

OKsystem

Annual Report
2023



OKsystem

Na Pankráci 125, 140 00 Prague 4

+420 236 072 111

info@oksystem.cz

www.oksystem.com



Content

1	Introductory word	→	4
2	Introduction	→	6
3	Company profile	→	10
4	Our strategy	→	12
5	Selected main software development and training activities	→	13
6	Relations with employees	→	22
7	Significant events	→	23
8	Outlook for the year 2024	→	24
9	Social responsibility	→	26
10	Financial statements	→	28
11	Auditor's report	→	42
12	Key customers	→	46

1 Introductory word

The Covid crisis may have ended in 2022, but the whole of 2023 was still marked by it. Work processes have changed with both positive and negative consequences. A few years ago, we could not imagine people from different cities and countries working on a project without meeting in person. The pandemic taught us that we can achieve great results even remotely thanks to programs like Zoom, Teams or Meet.

Most of our employees have become used to working from home, and our spacious building in Prague and offices in Brno and Ostrava are now barely half full. Although telecommuting is not a requirement, we are accommodating to most employees. Each of them still has their own furnished and equipped workstation in the offices. With this benefit, which is certainly not standard in technology companies, we manage to retain our specialists and, what's more, attract new ones.

I confess that I am not happy about the excessive use of the home-office. I'm old school and find face-to-face communication irreplaceable. It will probably take time, but I hope that, in due course, our colleagues will voluntarily return to their offices. Meanwhile, we support our face-to-face meetings by organising breakfasts, team building and other work and social events together. The premises at our Prague headquarters, which have undergone renovation and furniture replacement after twenty years, are a perfect place for this. We commissioned a proposal for new furnishings for the ground floor reception area, conference hall, meeting rooms and the management area.

In 2023, we celebrated 33 years of successful operation in the Czech IT market without much ado. We have been working for the Ministry of Labour and Social Affairs for three decades. Our HR system is used by about half of the central authorities, and we are also active in other areas in the public sphere. We have made it our goal to maintain our position and

continue to grow in public procurement while increasing our share of private customers. In 2023, we succeeded. We achieved a record turnover of over 800 million CZK with a share of one-third in the private sector.

The achievements of 2023 are the basis for new goals. Within a year or two, we plan to surpass one billion CZK in turnover and grow from a successful Czech development company into an equally successful international company. Several customised products and development projects have prospects in the European and American markets. At a high professional level, we are dedicated to the latest trends, such as robotics, artificial intelligence, the use of mobile devices, cloud services and microservice architecture with an emphasis on cybersecurity.

With 500 employees, a turnover approaching CZK 1 billion, nationwide projects and hundreds of thousands of users, OKsystem has long been on the radar of foreign IT companies and investors. However, we are clear on this point. We will cooperate with global players, but we are not discussing acquisition offers. We want to remain a strong, stable, purely Czech technology company while maintaining the friendly atmosphere of a family business.

Four of the "founding fathers", including myself, have reached or are approaching the age of 70. I have purchased the company's shares from three of them. My two daughters, to whom I transferred minority shareholdings in 2023, serve as CFO, HR and COO. OKsystem's management has undergone a generational change and, together with hundreds of capable and experienced IT experts, is poised for successful growth towards its 50th anniversary and beyond.



Martin Procházka
Chairman of the Board of Directors



2 Introduction

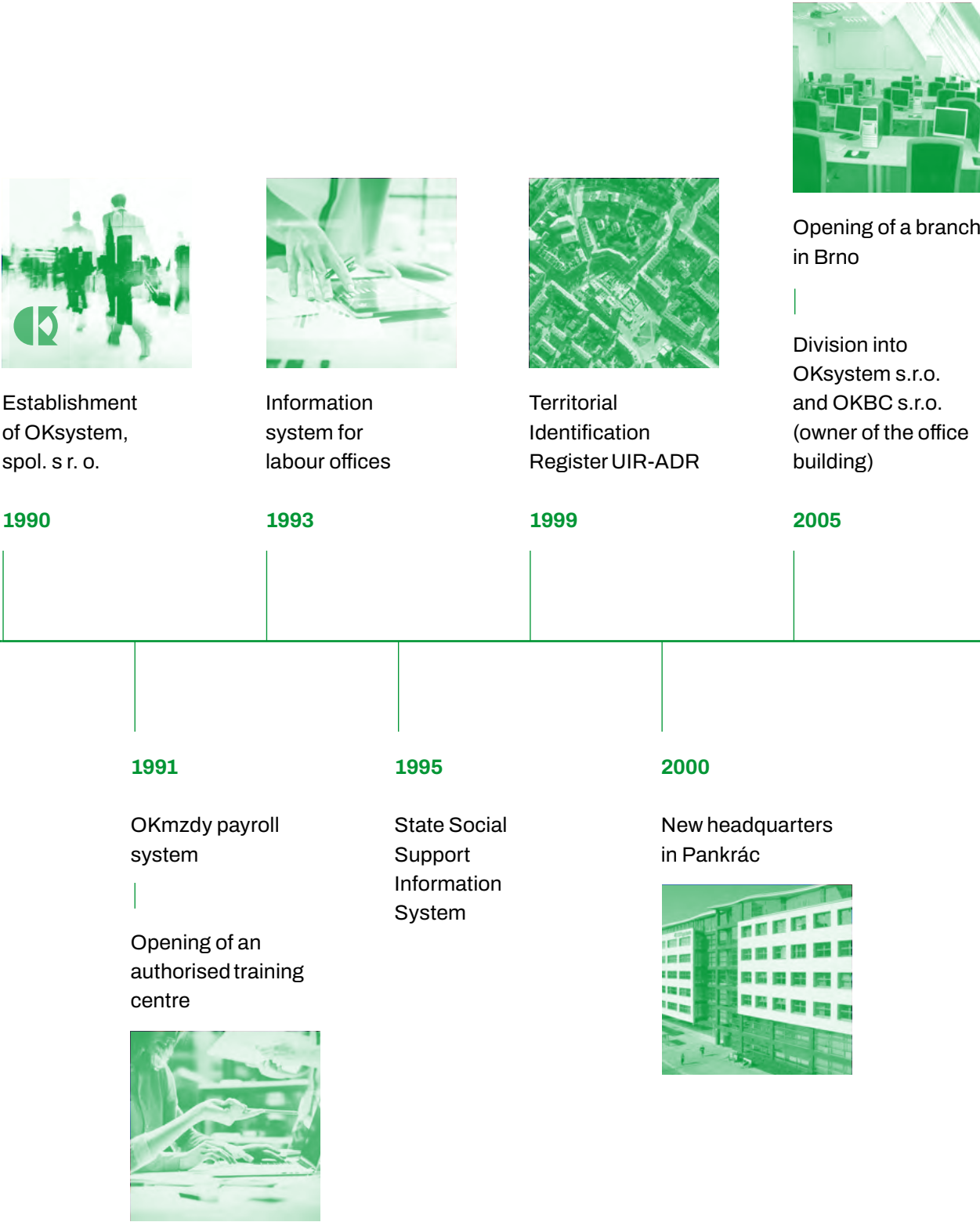
OKsystem is a Czech software company founded in 1990. At that time, in the changing conditions of the transition to a market economy, personal computer networks began to be used on a large scale. OKsystem took advantage of this opportunity and developed services in authorised computer network training, the development of application programs in client/server architecture with graphical user interfaces and the design and implementation of large-scale software systems. The main customers were reformed and newly established government offices. The company gained valuable experience and gradually gained a significant market share. It grew into a well-established and respected IT company in the 1990s – before global IT brands established their branches in the Czech Republic.

