training, OKsystem has for many years been an authorized partner of Pearson VUE for testing ICT knowledge. The training center is renewing its accreditation from the Ministry of Education, Youth and Sports for continuing education of pedagogical staff. In 2022, after COVID-19 and the subsequent energy crisis, the training center returned to its normal operations. A more distinctive marketing brand, OKškolení, has been created and launched. It encompasses OKsystem’s training center activities, which, reflecting



the continuing trend in training sales, increasingly is shifting to the online environment. The courses continue to take place standardly in-person, online, or in a hybrid manner. In addition to traditional

courses, short webinars and seminars were newly delivered in 2022, covering current topics in ICT. For a long time now, the most popular courses have focused on the administration of Microsoft's

## Public administration

Since its founding, OKsystem has been very active in public administration. In 2022, it delivered solutions for state and public administrative organizations and provided them with the following comprehensive services:

- Custom development and operation of information systems for the Ministry of Labor and Social Affairs and the Czech Labor Office.
- Development and operation of the Czech Social Security Administration information system for collecting insurance from self-employed persons and control activities.
- Operational support for the Okbase personnel system to ministries, central state administrative bodies, and municipal authorities.
- Operational support for human resources management, payroll administration, and a payment system for the Ministry of Foreign Affairs and all Czech embassies and consulates.
- Interconnection of key information systems and provision of communications structure for the Ministry of Agriculture (AgriBus, based upon Oracle Enterprise Service Bus) and Czech Social Security Administration (Microsoft BizTalk technology).
- ICT expert knowledge training and testing for public administration employees.

Since the 1990s, OKsystem has been providing the Ministry of Labor and Social Affairs and the Labor Office of the Czech Republic with comprehensive maintenance, administration, continuing development of important and very extensive application program systems, processing of legislative changes, and training. The Ministry of Labor and Social Affairs remains OKsystem's largest customer. These services concern the following applications: Employment (the Okpráce application program system), State Social Support, Social and Legal Protection for Children and the Persons with Disabilities agenda, One-time Child Allowance (OKcentrum), Material Poverty, Humanitarian Assistance, and Solidarity Household Allowance (OKnouze), Child Groups agenda, and Social Services (OKslužby), including a register of social services providers, statistics processing, use of electronic forms, and more. In 2022, the Antivirus system was winding down its operations. Through the system, employers had applied for wage subsidies for their employees in order to maintain employment in the country. A subsidy was granted

cloud services, Power BI, database systems, SQL language, networking courses, and also security for administrators as well as for regular employees.

on the basis of an agreement. The employer simply filled out an application form on the web application and the agreement was immediately approved if conditions were met. As part of the settlement of wage subsidies, which was done through Antivirus, payment of state support totaling tens of billions of Czech crowns was carried out successfully. Antivirus was rated as the most successful government program, having supported more than 1 million employees and significantly helping employers to overcome impacts of the coronavirus crisis. By government decision, the financial compensation scheme for companies was suspended as of 1 January 2022, and subsequently, as of the last day of February 2022, the compensation scheme for wage costs of employees affected by COVID-19 was also suspended. Therefore, from 1 March 2022, the scheme has no longer accepted new claims for compensation, but, in case of need, it can be used in the future. In a challenging timeframe during summer 2022, OKsystem put into operation a system for One-time Child Allowance payment, with modern, user-friendly forms available through a web interface and with the option of receiving the applications from Czech POINT branches. The OKcentrum application was modified so that the vast majority of applications went through the automatic payment process without the need for intervention by Labor Office officers. The application systems for the Czech Labor Office were further modified so that clients do not have to visit the Office's branches. Based on a government resolution and legislative changes, administrative procedures were simplified, new subsidies were introduced, the validity of confirmation was extended, and new electronic forms were deployed. The entitlement to State Social Support and Care Allowance was extended. Emphasis was placed on the incorporation of automated procedures simplifying the work of the Labor Office officers and throughout the year a gradual digitization was taking place according to the frequency of particular processes. All of the aforementioned steps aiming to fundamentally modernize and digitize processes of the Labor Offices and the Ministry of Labor and Social Affairs are directed to the newly emerging portal JENDA, through which the clients would gradually deal with most of the relevant matters. Transition of clients to fully digitized systems will relieve the Czech Labor Office of crowds at its branches and will allow officials to focus on active social policy.

## Headquarters and conference hall

OKsystem a.s. has its headquarters at Na Pankráci 1690/125, Prague 4. The building is owned by the sister company OKBC s.r.o. The location has excellent accessibility from the C subway line and by car from the D1 motorway, the north-south thoroughfare, and the bypass south of the city. An extended tramway line 19 leads directly to the building and the Pankrác metro station will become a transfer point to the line C and new line D, which is under construction. Its high-standard office premises provide space for up to 400 employees, 6 computer classrooms, meeting rooms, a conference hall, a cafeteria, a garage for 100 cars, computer rooms and IT technologies, server room cooling, and backup electricity sources. The Brno branch is located within the Trinita Office Center on Trnitá Street and includes a lecture room and development center. Another OKsystem branch for sales activities, program development, and support for contracts in the Northern Moravia region is in Ostrava within the modern building of the Smart Innovation Center. At its headquarters in Prague, OKsystem also maintains formal conference premises for organizing congresses, trainings, and social events. The conference hall has about 400 m<sup>2</sup> of space suitable for 300 people in an auditorium arrangement or 120 people in a banquet arrangement. It is equipped with high-standard technical equipment, including projection and camera systems and four projection screens. The hall is used both by OKsystem's customers and the general public. The number of events in the conference hall increased after COVID-19 subsided in 2022. Apart from OKsystem, the conference premises were used by, for instance, QUALIFOOD s.r.o., Aqile Prague, KAM DATA s.r.o., Grafton Recruitment



s.r.o., Generali CEE Holding B.V. organizational unit, Czech Floorball, and HR Forum. New customers include such organizations as the National Institute for Autism and the company POZITIVE with its Customer 2030 conference. Several events and presentations were organized by OKsystem in cooperation with the University of Economics in Prague. A traditional event was the OKbase Day meeting with users in May, which was attended in person by 230 customers. During OKbase Day in the main hall and within the accompanying sessions, new features were introduced such as the shift exchange, shift scheduling with the support of artificial intelligence, and tips for working with the system.

