ANNUAL REPORT 2021 - CONSOLIDATED

ICZ Holding a.s.

COMPANY NAME	ICZ Holding a.s.
Seat	Na hřebenech II 1718/10, Nusle, 140 00 Praha 4
Legal form	Joint Stock Company
Reg. number	09702652
Annual report release date	March 31, 2022
Statutory body of the entity	Pavel Rosendorf Chairman of the Board
Signature	

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Introduction

Dear shareholders, business partners and colleagues,

The year 2021 started in the middle of Covid-19 pandemic and the plans we made for it were quite uncertain from the outset. It was necessary to keep accommodating unpredictable changes, restrictions and a very significant slow down of the public sector. Priority shifts of our customers have unfortunately resulted in delays in some projects due to lack of customer cooperation. This mainly impacted the Healthcare and ALES divisions, where a number of important projects were postponed, since the relevant tender processes were delayed. The ALES division was also experiencing a downturn caused by the global decline of air travel.

At the beginning of 2021 changes were made in the management and structure of ICZ group. The Private division was partially integrated with the Infrastructure division to better exploit the synergy of their commercial sector targeting sales teams. The section directors of the DMS and Healthcare divisions were replaced due to partial changes in the management of these divisions. These changes necessitated extra investments, which, in the long term, should result in significant economic gains for both division and entry into new market segments.

The total ICZ group result ended up being unsatisfactory. The result was also influenced by increased reserves made for possible further expenses in the year 2022.

Overview of 2021

ICZ group continued investing in strategic products and adapting current products to new market requirements. Extra development was found to be necessary for the ICZ AMIS*HD product and we have also successfully continued to develop a new version of a record management system which is prepared for certification according to expected new requirements.

Due to enduring pandemic related restrictions we could not continue to develop our foreign activities as much as we would have wished, but even so, we did have some successes. In particular, the Delinfo division managed to successfully sign an important contract in Saudi Arabia.

The Government division managed to successfully complete a number of larger projects and increased its planned revenue.

The DMS, ALES and Healthcare divisions didn’t manage to meet their target revenue, mainly due to necessary investments and the impact of the pandemic.

The Infrastructure division successfully met their revenue expectations and completed a number of strategically important projects.

The Private division after being partially merged with Infrastructure was not able to reach its budgeted results, but it has managed to significantly increase the volume of new projects and efficiency.

The Security division was severely hampered by the chip shortage due to which it could not manufacture new products, but even so it ended only slightly under budget.

View to 2022

A long-planned change occurred at the beginning of 2022, when Dan Rosendorf became the CEO of ICZ group. The current CEO Bohuslav Cempírek, who has performed this function successfully for over 15 years, remains within ICZ group as the COO. To further increase the effectivity of ICZ group some changes in its structure and management will occur at the beginning of 2022.

Dan Rosendorf, CEO ICZ a.s.

In Prague, March 31st 2022

1 General Information

1.1 Company Profile

ICZ Group belongs among the leading CEE suppliers of the integrated software and infrastructure solutions market. Its portfolio consists of tailor-made application software products, services, and solutions to meet the needs of all areas of information and communication technology. Being based on a wide spectrum of platforms and technologies, the offered services are vendor independent. The Group offer includes the custom-made application development, featured by information protection and security projects. The establishing unit, ICZ a.s. company, started its operations on the Czech IT Market in 1997 and since then acquired and successfully integrated more than 30 companies.

Within the broader spectrum of company solutions, ICZ Group manages a wide service portfolio beginning from the classic information systems delivery up to the entire network overhauls, including interdepartmental systems on the basis of outsourcing and managed services. The ICZ's customers come primarily from the governmental sector, healthcare, telecommunications, transportation, utilities, defence, finance, manufacturing & logistics and the solutions do cover the following branches: applications software, system integrations, security, communications, infrastructure, document administration and procedure. Consulting and analytic services are an integral part of the offering, as well.

1.2 History and Development

The main operating company ICZ a.s., a joint stock company – established and operating under the laws of the Czech Republic – was incorporated on July 21, 1997. The business of ICZ a.s. was focused on system integration, network design and complex integrated IT solutions, in that period.