OKsystem's experts closely follow developments in the ICT industry and successfully apply new technologies in their software systems and services. In a modern multi-layer architecture, next generation software and new applications are being developed with an emphasis on cybersecurity and data protection using cloud, web services and mobile devices. The company is thus succeeding in consolidating its position and increasing its market share.

Today, the company's software systems are used by hundreds of thousands of users in the private sector and public administration. OKsystem has an ever-expanding customer base in the Czech Republic and supplies innovative software abroad.

Hundreds of employees - analysts, developers, consultants and technical support staff - do everything they can to make the company's programs useful, imaginative, secure and, in conjunction with state-of-the-art technology, easier and more efficient for customers.

The turnover has reached more than 800 million CZK. The number of employees has gradually increased from the original four partners/founders to almost 500 today. The development of core products and the successful implementation of major orders can be seen in the main milestones of OKsystem's history.





Start of sales of the OKbase HR and payroll system

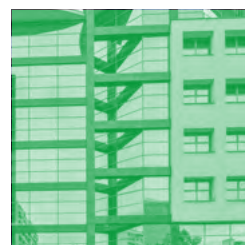
2008



Development of the BabelApp corporate platform for secure communication

Founding of OKsystem Inc. in the USA

2013



Change to a public limited company

2015



ČHMÚ and ČHMÚ+ mobile apps for accurate weather forecasts, precipitation and alerts

2017



Opening of a branch in Ostrava

Launch of the Checkbot app for robot monitoring and analysis

2019



Development of VacayMyWay accommodation brokerage app

2021

1000th version of OKpráce – the key system of the unemployment benefits payment agenda of the Ministry of Labour and Social Affairs

2023

2007

Launch of the development of the information system for material needs and social services



2012

Projects for ČSSZ

Launch of mobile application development



2014

OKdox document and agenda management



2016

Communication infrastructure of MZe – AgriBus

Capital entry into e-shop VinoDoc.cz



2018

Implementation of OKbase for the General University Hospital in Prague

OKbase payroll outsourcing for the Billa store network



2020

Development of the system for the online census of population and households in 2021



2022

OKbase recorded 300,000 users

Checkbot became an authorised accessory for Yaskawa robots in Europe



3 Company profile

Business name		
OKsystem a.s. registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 20326		
Legal form	Day of registration	
public limited company	7th September 2005	
Headquarters	CIN	TIN
Na Pankráci 1690/125, 140 00 Prague 4	27373665	CZ27373665

Statutory body Board of Directors



Martin Procházka
Chairman of the Board of Directors



Vítězslav Ciml
Vice-Chairman of the Board of Directors








Zuzana Hořová
Member of the Board of Directors

Supervisory body Board of Supervisors

Eva Vodenková
Chairwoman of the Supervisory Board

Šárka Cimlová
Member of the Supervisory Board

Subject of business		
Production, trade and services not specified in annexes 1 to 3 trade act	Activities of accounting advisors, bookkeeping, tax record keeping	Management of the filing cabinet
Fields of activity		
Wholesale and retail	Provision of software, information technology consulting, data processing, hosting and related activities and web portals	Consulting and advisory services, preparation of expert studies and reports
Research and development in the natural sciences, engineering or social sciences	Extracurricular education and training, organisation of courses, training, including lecturing activities	
Bank connection		
UniCredit Bank Czech Republic, a. s. Bank account no. 48973004/2700	ČSOB, a. s. Bank account no. 209390820/0300	Česká spořitelna, a.s. Bank account no. 8927572/0800
Membership of organisations		
 SVAZ PRŮMYSLU A DOPRAVY ČESKÉ REPUBLIKY Union of Industry and Transport of the Czech Republic	 Member of IFR International Federation of Robotics International Federation of Robotics	 ČESKO-SINGAPURSKÁ OBCHODNÍ KOMORA Czech-Singapore Chamber of Commerce
 Network Monitoring Security Cluster		 ISACA Czech Republic chapter
ISO 9001 Quality Management	ISO 14001 Environmental management	ISO/TEC 27001 Security Management
Entrepreneur's Certificate No. 002535 according to Act No. 412/2005 Coll. for the classification level CONFIDENTIAL.		

4 Our strategy

→ For more than 30 years, we have been creating software for **private companies and public administration.**

→ We make sure that our product solutions are **innovative, safe and reliable.**



5 Selected main software development and training activities

Products



OKbase



Checkbot

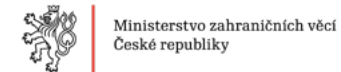


OKškolení



BabelApp

Custom development for government and the commercial sector



MPSV



VacayMyWay

OKbase HR budoucnosti

okbase.cz

Since 2005

650 corporate customers,
more than 50 institutions

350,000 users

Comprehensive HR system for digitalisation
of attendance, HR and payroll

OKbase is one of the leading HR systems in the Czech market. In 2023, OKbase also expanded its functions for users, gained a number of new customers and further strengthened its market position. OKbase's significant competitive advantage is the reliable and fast implementation of legislative changes. In this respect, 2023 was again a thorough test, which OKbase stood up to. Over 100 modifications implemented due to legislative developments were supplemented by dozens more innovations by the product team headed by analysts and developers. Among other things, new functionalities for users, improved control of some functions, increased security and, last but not least, the deployment of the latest technologies in the development of future functionalities.



Among the new functionalities that customers could start using in 2023 were Capacity Planning and Shift Exchange, new OKnet modules and eSubmission for comprehensive electronic communication with ČSSZ. Significant innovations were made in the area of electronic signing. Some of the selected legislative changes that were fully incorporated into OKbase included adjustments to the recording of working time of FTEs, parametric adjustments in the area of social insurance and new reports, limits for taxation of benefits and a number of other adjustments in connection with the amendment to the Labour Code.

2023 was also significant in terms of OKbase distribution. It is now almost exclusively sold in SaaS mode. This model provides customers with a transparent and simple structure for system implementation and operational processes. And, of course, there is a wide range of benefits associated with OKbase. New contracts and terms and conditions clearly define the scope and quality of services provided. The use of hosting and cloud solutions has become the predominant form of OKbase acquisition in 2023, even for large companies.

The Capacity Planning and Shift Planning module has again made a significant shift, facilitating initial capacity planning, staffing of shifts with specific employees and operational changes to the plan and staffing. In this area, users are greatly assisted by implemented artificial intelligence (AI) algorithms that streamline both the process of creating plans based on performance parameters and staffing them. These functionalities have been deployed in collaboration with the company's largest customer, Lagardere and the General University Hospital in Prague. The hospital was among the first to try out the advanced features, which are intended to help with the optimisation, setup and efficiency of human resource planning in the future.