## Financial results

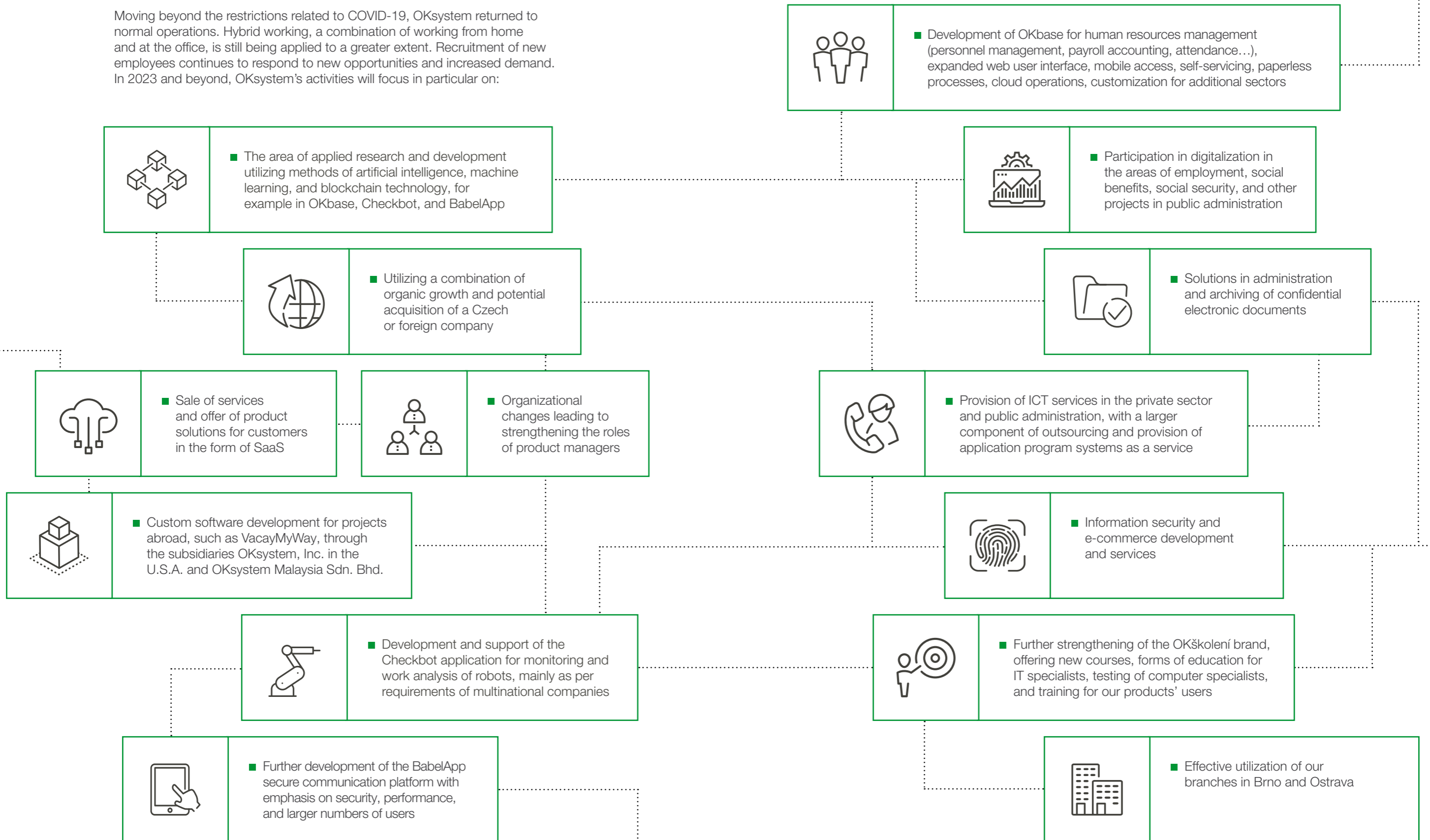
The Company's turnover in 2022 was a record CZK 780 million, the majority of which consisted in sales revenues from IT services. OKsystem achieved a profit after tax of CZK 93 million,

decreasing by 16% in comparison to the 2021 financial results. Precise data are provided in tables on the following pages of this Annual Report.