From 1998 through 2001, ICZ a.s. gradually acquired and merged with 14 small and medium-sized Czech IT services companies expanding its range of solutions into the data network security, healthcare applications, card management, warehouse logistics, application development, web design & applications and network design. ICZ a.s. started its operations in the Slovakia in 2001.

In 2002 and 2003, ICZ a.s. acquired and integrated through mergers further three companies engaged in network design and hardware & software resale. ICZ a.s. also acquired 100 per cent shares in S.ICZ a.s. as a result of these mergers.

In 2005, the acquisition of Expert & Partner engineering CZ, a.s. and its subsidiary Expert & partner engineering spol. s r.o. enabled ICZ a.s. to expand its spectrum with network solutions. Thanks to this acquisition, ICZ a.s. became the largest partner of Cisco Systems in the Czech Republic. Late 2005, ICZ a.s. acquired EXPRIT spol. s.r.o., including its 90%-owned subsidiary Exprit s.r.o., a Slovak IT services company focusing mainly on document management solutions.

In 2007, more other companies, namely Amaio Technologies, a.s., a Czech entity focused on the Java based applications development, furthermore Informa MS, s.r.o., a Slovakia-based company developing a hospital information software and also the remaining 10 per cent of Exprit s.r.o. (renamed to ICZ Slovakia s.r.o.) were acquired.

In October 2007, the ICZ N.V. was established and incorporated in the Netherlands as a public company with limited liability (N.V.). On the basis of a sale and purchase agreement, 100 per cent of the ICZ a.s. shares were acquired by ICZ N.V., in November 2007.

In 2008, a new entity, D.ICZ Slovakia a.s., was established. Further on, ICZ a.s. has taken over 100% ownership of a Czech company ALES, s.r.o., while D.ICZ Slovakia has taken over 100% ownership of ALES a.s., in Slovakia. These two companies together became the leading supplier of the ATM systems and some other special products for both civil and military customers. The companies operated in the region of Central and Eastern Europe and had a branch in Dubai, too.

In December 2008, ICZ a.s. has acquired 100% ownership of DELINFO, spol. s r.o, a company specialized on development and implementation of special command as well as special geographic information systems, especially for the Czech and Slovak Army.

To enrich relevant capabilities connected to the running WIM project, a company Bezpečná ulice a.s. was acquired by Amaio Technologies, a.s., in 2016. Apart from that, a new entity within the ICZ Group was established in 2016, too, namely the Nadační fond ICZ, endowment fund.

ICZ Group completed the acquisition of two companies at the end of 2019. It is SIKS a.s., which ensures the digitization of documents and employs people with disabilities, and E.ICZ a.s, which is a provider of communication solutions for the exchange of medical images.

On 12th July 2021, was completed the transfer of the registered office of ICZ Group parent company, ie the company ICZ N.V., seated 1077XX Amsterdam, Strawinskylaan 403, Unit 2 WTC, Tower A, 4th floor, Netherlands to the Czech Republic. This transfer took the form of a cross-border merger of ICZ N.V., as the merging company, with ICZ Holding a.s., as the successor company. On the effective date of the merger (ie from 12th July 2021), ICZ Holding a.s. became the parent company of the ICZ Group. The merger was carried out in order to simplify and streamline the corporate structure of the ICZ Group and to transfer the parent company of the ICZ Group back to the Czech Republic.

1.3 Quality and Reliability Assessment

Company Name	Certification
ICZ a.s.	ISO 9001
	ISO 13485
	ISO 20000-1
	ISO 27001
	AQAP 2110
	AQAP 2210
	NBÚ CR – CONFIDENTIAL
	Facility Security Clearance Certificate “NATO Confidential”
S.ICZ a.s.	ISO 9001
	ISO 27001
	AQAP 2110
	AQAP 2210
	NBÚ CR "Secret / Top Secret"
	Facility Security Clearance Certificate “NATO Secret”