Last but not least, in 2023, the developers worked on technological modifications to the information system, and increased attention was paid to security. From mobile apps to web interfaces to rich clients, it is now possible to log in using multi-factor with connections to standard types of identity authentication (Entra ID, SAML, OAuth and more). Regular penetration testing then protects the system from security vulnerabilities or outdated components.

2023 was also in the spirit of the development of user forms. Customers can define their own form for various applications and also their own approval process and automatic processing of entered and approved information directly into specific OKbase records.

A completely new OKbase intranet module helps to cover the increased need for intra-company communication, providing customers with the ability to publish any articles, news, surveys, and photo galleries, as well as managing links to other systems, a calendar of events or a special section for onboarding new employees.

The OKbase system is used by leading Czech and multinational companies and authorities such as:

Allianz Aon Billa BNP Paribas Carrier
Caterpillar Contipro ČMSS C.S.CARGO
Czechoslovak Group DHL Supply Chain Direct Insurance
Dixons Eberspächer ELECTROLUX Four Seasons
GE Aviation Global Payments Huawei Jan Becher
John Crane Konica Minolta KPMG Czechia
Lagardere LINET Olympus Omnipol
Penny Market Porsche Engineering Rohlík.cz
Botanical Garden of the capital city Prague
Czech Geological Service 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
Treasury Shared Services Centre
State Printing House of Valuables Moravian-Silesian Region
National Gallery
National Office for Cyber and Information Security
Road and Motorway Directorate of the Czech Republic
State Office for Nuclear Safety
State Veterinary Administration
State Agricultural Intervention Fund Statutory City of Brno
State Land Office
Military Forests and Estates of the Czech Republic
Czech pharmacy holding (pharmacies Dr.Max)
KRKA Czechia EUC SMITHS Medical ROCHE
General University Hospital in Prague
Academy of Sciences of the Czech Republic
Institute of Physics Masaryk Institute Archive AV Czech
Republic CTU College of Chemical Technology

In 2023, the following new customers, for example, have chosen and ordered OKbase





checkbot.com

Since 2019

App installed in 15 countries

Largest customer has more than 100 robots connected

2023 first customer installations in the Netherlands and Poland

The Checkbot app enables real-time remote monitoring of Yaskawa robots. It is the youngest product in OKsystem's portfolio; its development started in 2019. It first became popular with several companies in the Czech market. From around 2021 onwards, it became clear that it also had potential abroad. Since then, development, analysis and sales have focused on offering it to customers globally.

Sales and marketing activities are now one of the most important tasks. The application is at the stage of building distribution and introducing itself to new markets. In 2022, Checkbot had already been granted the status of an authorised product within the Yaskawa ECOSYSTEM, which was the first major prerequisite for actively reaching out to national branches and authorised importers of Yaskawa robots in individual European markets.

In 2023, the partnership with Yaskawa Europe GmbH, the European headquarters of the industrial robot manufacturer YASKAWA, was successfully strengthened. Together with their representatives, international activities were developed in the area of direct sales of the application to Yaskawa customers. The coordination of future development



steps was also initiated. In relations with Yaskawa, the most important goal for 2023 was to hold a high-level meeting directly with representatives of the Yaskawa Electric Corporation (YEC) world headquarters in Tokyo. This was achieved on the occasion of the iREX international robotics trade show in Japan, where Checkbot was presented to representatives of YEC's top management.

During the year, the app was demonstrated at numerous sales meetings in 20 countries and installed in the sales and training areas of several other Yaskawa national offices. Checkbot was also presented at several European trade fairs in cooperation with Yaskawa. The most important presentation in 2023 was the real-time connection of 18 exhibited robots and cobots at the AUTOMATICA Fair in Munich, the largest automation and robotics trade fair in Europe. An engaging presentation of the Checkbot application was also prepared for the Yaskawa Czech stand at the International Engineering Fair in Brno, where the original interconnection of several exhibition locations of individual cooperating integrators – Yaskawa Czech partners – was presented.

In 2023, the first installations for customers in Poland and the Netherlands were completed. In total, the app was already running in 15 countries in 2023. Among the new customers are major multinational companies from various industries, such as VW Slovakia, BOSCH, Leifheit, MUBEA IT Spring Wire, Kasteel Metaal and Arcom.



okskoleni.cz

Since 1991

More than 350 courses for IT pros per year

6 modern equipped classrooms

Microsoft, CISCO, SUSE, AI, SQL, Python, Java, Javascript, PHP, ...

The OKsystem training centre is focused on training IT professionals. It is authorised for professional training on Microsoft, CISCO and SUSE Linux products, trains other technologies and programming languages and is also one of the authorised partners of Pearson VUE for ICT knowledge testing. Another important area is training of users of OKsystem software products and software systems. OKškolení has six modern, fully equipped computer classrooms at OKsystem's headquarters in Prague and facilities at OKsystem branches in Brno and Ostrava. For its training activities, OKsystem often uses a conference room at its Prague headquarters, which has a capacity of up to 250 people. OKškolení training courses are normally delivered in full-time, online or hybrid formats. OKsystem has been providing authorised ICT training since 1991, making it the longest-operating training centre in the Czech Republic. Every year, hundreds of computer experts attend professional training courses led by certified lecturers, for whom more than 350 specialised courses are available.

In 2023, cooperation was established with Global Knowledge, a new international partner for CISCO authorised courses. This opened the way for training international trainees and for expanding the course offer. As part of its activities, OKškolení also



organised two conferences in 2023. The traditional spring conference, FreshIT, focused on new Microsoft products and the autumn FreshAI. Both events were attended by more than 250 participants. The AI area was one of the most successful new courses of OKškolení. As in 2022, short webinars and seminars covering current topics in various ICT areas were also conducted under the OKškolení brand.

In 2023, a programme of support for retraining and education in the field of ICT called "I'm on Course" was introduced under the Ministry of Labour and Social Affairs. OKškolení proactively reflected this area in its activities, and a wide range of vocational courses was uploaded to the programme portal. During the year, the first training sessions were held for those who took advantage of the subsidised course programme.

The most popular OKškolení courses are focused on Microsoft cloud services administration, Power BI, database systems, SQL language and networking courses. In 2023, the training centre also focused on security and trained hundreds of participants in the IT Security for Employees course in both Czech and English.

A significant part of OKškolení activities is also training for the users of OKsystem programs and applications. In 2023, the largest number of employees of the Office of the Ministry of Labour and Social Affairs and the main users of the OKbase HR system have been trained so far. In both areas, new training formats were introduced, new themes trained, and the number of dates increased. The changes are based on the belief that investment in software can be more effective for customers if both main and regular users know and use the software well.



babelapp.com

Since 2013

Secure communication and instant messaging with end-to-end encryption

Protected by blockchain technology

BabelApp is a corporate platform for secure communication that was developed as an original solution in 2013. It is used for instant messaging and secure calls over the Internet.

It has customers mainly from areas where the highest security of communication is required.

Users can use the platform to send and receive encrypted messages and attachments on iOS and Android mobile phones and tablets, as well as PC and Mac desktop computers. Data communication between users is mediated by the BabelApp server. The server registers user accounts and devices, provides client licenses, stores public keys, and ensures the delivery of encrypted messages and notifications. The BabelApp server does not have access to private keys and is not involved in any way in the encryption of messages; this is done end-to-end between end devices.