# III. Expected future development

Moving beyond the restrictions related to COVID-19, OKsystem returned to normal operations. Hybrid working, a combination of working from home and at the office, is still being applied to a greater extent. Recruitment of new employees continues to respond to new opportunities and increased demand. In 2023 and beyond, OKsystem's activities will focus in particular on:



## IV. Financial statements for 2021 and 2022

### Balance sheet (in thousands of Czech crowns)

#### Assets

	2021	2022
<b>Total assets</b>	<b>644 145</b>	<b>681 611</b>
<b>Fixed assets</b>	<b>48 487</b>	<b>69 260</b>
<b>Intangible fixed assets</b>	<b>17 000</b>	<b>16 734</b>
Software	17 000	16 734
Other intangible fixed assets	0	0
Intangible fixed assets under construction	0	0
<b>Tangible fixed assets</b>	<b>17 175</b>	<b>16 694</b>
Land	0	0
Buildings and structures	754	736
Machinery and equipment	16 195	15 732
Other tangible fixed assets	226	226
Tangible fixed assets under construction	0	0
<b>Long-term investments</b>	<b>14 312</b>	<b>35 832</b>
Ownership interests in controlled or controlling entities	0	2 641
Loans to controlled or controlling entities	14 312	33 191
<b>Current assets</b>	<b>587 196</b>	<b>606 710</b>
<b>Inventories</b>	<b>19 237</b>	<b>1 941</b>
Materials	503	743
Finished products and merchandise	1 086	1 198
Unfinished production	17 648	0
<b>Long-term receivables</b>	<b>579</b>	<b>4 476</b>
Trade receivables	0	0
Other receivables	579	4 476
<b>Short-term receivables</b>	<b>208 503</b>	<b>71 223</b>
Trade receivables	201 205	67 420
Receivables from partners and members of an association	0	0
Tax receivables due from state	3 024	2 046
Short-term advances given	12	1 688
Estimated receivables	0	0
Other receivables	4 262	69
<b>Cash and equivalents</b>	<b>358 877</b>	<b>529 070</b>
Cash	301	177
Bank accounts	358 576	528 893
<b>Accruals and deferrals</b>	<b>8 462</b>	<b>5 641</b>
Prepaid expenses	8 444	5 641
Accrued revenue	18	0

#### Liabilities and equity

	2021	2022
<b>Total liabilities and equity</b>	<b>644 145</b>	<b>681 611</b>
<b>Owners' equity</b>	<b>551 061</b>	<b>588 385</b>
<b>Share capital</b>	<b>35 000</b>	<b>35 000</b>
Share capital	35 000	35 000
Capital funds	-234	-234
Gains or losses from revaluation of assets and liabilities	-234	-234
<b>Funds from profit</b>	<b>2 594</b>	<b>3 161</b>
Other reserve funds	0	0
Statutory and other funds	2 594	3 161
<b>Retained earnings</b>	<b>402 675</b>	<b>457 701</b>
Retained earnings from previous years	402 675	457 701
<b>Profit or loss from current year</b>	<b>111 026</b>	<b>92 757</b>
<b>Liabilities</b>	<b>91 129</b>	<b>89 476</b>
<b>Provisions</b>	<b>9 663</b>	<b>10 632</b>
Other provisions	9 663	10 632
<b>Long-term liabilities</b>	<b>1 142</b>	<b>1 262</b>
Deferred tax liability	1 142	1 262
<b>Short-term payables</b>	<b>80 324</b>	<b>77 582</b>
Bonds issued	0	0
Convertible bonds	0	0
Other bonds	0	0
Payables to banks	0	0
Short-term advances received	0	0
Trade payables	9 908	11 620
Short-term notes payable	0	0
Payables to controlled or controlling entities	0	0
Payables to associates	0	0
Other payables	70 416	65 962
Payable to partners	0	0
Short-term financial assistance	0	0
Payables to employees	26 166	29 232
Payables to social security and health insurance	10 879	11 972
Tax and subsidies due to state	32 563	23 813
Estimated payables	30	30
Other payables	778	915
<b>Accruals and deferrals</b>	<b>1 955</b>	<b>3 750</b>
Accrued expenses	284	1 082
Deferred income	1 671	2 668

## Income statement (in thousands of Czech crowns)

	2021	2022
<b>Revenues from sales of own products and services</b>	<b>691 294</b>	<b>757 047</b>
<b>Revenues from goods sold</b>	<b>3 675</b>	<b>4 727</b>
<b>Cost of sales</b>	<b>131 502</b>	<b>139 469</b>
Cost of goods sold	3 045	3 408
Materials and energy	10 031	19 036
Services	118 426	117 025
<b>Change in inventory of own production</b>	<b>0</b>	<b>0</b>
<b>Own work capitalized</b>	<b>-8 943</b>	<b>-7 624</b>
<b>Personnel expenses</b>	<b>419 440</b>	<b>508 170</b>
Wages and salaries	308 540	374 319
Social security, health insurance, and other expenses	110 900	133 851
Social security and health insurance expenses	98 960	119 784
Other expenses	11 940	14 067
<b>Value adjustments to fixed and current assets</b>	<b>13 964</b>	<b>15 717</b>
Value adjustments to intangible and tangible fixed assets	13 964	15 717
Permanent value adjustments to intangible and tangible fixed assets	13 964	15 717
Temporary value adjustments to intangible and tangible fixed assets	0	0
Adjustments to inventories	0	0
Adjustments to accounts receivable	0	0
<b>Other operating revenues</b>	<b>1 169</b>	<b>2 752</b>
Revenues from sale of fixed assets	793	1 800
Revenues from sale of materials	23	30
Other operating revenues	353	922
<b>Other operating expenses</b>	<b>1 733</b>	<b>5 699</b>
Net book value of fixed assets sold	64	1 619
Net book value of materials sold	0	0
Taxes and fees	671	536
Provisions and complex prepaid expenses	445	968
Other operating expenses	553	2 576
<b>Operating profit or loss</b>	<b>138 442</b>	<b>103 095</b>
<b>Revenues from long-term investments – shares</b>	<b>0</b>	<b>0</b>
Revenues from shares in controlled or controlling entities	0	0
Other revenues from shares	0	0