Expert & Partner engineering CZ, a.s.	ISO 9001
	ISO 14001
	ISO 27001
ICZ Slovakia a. s.	ISO 9001
ALES a. s.	ISO 9001
	AQAP 2110
	NBÚ SR - “Secret”
ALES, s.r.o.	ISO 9001
	ISO 27001
	AQAP 2110
	NBÚ CR "Confidential / Secret"
	Facility Security Clearance Certificate “NATO Secret”
DELINFO, spol. s.r.o.	ISO 9001
	ISO 27001
	AQAP 2110
	NBÚ CR “Secret”
	Facility Security Clearance Certificate “NATO Secret”

1.4 Partnerships with Technology Providers

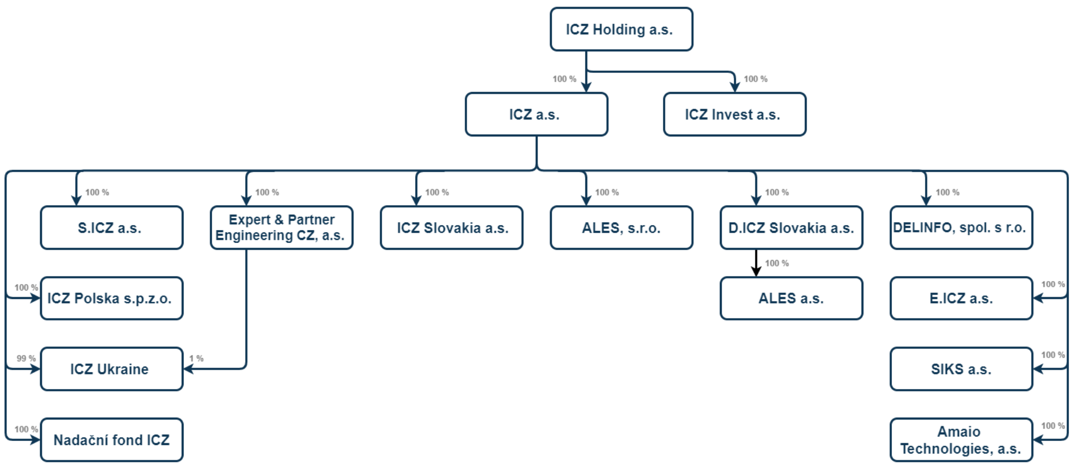
ICZ enjoys long lasting partnerships with major reputable international technology providers. As a part of these relationships it disposes of ability to constantly raise the qualification level within the partnership programs they provide. The 2020 partnership levels are indicated in the chart below:

Company	Partnership Level
Cisco	Gold Certified Partner
Computer Associates	Enterprise Solution Partner
CyberArk	Partner
DELL EMC	Gold Partner
F5	Registered Partner
Flowmoon	Silver Partner
GreyCortex	Partner
Hewlett Packard	Silver Partner
CheckPoint	4□Partner
IBM	Reseller

Microfocus	Business Partner
Microsoft	Microsoft Gold Partner (4x Gold, 1x Silver)
Oracle	Gold Partner
Symantec	Silver Partner
VMware	Enterprise Solution Provider
Zabbix	Certified Partner

1.5 Organizational Structure

ICZ Holding a.s. is the parent company of the main operating company ICZ a.s., which, directly or indirectly, owns the subsidiaries shown on the chart below. In none of the subsidiaries is the power of voting rights different than the portion of ownership interest as presented below.



1.6 Targets for 2021 and their Fulfilment

- **Development of foreign activities.** Foreign trade was still significantly affected by anti-pandemic measures associated with travel and movement restrictions. Thus, a number of foreign projects for 2021 could not be properly contracted and commercially secured or were postponed or suspended by the contracting authorities. Nevertheless, some projects have been successfully completed, such as the signing of a major contract in Saudi Arabia with Saudi Arabian Military Industries for the supply of Battle Management System - Codevelopment and Technology Transfer.
- **Continued modernization of the product portfolio.** This ongoing task is performed on a relatively wide scale every year. During the year 2021, the following products or solutions of the ICZ Group were modernized or newly developed. In the healthcare segment, the ICZ AMIS HD clinical information system was further developed and the development of the ICZ AVD (automated diagnosis reporting system) product was started in cooperation with the University of West Bohemia using artificial intelligence. For the ICZ Group's military offer, the