BabelApp also provides encrypted calls between mobile devices that are connected to the data network. When establishing a phone connection, the caller and the called client automatically exchange the public parts of the temporary keys and agree to secure the session via one-time cryptographic keys.

BabelApp is protected against attack using blockchain technology. A unique mechanism is used to verify the keys, which works with a secure repository in which the data, once entered, cannot be modified in any way. This prevents any possible attempts by an attacker to eavesdrop on communications between users of the platform. BabelApp was the first application of its kind in the world to make practical use of blockchain features to increase security and limit the possibilities of an attack on the communication platform.

ICT development for public administration and the commercial sector

Since its inception, OKsystem has been very active and successful in providing custom development and other ICT services for public administration. In particular, in 2023, it delivered solutions and provided the following comprehensive services to state and public organisations:

Custom development and operation of information systems for the Ministry of Labour and Social Affairs (MPSV) and the Labour Office of the Czech Republic.

Development and operation of the ČSSZ information system for collecting the insurance premiums of self-employed people and control activities.

Providing licences and support for the operation of the OKbase HR system for ministries, central government bodies and local authorities.

Provision of licenses and support of the HR system, processing of salaries and their payment for the Ministry of Foreign Affairs and all embassies of the Czech Republic.

Connecting key information systems and ensuring the operation of the communication structure of the Ministry of Agriculture – AgriBus (based on the Oracle Enterprise Service Bus product) and the Czech Social Security Administration (Microsoft BizTalk technology).

Training and testing the knowledge of ICT professionals from among public administration employees.



Comprehensive modular system covering the employment agenda, non-insured social benefits and material need benefits

Self-service client zone JENDA 24/7

> 50% of applications for parental allowance submitted electronically

OKsystem continues to deliver comprehensive information systems for the Ministry of Labour and Social Affairs and the Labour Office of the Czech Republic, which consists of the development of application software and also the operation, support and training of users. These applications include Employment (application software OKpráce), State Social Support, Social and Legal Protection of Children and the Agenda of Persons with Disabilities, One-time Child Allowance (OKcentrum), Material Need, Humanitarian Benefit and Allowance for Solidarity Household (OKnouze), Children's Groups Agenda, Social Services (OKslužby) including the register of social service providers, JENDA portal for full computerisation of the receiving and processing of applications, processing of statistics, etc. In the spring of 2022, the Ministry of Labour and Social Affairs, which remains OKsystem's largest customer, embarked on a large-scale digitisation of its agendas in order to save clients' time and increase the efficiency of officials' work. OKsystem plays a key role in this activity.

The key project in the past year was the extension of the services of the JENDA electronic portal. It proved its worth in the second half of 2022 and has become not only a fundamental pillar for further digitalisation and modernisation of all agendas of the Labour Office's contact with the client but also an element on which the Ministry's management can rely in the area of the upcoming social reform.



The geopolitically volatile period of 2023 brought the so-called energy crisis to the Czech Republic. The Czech Government has responded by introducing new support for affected households. Its incorporation into existing systems and the JENDA portal was one of OKsystem's priority tasks. The possibility of applying for child benefit and parental allowance was newly integrated into the JENDA.

With the increase in the number of applications being processed at the Labour Office branches, it was further decided to strategically divide the work in processing them. A new system was built, which, against the background of the agenda software itself, passes on tasks to other Labour Office branches across the country. In this way, the current working capacities of the individual branches are used efficiently. This information system, known as MARUŠKA, is being further modified and improved to maximise the use of manpower regardless of the local jurisdiction of the case being dealt with. Its introduction has already produced the expected results within a few months. In the second half of 2023, the waiting time for clients to have their claims resolved, especially those from the Prague branches of the Office of the PP, dropped dramatically.

In addition to the actual digitalisation of processes, which are, however, clearly visible from the perspective of the clients of the Labour Office, the modernisation of server environments continued in 2023. The aim was to take full advantage of the possibilities offered by new versions of database systems and software frameworks while at the same time achieving the maximum level of security that is crucial for such a sensitive system. The access

control system was also carefully designed. Thanks to it, it is possible to counter congestion when launching new services, which always bring with them an increased load in the form of high interest of clients, and to successfully intercept attempted DDoS attacks using specialised services.

The applications for the Labour Office of the Czech Republic were further modified so that clients did not have to visit the offices. Based on legislative changes and government resolutions, administrative procedures were simplified, new subsidies were introduced, the validity of certificates was extended, and new electronic forms were deployed. In addition to the newly built services and systems, OKsystem was busy incorporating the actual legislative shifts that were passed in 2023.

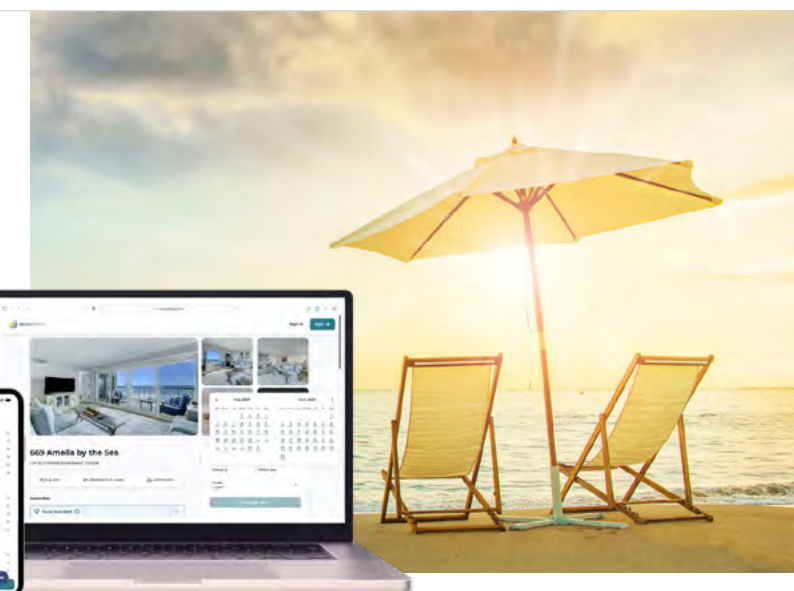
In 2024, we expect a gradual transition of ÚP services to the JENDA portal and the launch of projects for the availability of services not only through the web interface but also through mobile applications to increase the availability of the services themselves and increase security.

The steps that the MoLSA and OKsystem have managed to implement in these areas over the last year and a half have had quite measurable results. And show that the strategy set out in the digitisation of the services of the CA has been chosen correctly. OKsystem is proud to continue to be a partner of the MoLSA, which was confirmed by the signing of a new contract for the provision of development, operation and support services, which OKsystem concluded with the Ministry in December 2023.



vacaymyway.com

In 2023, OKsystem continued to develop and support the operation of the VacayMyWay web application service for short-term accommodation rentals. The initial design of the application system was prepared by an American company of the same name based in Denton, Texas. Its founders, who have many years of experience in the property rental industry, set out to simplify the booking process, reduce fees, improve communication and strengthen trust between landlords and their clients.



Through VacayMyWay, property owners can offer their houses and apartments for short-term rentals easily and on favourable terms, with no flat-rate listing fees, a transparent cancellation policy, customer support and damage insurance. The reservation system is linked to specialised information systems such as Hostfully, NextPax and Hostaway, which manage tens of thousands of properties. Tourists can save up to 20% on the price of their stay compared to services provided through other booking systems.