	2021	2022
<b>Costs associated with shares sold</b>	<b>0</b>	<b>0</b>
<b>Revenues from other long-term investments</b>	<b>0</b>	<b>0</b>
Revenues from other long-term investments in controlled or controlling entities	0	0
Revenues from other long-term investments	0	0
<b>Costs associated with other long-term investments</b>	<b>0</b>	<b>0</b>
<b>Interest income and similar income</b>	<b>1 265</b>	<b>15 134</b>
Interest income and similar income from controlled or controlling entities	0	0
Other interest and like income	1 265	15 134
<b>Adjustments and provisions in the finance area</b>	<b>0</b>	<b>0</b>
<b>Interest expense and similar expenses</b>	<b>0</b>	<b>0</b>
Interest expenses relating to controlled or controlling entities	0	0
Other interest expenses and similar expenses	0	0
<b>Other financial income</b>	<b>457</b>	<b>886</b>
<b>Other financial expenses</b>	<b>2 847</b>	<b>3 653</b>
<b>Profit or loss from financial operations</b>	<b>-1 125</b>	<b>12 367</b>
<b>Profit or loss before tax</b>	<b>137 317</b>	<b>115 462</b>
<b>Income tax</b>	<b>26 291</b>	<b>22 705</b>
Current income tax	26 173	22 584
Deferred income tax	118	121
<b>Profit or loss after tax</b>	<b>111 026</b>	<b>92 757</b>
Transfer of profit to partners	0	0
<b>Profit or loss for the current period</b>	<b>111 026</b>	<b>92 757</b>
<b>Net turnover for the current period</b>	<b>697 860</b>	<b>780 546</b>

V.

## CASH FLOW STATEMENT

for the year ending 31 December 2022

(in thousands of Czech crowns)

Business name or other  
name of reporting entity

OKsystem a.s.

Registered office or address  
of reporting entity

Na Pankráci 125  
140 21 Prague 4

P.	Balance of cash and equivalents at beginning of reporting period	358 877
Cash flows from operating activities		
Z.	Profit or loss before tax	115 462
A. 1	Adjustments for noncash operations	1 371
A. 1 1	Depreciation and amortization of fixed assets and adjustments thereto	15 717
A. 1 2	Change in adjustments and provisions	969
A. 1 3	Gain or loss from disposal of fixed assets	-181
A. 1 4	Dividends and like income	0
A. 1 5	Net interest expense except as capitalized into fixed assets	-15 134
A. 1 6	Other adjustments for noncash operations	0
A. *	<b>Net cash flow from operating activities before tax and working capital changes</b>	116 833
A. 2	Change in noncash items of working capital	152 553
A. 2 1	Change in accounts receivable and temporary asset accounts	136 204
A. 2 2	Change in short-term accounts payable and temporary liability accounts	-947
A. 2 3	Change in inventories	17 296
A. 2 4	Change in short-term investments not included in cash and equivalents	0
A. **	<b>Net cash flow from operating activities before tax</b>	269 386
A. 3	Interest paid except as capitalized into fixed assets	0
A. 4	Interest received	15 134
A. 5	Income tax paid and tax additionally charged	-22 705
A. 6	Dividends and like income received	0
A. ***	<b>Net cash flow from operating activities</b>	261 815
Cash flows from investing activities		
B. 1	Acquisition of fixed assets	-36 490
B. 2	Proceeds from sale of fixed assets	181
B. 3	Loans and credits to related parties	0
B. ***	<b>Net cash flow from investing activities</b>	-36 309
Cash flows from financing activities		
C. 1	Changes in long- and short-term liabilities	120
C. 2	Effect on cash and equivalents of changes in owner's equity	-55 433
C. 2 1	Increase in cash from increase in share capital, share premium, and funds from profit	0
C. 2 2	Dividends and like payments to partners	-52 500
C. 2 3	Additional contributions from partners and shareholders	0
C. 2 4	Loss coverage by partners	0
C. 2 5	Direct payments by debit from funds	-2 933
C. 2 6	Dividends and like payments made, inclusive of tax paid	0
C. ***	<b>Net cash flow from financing activities</b>	-55 313
F.	<b>Net increase/decrease in cash</b>	170 193
R.	<b>Balance of cash and equivalents at end of reporting period</b>	529 070

In accordance with Decree No. 500/2002 Coll.

Preparation of the cash flow statement: indirect method

VI.

## STATEMENT OF CHANGES IN EQUITY

for the year ending 31 December 2022

(in thousands of Czech crowns)

Business name or other  
name of reporting entity

OKsystem a.s.

Registered office or address  
of reporting entity

Na Pankráci 125  
140 21 Prague 4

		Opening balance	Increase	Decrease	Closing balance
A.	Share capital registered in the Commercial Register	35 000	0	0	35 000
B.	Share capital not registered in the Commercial Register	0	0	0	0
C.	Total A +/- B	35 000	XX	XX	XX
D.	Own shares and ownership interests	0	0	0	0
*	Total A +/- B +/- D	XX	XX	XX	35 000
E.	Share premium	0	0	0	0
F.	Reserve fund	0	0	0	0
G.	Other funds from profit	2 594	3 500	2 933	3 161
H.	Capital funds	0	0	0	0
I.	Revaluation gains or losses not included in profit or loss	-234	0	0	-234
J.	Retained earnings	513 701	0	56 000	457 701
K.	Profit or loss for the reporting period after taxation	XX	92 757	XX	92 757
*	<b>Total</b>	<b>551 061</b>	<b>96 257</b>	<b>58 933</b>	<b>588 385</b>

In accordance with Decree No. 500/2002 Coll.