development of firmware for the S-LOV CBRN chemical reconnaissance vehicles was completed and the ICZ DELINFOS communication system was upgraded. For the ICZ Group's offer for air traffic management, a comprehensive system for the analysis of radar sources with the working designation ICZ SDAA NG (CSDA) and a mobile tower with a 360 ° display was developed. In the area of security products and solutions, the possibilities of the LANPCS product and preparations for the new foreign LANPCS RG3 certification were developed. The Register of Trade Licensing and the Foreign Information System were developed for the public administration. In the area of document management solutions, work continued on the development of the new ICZ e-file G2 file service. The development of the new ICZ Risk * Guide product for risk registration and assessment in accordance with the Cyber Security Act was completed and successfully deployed to the first customers.

- **Targeted development of middle management and employees competencies.** In 2021, the ICZ Group Management Development Program was launched, which builds on the activities implemented in 2020. It entered the implementation phase in October 2021, when the first run of specific development activities for all managers at all levels was prepared and launched. The program was prepared in cooperation with the Association of the Defense and Security Industry and the educational company BIT CZ s.r.o. and includes 5-module managerial development in the form of interactive and practical workshops / courses focusing on selected topics of managerial work (eg Negotiation, Stress Management, Effective Communication and Listening, Active Work with Change, etc.). About 80 managers took part in the program and it should be completed in the spring of 2022.

2 Product Portfolio

The ICZ Group focuses its business on providing complex IT solutions, which typically involve a wide range of products and services that we supply on a regular basis to our customers. Thanks to its long-term experience and broad market approach, ICZ Group is able to cover the whole project life cycle of complex IT projects mainly by using our own highly qualified professionals or, where needed, by subcontracting partners with whom we have experience and a long-term business relationship. Our approach towards our customers is to lead and accompany them throughout the entire process and to render our services along the value chain from consultancy services to maintenance and up-selling activities and further development.

2.1 IT Security

IT security is ICZ Group's core competence and it is an integral part of all solutions and services offered. From this point of view, the portfolio covers complex security-oriented IT solutions ranging from infrastructure to applications and their integration.

In terms of the ICZ Group, the core security services are provided by S.ICZ a.s. Having been granted a “Top Secret” level certification by the National Security Office, S.ICZ a.s. is the only IT services company on the Czech IT market able to participate in sensitive projects demanding that level of confidentiality. Further, both ICZ a.s. and S.ICZ a.s. are ISO 27001 certified. A number of the ICZ Group consultants are qualified and certified experts (CISA – Certified Information Systems Auditor, CISM – Certified Information Systems Manager, CISSP – Certified Information Systems Security Professional) with classified information clearance and extensive local and international experience, including participation in NATO projects.

S.ICZ a.s. performs development, manufacturing and implementation of its own HW and SW cryptographic and security products, both for classified information and commercial use.

The Group's projects and solutions cover the following areas:

- Security Integration
- Information Security Management System (ISMS)
- Trustworthy Computing Platform®
- Identity and Access Management
- Secure Communication Infrastructure
- Cyber Defense
- Classified Information Systems

2.2 IT Infrastructure

The ICZ Group Infrastructure portfolio covers both Information and Communication Technology (ICT) and Security services and solutions. The offering is built on strong architectural pillars of reliable technologies. Broad range of services and technology as well as related tasks like consultancy, planning, designing, implementation, monitoring and operation are included.

The following listing is a summary of selected solutions being offered:

- Enterprise Networks infrastructure including Service Provider and Wireless Networks
- Data Center technologies, Disaster Recovery, Virtualization and cloud systems
- Enterprise, Service Provider and Industrial (SCADA) Network Security
- Next-Generation Firewalls and Anti-X systems
- Supervisory and Performance Management Systems
- Unified Communication, Video and Team Collaboration Solutions
- Advanced security – SoC, SIEM, PAM; NetFlow based analytics

2.3 Applications and Industry Solutions

Applications and industry solutions are typically the most visible part of the ICZ Group portfolio. The group provides a wide range of applications and industry solutions in the following areas:

Applications and industry solutions for the government and public sectors

- Support of administrative processes; ICZ DESA®, ICZ VEZA®
- National registries
- Document Management Systems (DMS); ICZ e-spis®