6 Relations with employees

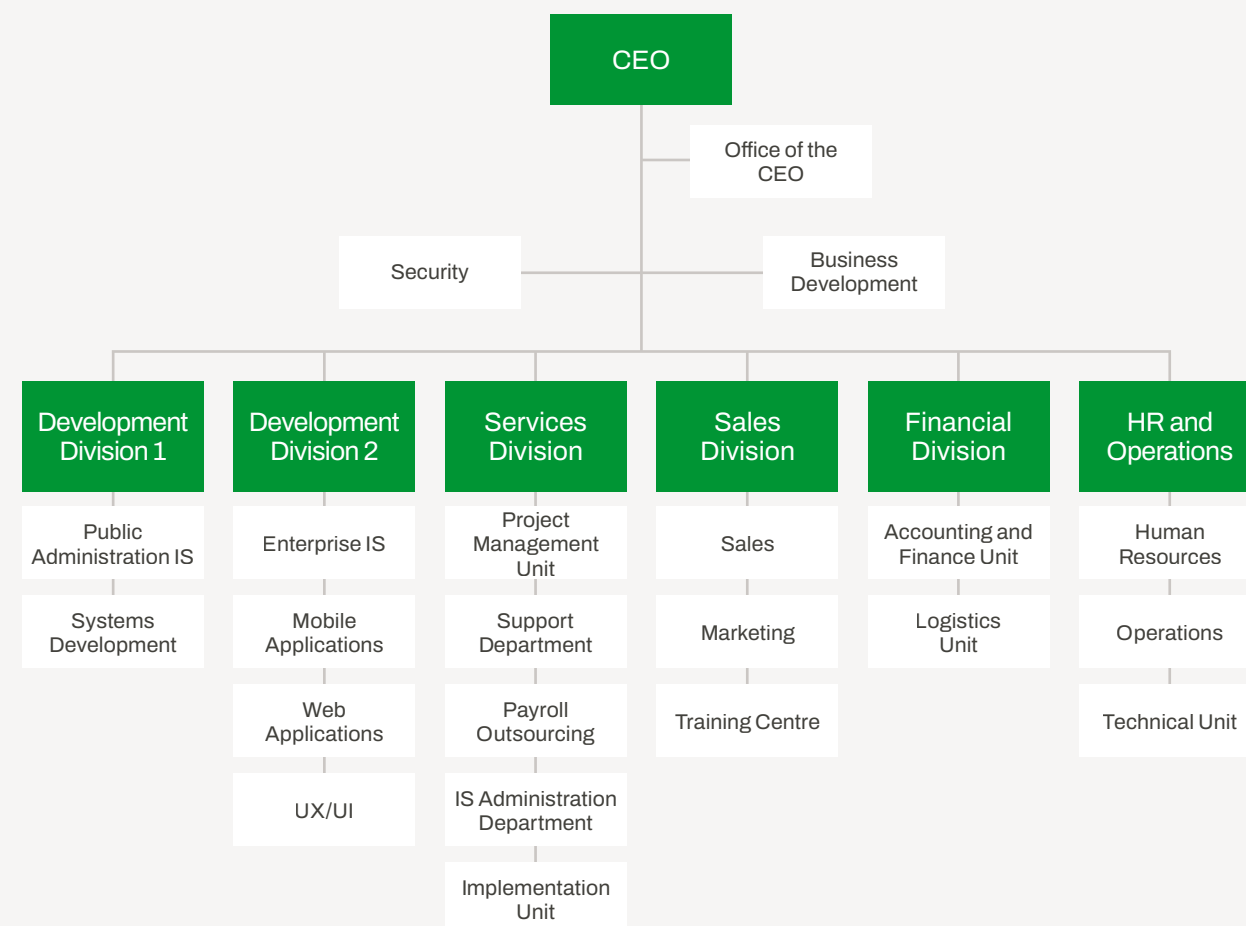
The number of employees rose to 440 in 2023. This is the highest figure in the company's history and is the result of business development in almost all core business areas. With the increase in business activities in the country and abroad, it has been necessary to expand some teams, and there has also been an increased need for language skills among employees. Therefore, in addition to recruitment, a great deal of effort was devoted to English language training.

Employee satisfaction is an important indicator for the management. In the first half of the year, a regular

employee survey was conducted, the results of which were used to shape the company's HR policy and specific measures for the next period in more detail. A significant change in the area of benefits was the decision to extend the existing five weeks of holiday by a further five so-called OKdays from January 2024.

The pillars of internal communication are mainly the company's intranet and numerous events ranging from teambuilding through regular breakfasts at branches, managers' retreats, and events for employees' children to two large company-wide meetings per year across branches.

Organizational chart of OKsystem a.s. as of 31 December 2023



7 Significant events in 2023

Deployment of the 1000th version of OKpráce – the key system of the unemployment benefits payment agenda of the MoLSA

Record company turnover

OKškolení FreshAI conference, new AI training courses in the portfolio

Highest number of employees in the company's history

OKbase 350,000 users

Launch of JENDA with the first SSP batches, aka real digitalisation in public administration

Joint exhibition of YASKAWA EUROPE and Checkbot at the AUTOMATICA fair in Munich

Deployment of AI for automated evaluation of attachments in electronic applications of clients of the Labour Office