## Notes to the financial statements for the financial year from 1 January 2022 to 31 December 2022

(prepared in accordance with §39 et seq. of Decree No. 500/2002 Coll.)

### I. Basic information (Decree §39/1/a)

#### A. Basic information concerning the reporting entity (§18, para. 3 of the Accounting Act):

##### ■ A. 1. Reporting entity identification

Business name:	OKsystem a.s.
Registered office:	Na Pankráci 125, 140 21 Prague 4
Company ID No.:	27373665
Legal form:	Joint-stock company
Subject of business:	Software, training, IT services
Date of reporting entity's founding:	7 September 2005
Balance sheet date:	31 December 2022
Annual report presentation date:	17 May 2023 (day of completing financial statements)
Reporting entity category (§1b of the Accounting Act):	Large
Signature of the corporate body:	
	<b>Martin Procházka</b> Chairman of the Board of Directors

Prepared by: Zuzana Hořová

##### ■ A. 2. Description of changes and amendments made in the Commercial Register within the most recent period

During the period 1 January 2022 to 31 December 2022 no changes occurred in the Commercial Register.

##### ■ A. 3. Description of organizational structure and substantial changes therein within the most recent period

Organizational structure:

Divisional organization:  
Office of the CEO | Development Division 1 | Development Division 2 | Services Division  
Sales Division | Financial Division | Personnel and Operations Division

Within divisions, departments and units are established directly subordinate to the heads of the divisions.

#### B. Information on general accounting principles and methods (Decree §39/1/b)

##### B. General accounting principles

The financial statements were prepared in accordance with Act No. 563/1991 Coll., on Accounting, as subsequently amended (hereinafter referred to as the Accounting Act), and Decree No. 500/2002 Coll. (hereinafter referred to as the Decree), which implement certain provisions of the Accounting Act for reporting entities that are business enterprises utilizing double-entry accounting.

##### ■ B. a. Going concern assumption

The accounting methods were used under the assumption that the reporting entity would continue as a going concern. The reporting entity assumes that the going concern principle is not at risk and at the same time that there exists no substantial uncertainty that it will be able to continue uninterrupted in its activities.

##### ■ B. b. Method of compiling the financial statements as of 31 December 2022

On the basis of an amendment to the Accounting Act and an implementing decree on reporting by business enterprises, effective as from 1 January 2016, there occurred a change in the reporting of certain items on the balance sheet and income statement. In order to ensure comparability of these items with the previous financial year, these items were reclassified accordingly, in conformity with Czech Accounting Standard No. 024.

##### ■ B. 1. Assets and liabilities valuation methods

General principle:

Assets and liabilities are valued at historical acquisition cost (i.e., acquisition price + related costs), with the exceptions of postage stamps, transport tickets and like items (recorded at nominal value), as well as the items described below.

##### B. 1. a) Valuation of purchased inventories

Methods of accounting for inventories: OKsystem a.s. uses variant "A".  
Individual stock types:

- **Kitchen stocks**  
Purchased stocks are recorded at acquisition cost in account 112 – Materials in inventory. Material consumption is commonly debited in the corresponding accounts within account group 501 – Material consumed, 518 – Other services, 504 – Merchandise sold, or in account 549 – Shrinkage (spoilage) from operating activities.
- **Stocks of other goods, software stocks**  
Purchased stocks are recorded at acquisition cost in account 131 – Cost of merchandise. The goods are then transferred to account 132 – Merchandise in warehouse and stores. Sales of merchandise are commonly debited in the corresponding accounts within account group 504 – Merchandise sold.
- **Promotional materials inventory**  
Purchased stocks are recorded at acquisition cost in account 111 – Cost of material. The promotional material is then transferred to account 112 – Materials in inventory. Material consumption is commonly debited in the corresponding accounts within account group 501 – Material consumed.

The reporting entity maintains inventory records continuously and in a verifiable manner so that as of the reporting date for the accounting period and after inventory-taking it may debit the appropriate inventory accounts and credit the accounts for consumed purchases.

##### Types of expenses included into prices of purchased stocks

Secondary acquisition expenses which are included into acquisition prices of purchased stocks:  
Yes = they are included

- **Method of including costs of transport at the Company's own expense:**  
Directly into the valuation of individual items to which they relate.

##### B. 1. b) Valuation of internally produced inventories

There are no internally produced inventories.

## B. 2. Method for determining changes in asset values (depreciation, amortization, and adjustments)

### B. 2. a) Depreciation and amortization of tangible fixed assets

Accounting depreciation and amortization are calculated based upon acquisition cost (minus any investment subsidies received) and estimated service life.

#### Basic principles of the accounting depreciation and amortization plan:

The reporting entity depreciates or amortizes asset values over time, always until a zero accounting balance value is reached. Depreciation and amortization rates are determined individually according to the expected useful lives of groups of items and at an annual percentage rate. Depreciation and amortization are on a straight-line basis and recorded monthly, starting from the month following the item's classification.

Expected useful lives for basic groups of fixed assets are specified as follow:

Intangible fixed assets	3 years*	Tangible fixed assets	
		Buildings	50 years
		Furniture	5 years
		Machinery and devices	3 years
		Vehicles	5 years

\* unless specified otherwise in a contract

#### Reporting method for items of small fixed assets:

#### Price limits for amortizing tangible assets acquired

- Expensed directly without subsequent operating record: up to CZK 10,000, inclusive.
- Expensed directly with subsequent operating record: above CZK 10,000 plus assets individually determined to be important for the Company (e.g., mobile phones, keyboards, lamps).