Checkbot in 15 countries, meeting with YASKAWA's top management in Japan

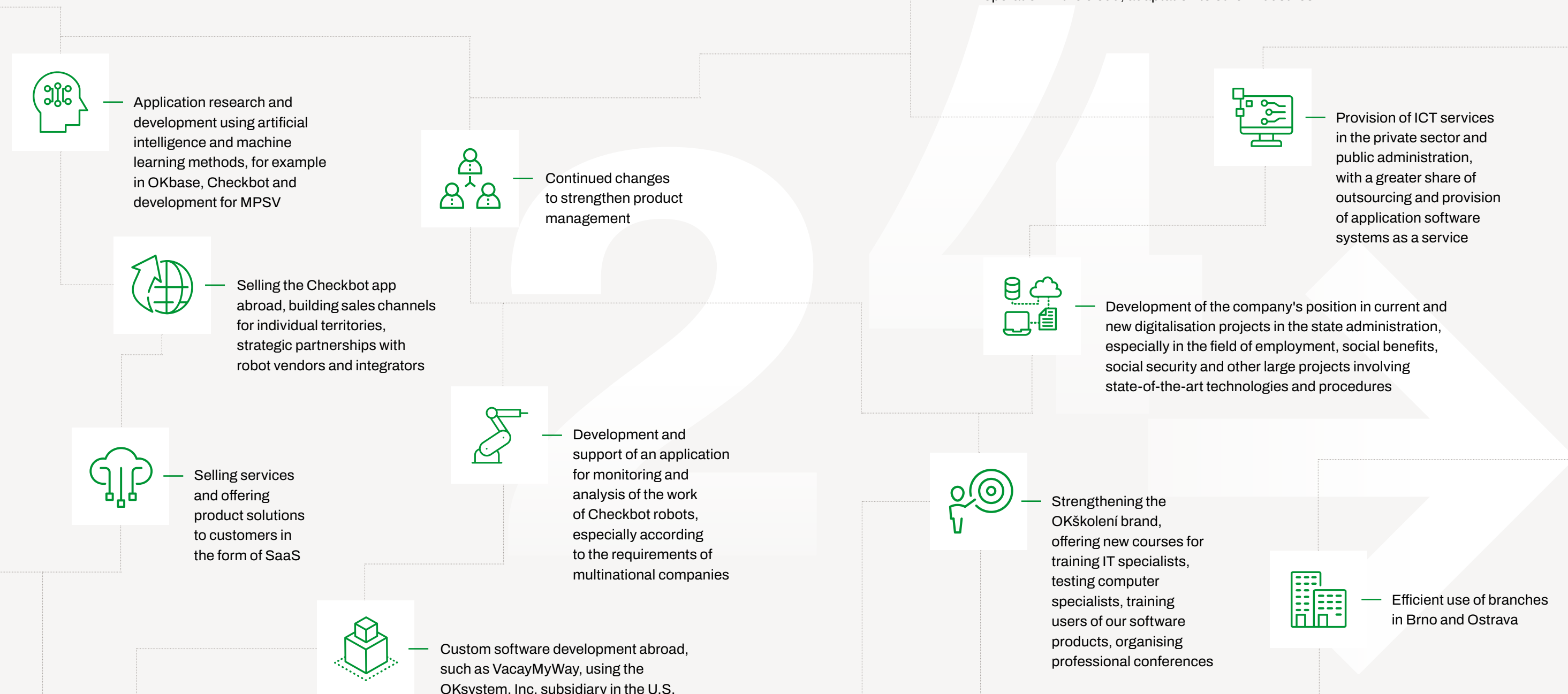
Successful gala evening of Czech tennis awards OKsystem Zlatý kanár 2023

2× OKschůzka, OKpárty for employees, 18× OKsnídaně, 70 teambuilding events, 2 leadership meetings, 5 free OKdays for everyone

Partnership with Linda Nosková

8 Outlook to 2024

To ensure the quality and delivery of services to new and existing commercial and public sector customers, the company's main activities in 2024 and beyond will be:



9 Social responsibility



Supporting schools and education

OKsystem started supporting education in Czech schools in 2020. Since then, it has introduced new activities every year and established cooperation with two universities and one secondary industrial school. It shares its know-how and promotes the connection between theory and practice:

Using workshops and lectures, OKsystem's directors and experts pass on their experience to students both in announced courses at schools and in the form of practical workshops or internships at the company.

Cooperation in study programmes

Representatives of OKsystem, together with expert guarantors, co-develop study programmes. Close cooperation takes place with the Faculty of Business Administration at the University of Economics in Prague, where OKsystem is a partner of the Department of Personnel Management, and with the Czech University of Agriculture in Prague.

Robotic classroom

In cooperation with YASKAWA Czech, OKsystem equipped the modern robotic classroom of the SPŠE Ječná with Checkbot software for robot monitoring in 2021 and trained teachers to work with it. Since then, it has supported robotics education with regular software updates and training.



We support and help

As a family-owned company, OKsystem emphasises long-term sustainability, which are the core values of its business. It actively helps where it is needed. Social responsibility is an integral part of corporate life, so the activities implemented go beyond financial donations. Employees voluntarily and extensively participate in many CSR projects.

In 2023, the following projects were supported, among others:

Jedličkův Institute of Wheelchair Sports Club

For almost 20 years, OKsystem has been supporting these organisations both financially and by participating in charity floorball tournaments and charity runs.

Foundation Dobrý Anděl

The entire proceeds of the regular company charity baking, in which employees actively participate, go to the account of the Dobrý Anděl Foundation.

Give children a chance org. (Dejme Dětem Šanci)

OKsystem has been cooperating with DDŠ, a non-profit organisation that has supported children from children's homes, for three years now. It supports them financially both through sponsorship of their events and by purchasing Christmas gifts through their partners. It also implements the OKJežíšek project with them, in which it fulfils the Christmas wishes of children from children's homes by purchasing their dream gifts.

Charity Czech Republic

The company responds to current events around us. In 2023, it made a financial contribution through the Charity Czech Republic to support Turkey and Syria, which were affected by the devastating earthquake.



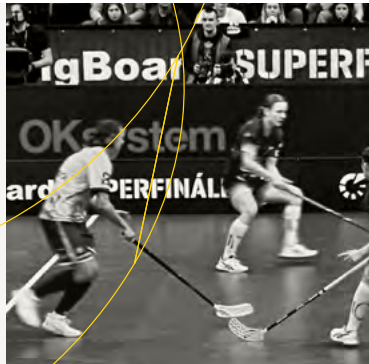
Sustainability

OKsystem cares about the environment. Every year, it introduces new activities to protect it. Waste and electrical waste are sorted at the branches, and water and electricity consumption is reduced. The company's vehicles include electric cars. The company promotes public transport and cycling to work. It reduces paper and toner consumption by digitising internal processes.



Sponsorship

OKsystem supports young, promising tennis players, especially through cooperation with the Precheza Přerov Tennis Club. It sees tennis as a combination of values and qualities that he values: patience, attention to detail, technical precision, perseverance and also diligence. The embodiment of these values in tennis is OKsystem's new ambassador, Linda Nosková, with whom a new cooperation agreement was signed in 2023. The company also supports the sport in other activities, for example, as a general partner of the Zlatý kanár (Golden Canary) awards for the best male and female tennis players or by partnering in the Floorball Superfinal, a unique format of the men's and women's play-off finals, where the outcome of the entire season is decided in one day in the packed O2 arena.



10 Financial statements for 2022 and 2023

Balance sheet (in thousands of Czech crowns)

	2022	2023
Assets		
Total assets	681 611	741 342
Fixed assets	69 260	61 167
Intangible fixed assets	16 734	16 902
Software	16 734	16 902
Other intangible fixed assets	0	0
Intangible fixed assets under construction	0	0
Tangible fixed assets	16 694	14 700
Land	0	0
Buildings and structures	736	717
Machinery and equipment	15 732	13 757
Other tangible fixed assets	226	226
Tangible fixed assets under construction	0	0
Long-term investments	35 832	29 565
Ownership interests in controlled or controlling entities	2 641	0
Loans to controlled or controlling entities	33 191	29 565
Current assets	606 710	669 849
Inventories	1 941	21 197
Materials	743	798
Finished products and merchandise	1 198	1 620
Unfinished production	0	18 779
Long-term receivables	4 476	3 579
Trade receivables	0	0
Other receivables	4 476	3 579
Short-term receivables	71 223	83 502
Trade receivables	67 420	82 285
Receivables from partners and members of an association	0	0
Tax receivables due from state	2 046	0
Short-term advances given	1 688	1 171
Estimated receivables	0	0
Other receivables	69	46
Cash and equivalents	529 070	561 571
Cash	177	208
Bank accounts	528 893	561 363
Accruals and deferrals	5 641	10 326
Prepaid expenses	5 641	7 305
Accrued revenue	0	3 021

Liabilities and equity

	2022	2023
Total liabilities and equity	681 611	741 342
Owners' equity	588 385	630 095
Share capital	35 000	35 000
Share capital	35 000	35 000
Capital funds	-234	-234
Gains or losses from revaluation of assets and liabilities	-234	-234
Funds from profit	3 161	3 699
Other reserve funds	0	0
Statutory and other funds	3 161	3 699
Retained earnings	457 701	484 311
Retained earnings from previous years	457 701	485 208
Profit or loss from current year	92 757	107 319
Liabilities	89 476	105 971
Provisions	10 632	10 667
Other provisions	10 632	10 667
Long-term liabilities	1 262	1 213
Deferred tax liability	1 262	1 213
Short-term payables	77 582	94 091
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	11 620	9 515
Short-term notes payable	0	0
Payables to controlled or controlling entities	0	0
Payables to associates	0	0
Other payables	65 962	84 479
Payable to partners	0	0
Short-term financial assistance	0	0
Payables to employees	29 232	32 271
Payables to social security and health insurance	11 972	13 574
Tax and subsidies due to state	23 813	37 533
Estimated payables	30	60
Other payables	915	1 041
Accruals and deferrals	3 750	5 276
Accrued expenses	1 082	765
Deferred income	2 668	4 511

Income statement (in thousands of Czech crowns)

	2022	2023
Revenues from sales of own products and services	757 047	786 697
Revenues from goods sold	4 727	5 764
Cost of sales	139 469	150 585
Cost of goods sold	3 408	3 929
Materials and energy	19 036	15 091
Services	117 025	131 565
Change in inventory of own production	0	0
Own work capitalized	-7 624	-8 733
Personnel expenses	508 170	519 365
Wages and salaries	374 319	382 282
Social security, health insurance, and other expenses	133 851	137 083
Social security and health insurance expenses	119 784	121 469
Other expenses	14 067	15 614
Value adjustments to fixed and current assets	15 717	15 968
Value adjustments to intangible and tangible fixed assets	15 717	15 968
Permanent value adjustments to intangible and tangible fixed assets	15 717	15 968
Temporary value adjustments to intangible and tangible fixed assets	0	0
Adjustments to inventories	0	0
Adjustments to accounts receivable	0	0
Other operating revenues	2 752	2 052
Revenues from sale of fixed assets	1 800	1 068
Revenues from sale of materials	30	12
Other operating revenues	922	972
Other operating expenses	5 699	8 398
Net book value of fixed assets sold	1 619	932
Net book value of materials sold	0	0
Taxes and fees	536	840
Provisions and complex prepaid expenses	968	36
Other operating expenses	2 576	6 590
Operating profit or loss	103 095	108 930
Revenues from long-term investments – shares	0	0
Revenues from shares in controlled or controlling entities	0	0
Other revenues from shares	0	0

	2022	2023
Costs associated with shares sold	0	0
Revenues from other long-term investments	0	0
Revenues from other long-term investments in controlled or controlling entities	0	0
Revenues from other long-term investments	0	0
Costs associated with other long-term investments		
Interest income and similar income	15 134	28 050
Interest income and similar income from controlled or controlling entities	0	0
Other interest and like income	15 134	28 050
Adjustments and provisions in the finance area	0	0
Interest expense and similar expenses	0	0
Interest expenses relating to controlled or controlling entities	0	0
Other interest expenses and similar expenses	0	0
Other financial income	886	328
Other financial expenses	3 653	3 489
Profit or loss from financial operations	12 367	24 889
Profit or loss before tax	115 462	133 819
Income tax	22 705	26 500
Current income tax	22 584	26 549
Deferred income tax	121	-49
Profit or loss after tax	92 757	107 319
Transfer of profit to partners	0	0
Profit or loss for the current period	92 757	107 319
Net turnover for the current period	780 546	822 891

Cash flow statement

Business name or other name of reporting entity
OKsystem a.s.

Registered office or address of reporting entity
Na Pankráci 125, 140 00 Prague 4

for the year ending 31 December 2023
in thousands of Czech crowns

P.	Balance of cash and equivalents at beginning of reporting period	529 070
Cash flows from operating activities		
Z.	Profit or loss before tax	133 819
A. 1	Adjustments for noncash operations	-12 183
A. 1 1	Depreciation and amortization of fixed assets and adjustments thereto	15 968
A. 1 2	Change in adjustments and provisions	35
A. 1 3	Gain or loss from disposal of fixed assets	-136
A. 1 4	Dividends and like income	0
A. 1 5	Net interest expense except as capitalized into fixed assets	-28 050
A. 1 6	Other adjustments for noncash operations	0
A. *	Net cash flow from operating activities before tax and working capital changes	121 636
A. 2	Change in noncash items of working capital	-17 288
A. 2 1	Change in accounts receivable and temporary asset accounts	-16 067
A. 2 2	Change in short-term accounts payable and temporary liability accounts	18 035
A. 2 3	Change in inventories	-19 256
A. 2 4	Change in short-term investments not included in cash and equivalents	0
A. **	Net cash flow from operating activities before tax	104 348
A. 3	Interest paid except as capitalized into fixed assets	0
A. 4	Interest received	28 050
A. 5	Income tax paid and tax additionally charged	-26 500
A. 6	Dividends and like income received	0
A. ***	Net cash flow from operating activities	105 898
Cash flows from investing activities		
B. 1	Acquisition of fixed assets	-7 875
B. 2	Proceeds from sale of fixed assets	136
B. 3	Loans and credits to related parties	0
B. ***	Net cash flow from investing activities	-7 739
Cash flows from financing activities		
C. 1	Changes in long- and short-term liabilities	-49
C. 2	Effect on cash and equivalents of changes in owner's equity	-65 609
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	-61 250
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	-4 359
C. 2 6	Dividends and like payments made, inclusive of tax paid	0
C. ***	Net cash flow from financing activities	-65 658
F.	Net increase/decrease in cash	32 501
R.	Balance of cash and equivalents at end of reporting period	561 571

Statement of changes in equity

Business name or other name of reporting entity
OKsystem a.s.

Registered office or address of reporting entity
Na Pankráci 125, 140 00 Prague 4

for the year ending 31 December 2023
in thousands of Czech crowns

		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 CommercialRegister	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	3 161	4 000	3 462	3 699
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	550 458	0	66 147	484 311
K.	Profit or loss for the reporting period after taxation	XX	107 319	XX	107 319
*	Total	558 385	111 319	69 609	630 095

**Notes to the financial statements for the financial year
from 1 January 2023 to 31 December 2023**
(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 00 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 2023
Annual report presentation date:	27 May 2024 (day of completing financial statements)
Reporting entity category (§1b of the Accounting Act):	Large
Signature of the corporate body:	
Prepared by: Zuzana Hořová	Martin Procházka, Chairman of the Board of Directors

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

During the period 1 January 2023 to 31 December 2023 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)**

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.

■ 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.

**■ Method of compiling the financial
statements as of 31 December 2023**

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	
* unless specified otherwise in a contract		Buildings	50 years
		Furniture	5 years
		Machinery and devices	3 years
		Vehicles	5 years

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	24,725 CZK/EUR	Trade receivables and payables, loans, cash, bank accounts, temporary and estimated accounts
USD	22,376 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 %
VinoDoc s.r.o., Na Pankráci 125, Prague 4, Company ID 01991426	66,66 %

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:

371



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 %
VinoDoc s.r.o.	66,66 %

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 2023.