#### Price limits for amortizing intangible assets acquired

- Expensed directly with subsequent operating record: No specific limit for recording is defined. Most small intangible assets are recorded.

Deviations from standard accounting methods: none applied.

## B. 3. Translation of foreign currency items

During the accounting period, the reporting entity has used for translation of items denominated in foreign currencies the daily exchange rate of the Czech National Bank valid on the day of any particular accounting operation. As of the reporting date, liabilities and assets in foreign currencies were converted using CNB exchange rates, thereby giving rise to gains or losses from translation of exchange rate differences (part of other financial expenses and revenues) as follows:

Currency	Rate	Assets and liabilities
EUR	24,115 CZK/EUR	Trade receivables and payables, loans, cash, bank accounts, temporary and estimated accounts
USD	22,616 CZK/USD	Trade receivables and payables, loans, cash, bank accounts, temporary and estimated accounts

## C. Information on valuation model used and technique for fair value recognition

### C. 1. a) Valuation of ownership shares and holdings by the equity method (according to the share in the owners' equity of the issuer)

Reporting entities in which the reporting entity has a substantial or decisive influence.

Valuation by the equity method for all shareholdings. Because the value of the equity is negative, valued at zero.

Name and registered office, legal form, ID No.	Share in registered capital (%)
OKsystem Inc., 580 5th Ave, Suite 820, New York, NY 100 36	100 %
OKsystem Malaysia Sdn. Bhn. Arcoris Business Suites, Block A1, No. 10 Jalan Kiara, Mont Kiara, 504 80 Kuala Lumpur	100 %
VinoDoc s.r.o., Na Pankráci 125, Prague 4, Company ID 01991426	50 %

## D. Amounts receivable and debts (payables) with repayment period longer than 5 years as of the balance sheet date

Receivables: none Payables: none

## E. Average full-time equivalent number of employees during the accounting period:



349

## II. Other information

### 1. Consolidated and associated reporting entities

(Entities in which the reporting entity has a controlling or substantial influence)

Name	Share in registered capital (%)
OKsystem Inc.	100 %
OKsystem Malaysia Sdn. Bhd.	100 %
VinoDoc s.r.o.	50 %

On the basis of a legal opinion of the Chamrád – Laušmanová law office from 7 June 2018, OKsystem a.s. decided not to prepare consolidated financial statements including the aforementioned companies. With a view to the provisions of Section 22a (3) of Act No. 563/1991 Coll., on Accounting, as subsequently amended, the subsidiary OKsystem Inc. and company VinoDoc s.r.o. can be regarded as insignificant individually and collectively also for 2022.

### 2. Entities in which the reporting entity is a partner with unlimited liability: none.

### 3. Breakdown of number of employees by categories (itemization of number in point E)

Employee category	Average full-time equivalent number for period
Management	66
General staff	265
Administration	18

### 4. Remuneration during accounting period to members of managing, supervisory, or administrative bodies (in CZK thousands)

Remuneration paid to members of corporate and supervisory bodies	
Board of Directors	16 540
Supervisory Board	0

### 5. Proposed distribution of profit or settlement of loss (in CZK thousands)

Distributable profit for the 2022 accounting period	92 757
Advances to shares in profit paid out	0
<b>Final profit for settlement</b>	<b>92 757</b>

The resulting profit will be assigned to the following item in the owners' equity:

Item in owners' equity	Original balance	+ Allocation	Ending balance
Retained earnings	457 701	92 757	550 458

## 6. Fixed assets data

### 6. a. 1. Additions to and disposals from fixed assets for the accounting period at acquisition costs (CZK thousands)

Intangible assets (CZK thousands)	Starting balance	Ending balance	Additions	Disposals
Software	7 641	8 246	605	0
Self-produced software	31 428	39 052	7 624	0

Tangible assets (CZK thousands)	Starting balance	Ending balance	Additions	Disposals
Buildings	945	945	0	0
Machinery and equipment (computers, HW)	50 139	42 699	2 074	9 514
Vehicles	18 627	23 113	6 285	1 799
Furniture	3 287	3 287	0	0
Works of art	226	226	0	0

Long-term investments at acquisition cost (CZK thousands)	Starting balance	Ending balance	Additions	Disposals
Loans and credits – substantial influence	24 180	43 308	19 361	233

### 6. a. 2. Balances of and changes in depreciation, amortization, and adjustments for the accounting period (CZK thousands)

Intangible assets	Amortization		Adjustments	
	Starting balance	Ending balance	Starting balance	Ending balance
Software	-7 296	-7 702	0	0
Self-produced software	-14 773	-22 862	0	0

Tangible assets	Amortization		Adjustments	
	Starting balance	Ending balance	Starting balance	Ending balance
Buildings	-191	-209	0	0
Machinery and equipment (computers, HW)	-43 760	-37 642	0	0
Vehicles	-9 227	-12 650	0	0
Furniture	-2 871	-3 075	0	0

Long-term investments – balance and change of adjustments (CZK thousands)	Acquisition cost	Adjustment	Change in adjustment for period
Loans and credits – substantial influence	43 308	-10 117	249

## 7. Breakdown of deferred income tax (CZK thousands)

Character of deferred tax: liability. Starting balance of deferred tax: CZK 1,141,000 (L)

Deferred tax title (CZK thousand)	Amount	Income tax rate	Deferred tax	L = Liability
Difference between accounting residual value and tax residual value of fixed assets	6 642	19 %	121	Z

Ending balance of deferred tax as of balance sheet date CZK 1,262,000 (Liabilities × tax rate)  
 Change in deferred tax for current period CZK 121,000 (Ending balance – Starting balance)

## 8. Transactions with related entities

See the (separate) Report on Relations between Related Entities.