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	65
General staff	288
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	16 740
Supervisory Board	0

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

Distributable profit for the 2023 accounting period	107 319
Advances to shares in profit paid out	0
Final profit for settlement	107 319

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	485 208	107 319	592 527

6. Fixed assets data

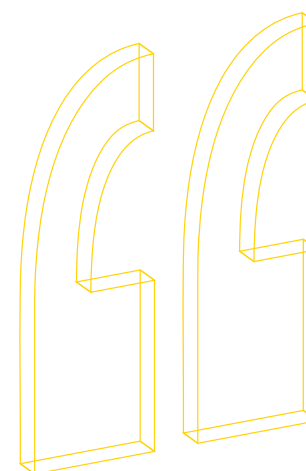
6. a. 1. PAdditions to and disposals from fixed assets for the accounting period at acquisition costs (CZK thousands)

Intangible assets (CZK thousands)	Starting balance	Ending balance	Additions	Disposals
Software	8 246	8 246	0	0
Self-produced software	39 052	47 785	8 733	0
Tangible assets (CZK thousands)	Starting balance	Ending balance	Additions	Disposals
Buildings	945	945	0	0
Machinery and equipment (computers, HW)	42 699	39 095	3 651	7 255
Vehicles	23 113	23 121	2 691	2 683
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	43 308	39 592	0	3 716

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

Intangible assets (CZK thousands)	Amortization		Adjustments	
	Starting balance	Ending balance	Starting balance	Ending balance
Software	-7 702	-8 140	0	0
Self-produced software	-22 862	-30 988	0	0
Tangible assets (CZK thousands)	Amortization		Adjustments	
	Starting balance	Ending balance	Starting balance	Ending balance
Buildings	-209	-228	0	0
Machinery and equipment (computers, HW)	-37 642	-34 098	0	0
Vehicles	-12 650	-14 407	0	0
Furniture	-3 075	-3 240	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		39 592	-10 027	-90

From 1 January 2024 to May 2024, no new events have occurred that would significantly affect OKsystem's economic situation.



OKsystem did not participate in any international or Czech applied research and experimental development projects in 2023. It did not use any subsidies or tax benefits for research and development. In its projects, it makes use of the results of research and development achieved in previous years. Internal research and development focused on the possibilities of using artificial intelligence methods and on information security in products and services.

Prague, 17 June 2024

Martin Procházka
Chairman of the Board of Directors

7. Breakdown of deferred income tax (CZK thousands)

Character of deferred tax: liability. Starting balance of deferred tax: 1 262 tis. CZK (L)

Deferred tax title (CZK thousands)	Amount	Income tax rate	Deferred tax	L = Liability
Difference between accounting residual value and tax residual value of fixed assets	5 778	21 %	-49	Z

Ending balance of deferred tax as of balance sheet date: CZK 1 213 000 (Liabilities × tax rate)
Change in deferred tax for current period: CZK -49 000 (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.

Report on relations between related parties for the year 2023
prepared in accordance with the provisions of Section 82 et seq.
of the Business Corporations Act (BCA)

 Martin Procházka		 OKsystem Inc.	 VinoDoc s.r.o.	 OKBC s.r.o.
Relationship structure:				
a) Persons controlled	OKsystem a.s., registered office 1690/125, 140 00 Prague 4 – Nusle	OKsystem Inc., 580 5th Ave, Suite 820, NY 100 36, New York, United States of America	VinoDoc s.r.o., Na Pankráci 1690/125, 140 00 Prague 4 – Nusle	OKBC s.r.o., Na Pankráci 1690/125, 140 00 Prague 4 – Nusle
b) Person in control	Martin Procházka Permanent residence: Nad Vavrouškou 709/3, 181 00 Prague 8 – Troja	OKsystem a.s., Na Pankráci 1690/125, 140 00 Prague 4 – Nusle	OKsystem a.s., Na Pankráci 1690/125, 140 00 Prague 4 – Nusle	OKsystem a.s., Na Pankráci 1690/125, 140 00 Prague 4 – Nusle
Role of the controlled person (in a group of connected persons)	Business entity.	Mediation of software sales and provision of services abroad.	Expansion of the activities of the controlling company to include systems for electronic commerce (e-shop).	Rental of office space.
Method and means of control (§75 BCA)	In accordance with the Articles of Association, the possibility to appoint or remove persons of the statutory or controlling body, 90% share of voting rights.	Possibility to appoint or dismiss persons of the statutory or controlling body, 100% share in voting rights.	2/3 share in the voting rights, the possibility to appoint or dismiss persons of the statutory or controlling body in agreement with at least one other shareholder.	35.5% share in the voting rights, the possibility to appoint or dismiss persons of the statutory or controlling body in agreement with at least one other shareholder.
Summary of actions taken during the financial year in the interest of the controlling person, if they related to assets exceeding 10% of the equity of the controlled person	Didn't happen.	Didn't happen.	Didn't happen.	Didn't happen.
Summary of mutual agreements between the controlled person and the controlling person or between controlled persons:				
a) Deliveries of goods	Didn't happen.	Didn't happen.	On the basis of normal customer-supplier relationships.	Didn't happen.
b) Supply of services	Didn't happen.	Custom software development under standard conditions.	Didn't happen.	Delivered as part of the lease agreement.
c) Loans granted	Not provided.	An agreement between the controlled person and the controlling person for the provision of a loan.	An agreement between the controlled person and the controlling person for the provision of a loan.	Didn't happen.
d) Lease agreements	Not closed.	Not closed.	Not closed.	The lease agreement of 21 September 2005 was concluded. Rental price was determined on the basis of an expert's report.
e) Other transactions, instructions and legal acts of the controlling person	There were none.	Are not.	Are not.	Are not.
Assessment of whether the controlled person has suffered damage and its compensation pursuant to Sections 71 and 72 of the BCA	No harm was caused to the controlled person.	No harm was caused to the controlled person.	No harm was caused to the controlled person.	No harm was caused to the controlled person.


Evaluation of the advantages and disadvantages of related party relationships

The Supervisory Board has assessed all relationships existing between related parties with the following conclusion: no proper advantages or disadvantages arise from these relationships between related parties. There are no risks for the controlled person arising from these relationships.


Finding pursuant to Section 82(3) of the Act: the statutory body had sufficient information to prepare this report.

The report will be discussed by the Supervisory Board on 31 March 2024

For the Supervisory Board:


Eva Vodenková, Chairman of the Supervisory Board of OKsystem a.s.

The report on relations between related parties shall be submitted by


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

In Prague, 31 March 2024

11 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 – Nusle,
Na Pankráci 1690/125, Praha 4, Postcode 14021

for the financial year from 1 January 2023
to 31 December 2023.

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

Prague 5 Zličín, 27 May 2024

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.: 4350325
Tax ID No.: Z6404192366
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, ID No 27373665.

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 2023, the income statement, statement of changes in equity, and cash flow statement for the year ending 31 December 2023, 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 2023, as well as of its expenses, revenues, profit, and cash flows for the year ending 31 December 2023 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, 27 May 2024

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.



12 Key customers