## 9. Cash flow statement

The cash flow statement (as a separate report) was prepared using the indirect method.

## 10. Statement of changes in equity

The statement of changes in equity is attached as a separate report.

## VIII.

## Other information

From 1 January 2023 to May 2023, there occurred no new circumstances that could substantially influence OKsystem's economic situation. The war in Ukraine (and the related additional support for refugees) and the energy crisis (household allowance and other social benefits for a wider sphere of residents) required adjustments in the Czech social system, and this had to be reflected in the information systems in record short time. The new electronic forms and the digitalization of processes at the Czech Labor Office are gradually being implemented even in those parts of OK applications that were designed and put into operation years ago. The going concern principle as it relates to the accounting entity was not compromised in any way.

Prague, 17 May 2023

OKsystem did not take part during 2022 in any international or Czech projects relating to applied research or experimental development. No subsidy or tax advantage was used for research and development. OKsystem utilizes in its projects the results from research and development achieved in previous years. Internal research and development focused on possibilities for using artificial intelligence methods and blockchain databases and on information security in products and services.

OKsystem does not acquire its own ownership shares and has no organizational unit abroad.



Martin Procházka  
Chairman of the Board of Directors

Key customers



Ministerstvo zahraničních věcí  
České republiky



MINISTERSTVO ZEMĚDĚLSTVÍ



## IX.



## Report on relations between related entities for 2022 prepared in accordance with §82 et seq. of the Business Corporations Act

### Assessment of advantages and disadvantages ensuing from relationships between related entities

The Supervisory Board has assessed all relationships existing between the related entities and reached the following conclusion:

**No advantages or disadvantages ensue from the stated relationships between the related entities.  
No risks ensue from the stated relationships for the controlled entity.**

Statement in accordance with §82 (3) of the Business Corporations Act: The corporate body had sufficient information to prepare this report.


	 Martin Procházka	 OKsystem Inc.	 OKsystem Malaysia Sdn. Bhd.	 OKBC s.r.o.	 VinoDoc s.r.o.
Structure of relationship:					
a) Controlled entities	OKsystem a.s., having its registered office at Na Pankráci 1690/125, 140 21 Prague 4 – Nusle	OKsystem Inc., having its registered office at 580 5th Ave, Suite 820, New York, NY 100 36, United States of America	OKsystem Malaysia Sdn. Bhd., having its registered office at Arcoris Business Suites, Block AI, No. 1 O, Jalan Kiara, Mont Kiara, 504 80 Kuala Lumpur Malaysia Tax No. 202201017445	OKBC s.r.o., having its registered office at Na Pankráci 1690/125, 140 21 Prague 4 – Nusle	VinoDoc s.r.o., having its registered office at Na Pankráci 1690/125, 140 21 Prague 4 – Nusle
b) Controlling person or entity	Martin Procházka Permanent residence: Nad Vavrouškou 709/3, 181 00 Prague 8 – Troja	OKsystem a.s., having its registered office at Na Pankráci 1690/125, 140 21 Prague 4 – Nusle	OKsystem a.s., having its registered office at Na Pankráci 1690/125, 140 21 Prague 4 – Nusle	OKsystem a.s., having its registered office at Na Pankráci 1690/125, 140 21 Prague 4 – Nusle	OKsystem a.s., having its registered office at Na Pankráci 1690/125, 140 21 Prague 4 – Nusle
Role of the controlled entity (in the group of related entities)	Business entity.	Intermediating sales of software and provision of services abroad.	Intermediating sales of software and provision of services abroad.	Lease of office premises.	Broadening of the controlling company's activities to include e commerce systems.
Method and means of control (§75 of the Business Corporations Act)	In accordance with the bylaws, the possibility of appointing or dismissing the persons in the corporate or supervisory body and a 90% share in voting.	Possibility to appoint or dismiss persons in the corporate or supervisory body, 100% share in voting rights.	Possibility to appoint or dismiss persons in the corporate or supervisory body, 100% share in voting rights.	35.5% share in voting rights, possibility to appoint or dismiss persons in the corporate or supervisory body with the agreement of at least one other partner.	50% share in voting rights, possibility to appoint or dismiss persons in the corporate or supervisory body with the agreement of at least one other partner.
Summary of actions taken during the reporting period in the interest of the controlling person or entity in respect of assets exceeding 10% of the controlled entity's equity	None were carried out.	None were carried out.	None were carried out.	None were carried out.	None were carried out.
Overview of contracts between the controlled and controlling entities or between controlled entities:					
a) Deliveries of goods	None were carried out.	None were carried out.	None were carried out.	None were carried out.	Based upon customary customer-supplier relationships.
b) Provisions of services	None were carried out.	Custom SW development under standard conditions.	None were carried out.	Supplied as part of a contract for lease.	None were carried out.
c) Loans provided	None were provided.	A contract on provision of a loan was concluded between the controlled and controlling entities.	A contract on provision of a loan was concluded between the controlled and controlling entities.	None were carried out.	A contract on provision of a loan was concluded between the controlled and controlling entities.
d) Lease agreements	None were concluded.	None were concluded.	None were concluded.	A lease contract concluded on 21 September 2005. Lease price established on the basis of an expert opinion.	None were concluded.
e) Other performance or instructions and legal acts of the controlling entity	None.	None.	None.	None.	None.
Assessment whether the controlled entity incurred injury and its recompense in accordance with §71 and §72 of the Business Corporations Act	No injury was incurred by the controlled entity.	No injury was incurred by the controlled entity.	No injury was incurred by the controlled entity.	No injury was incurred by the controlled entity.	No injury was incurred by the controlled entity.

### Assessment of advantages and disadvantages ensuing from relationships between related entities

The Supervisory Board has assessed all relationships existing between the related entities and reached the following conclusion: No advantages or disadvantages ensue from the stated relationships between the related entities. No risks ensue from the stated relationships for the controlled entity.

Statement in accordance with §82(3) of the Business Corporations Act:  
The corporate body had sufficient information to prepare this report..

The report was discussed by the Supervisory Board on 31 March 2023

On behalf of the Supervisory Board:  
  
Eva Vodenková  
Chairwoman of the Supervisory Board of OKsystem a.s.

The Report on Relations between Related Entities was presented in Prague on 31 March 2023

  
Martin Procházka  
Chairman of the Board of Directors of OKsystem a.s.



# Report on the financial statements and auditor's opinion

**Ing. František MEIERL** - auditor's certificate no. 1160

## REPORT OF THE INDEPENDENT

### AUDITOR

on auditing the financial statements

of OKsystem a.s.

having its registered office at Prague 4 – Nusle,  
Na Pankráci 1690/125, Postcode 140 21

for the financial year from 1 January 2022  
to 31 December 2022.

Annexes: Balance sheet  
Income statement  
Notes to the financial statements  
Cash flow statement  
Statement of changes in equity

Prague 5 Zličín, 17 May 2023

Lačnovská 377/8  
155 21 Praha 5 – Zličín  
Fax no : 257 952 310

Mobile: 602 360 426  
Phone : 257 950 609  
KB current account no: 195800410297/0100

ID NO.: 44350325  
Tax ID No.: CZ6404192366  
Email: meierl@meierl.cz

## REPORT OF THE INDEPENDENT AUDITOR

*Recipient: Shareholders of OKsystem a.s., having its registered office at Na Pankráci 1690/125, Prague 4 – Nusle, Postcode 140 21*

### *Auditor's opinion*

*We have audited the attached financial statements of OKsystem a.s. (hereinafter referred to also as the "Company") prepared on the basis of Czech accounting regulations and comprising the balance sheet as of 31 December 2022, the income statement, statement of changes in equity, and cash flow statement for the year ending 31 December 2022, as well as the notes to these financial statements containing a description of significant accounting policies used and other explanatory information. Information on the Company is provided in the notes to these financial statements.*

*In our opinion, the financial statements present a true and fair view of the assets, liabilities, and owners' equity of OKsystem a.s. as of 31 December 2022, as well as of its expenses, revenues, profit, and cash flows for the year ending 31 December 2022 in accordance with Czech accounting regulations.*

### *Basis for the opinion*

*We conducted our audit in accordance with the Act on Auditors and the Auditing Standards of the Chamber of Auditors of the Czech Republic, which comprise the International Standards on Auditing, as supplemented by the related application guidelines. Our responsibilities under this law and these regulations are further described in the section "Responsibility of the Auditor for Auditing the Financial Statements." In accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic, we are independent of the Company and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion*

### *Other information presented in the annual report*

*In compliance with §2 b) of the Act on Auditors, the other information comprises that information included in the annual report other than the financial statements and our auditor's report thereupon. The Company's Board of Directors is responsible for the other information.*

*Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, we are nevertheless responsible to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable laws and regulations. This assessment is to determine whether the other information complies with the requirements of laws and regulations in terms of formal requirements and procedures for preparing the other information in the context of materiality (i.e., whether any noncompliance with the stated requirements could influence judgments made on the basis of such other information).*

*Based upon the procedures performed, and to the extent we are able to assess it, we state that:*

- the other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements, and
- the other information was prepared in compliance with applicable laws and regulations

In addition, it is our responsibility to report, based upon the knowledge and understanding of the Company obtained in the audit, as to whether the other information contains any material misstatement of fact. Based upon the stated procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

**Responsibility of the Company's Board of Directors and Supervisory Board for the financial statements**

The Company's Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with Czech accounting regulations and for such internal control as it determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Responsibility of the auditor for auditing the financial statements**

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

In conducting an audit in accordance with the aforementioned laws and regulations, it is our responsibility to exercise expert judgment and maintain professional skepticism throughout the audit. It is our responsibility also to:

- Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform auditing procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is greater than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the Company's internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control system.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company's Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based upon the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the notes to the financial statements and, if such disclosures are inadequate, to modify our opinion. Our conclusions regarding the Company's ability to continue as a going concern are based upon the audit evidence we have obtained up to the date of our auditor's report. Nevertheless, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the notes thereto, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are responsible also to inform the Board of Directors and Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control system that we identify during our audit.

From the matters communicated with the Board of Directors and Supervisory Board, we are further responsible to determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless laws and regulations preclude public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Prague 5 Zličín, 17 May 2023

The auditor performing the audit was **Ing. František MEIERL**,  
Lačnovská 377/8, 155 21 Prague 5 – Zličín,  
entered in the list of auditors maintained by  
the Chamber of Auditors  
of the Czech Republic  
under Certificate No. 1160.