Applications and industry solutions for the healthcare sector

- Hospital and/or Management Information System (HIS, MIS); ICZ AMIS*HD®
- Picture Archiving and Communication System (PACS); ICZ AMIS*PACS®, ICZ ePACS®
- Business Intelligence - Solutions and Services
- Clinical Process Information Systems; ICZ CliQuest®, ICZ AZD®, ICZ ISAC®
- Diagnosis Related Group (DRG) Systems Support

- Regional Healthcare Information Systems
- eHealth Solutions

Defence Solutions

- Air Command and Control Systems (C2)
- Integration of Civil and Military Air Traffic Control Services
- Ground Forces Tactical Command and Control Systems; ICZ DELINFOS®
- Sensor Integration and Interoperability standards implementation
- Virtual Simulation Training for Military, Police, Firefighter and Rescue personnel

Traffic Management Solutions

- Systémy správy letového provozu, ICZ LETVIS®
- Air Traffic Management Systems; ICZ LETVIS®
- Simulators for Air Traffic Controller's Training
- Radar / Surveillance Data Analysis and Format Conversion Systems
- Consoles and Special Furniture for Air Traffic Control
- Traffic issues (Weight-In-Motion (WIM), parking and traffic offenses surveillance, etc.)

Enterprise Application Solutions

- Customer Relationship Management
- Warehouse Logistics (WMS) and Automatic Data Capture (ADC); ICZ OSIRIS®, ICZ KRONOS®
- Enterprise Content Management (document digitization, workflow, archiving, etc.)
- Enterprise application for banking sector
- Document Management System (digitization, document circulation and archiving)

2.4 Services

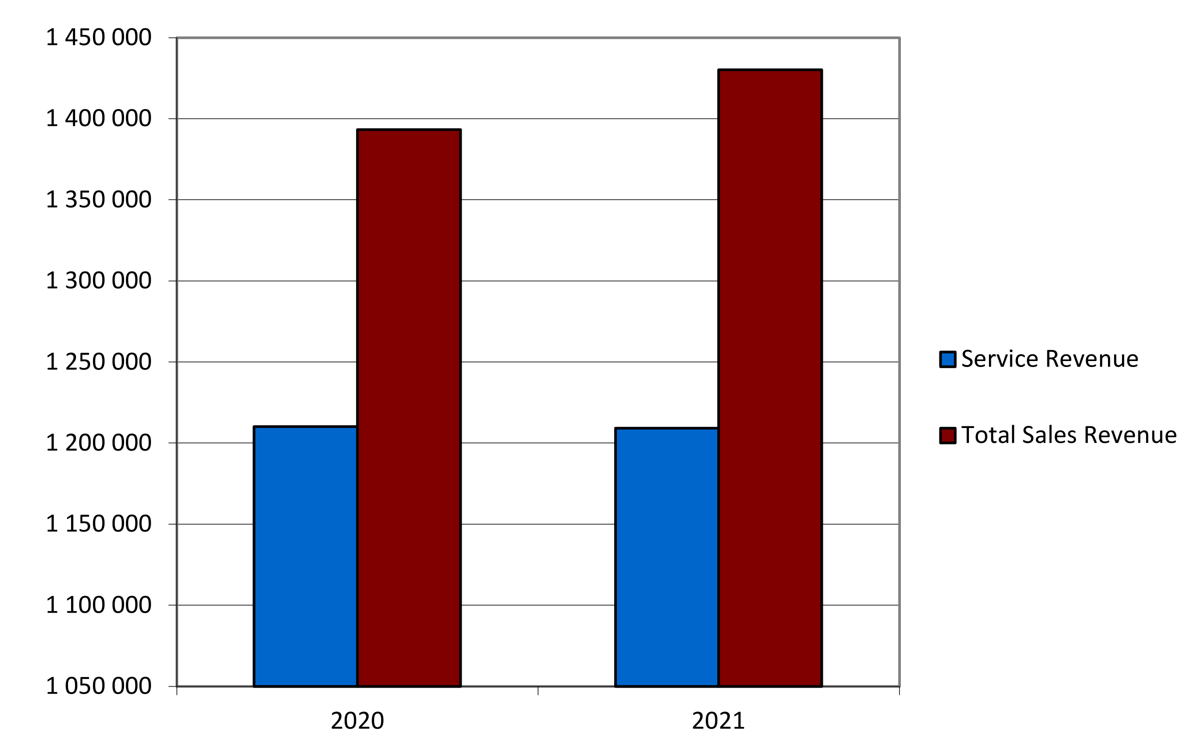
ICZ Group renders a broad range of services when delivering our solutions to our customers. The range of services does include:

- System Integration
- Customer Application Development
- Support and Installation
- Outsourcing
- ICT Consulting and Analyses
- IT Training and Education Vývoj aplikací na zakázku

3 Financial Performance in 2021

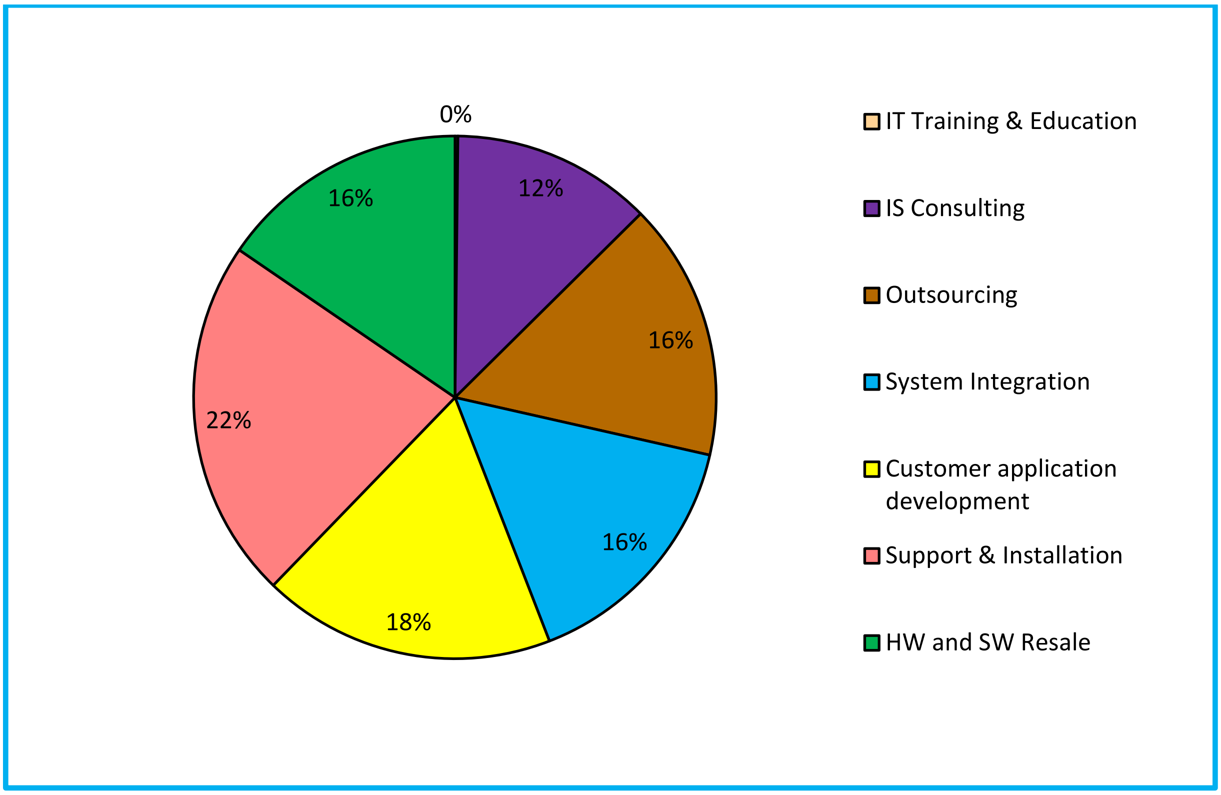
3.1 Sales

Total sales revenues for 2021 amounted to CZK 1 430 100 thousands, which represents an increase of 2.6% compared to sales of CZK 1 393 274 thousands for the year 2020. Revenues from services amounted to CZK 1 209 073 thousands for the year 2021 and were thus at the same level as in 2020.



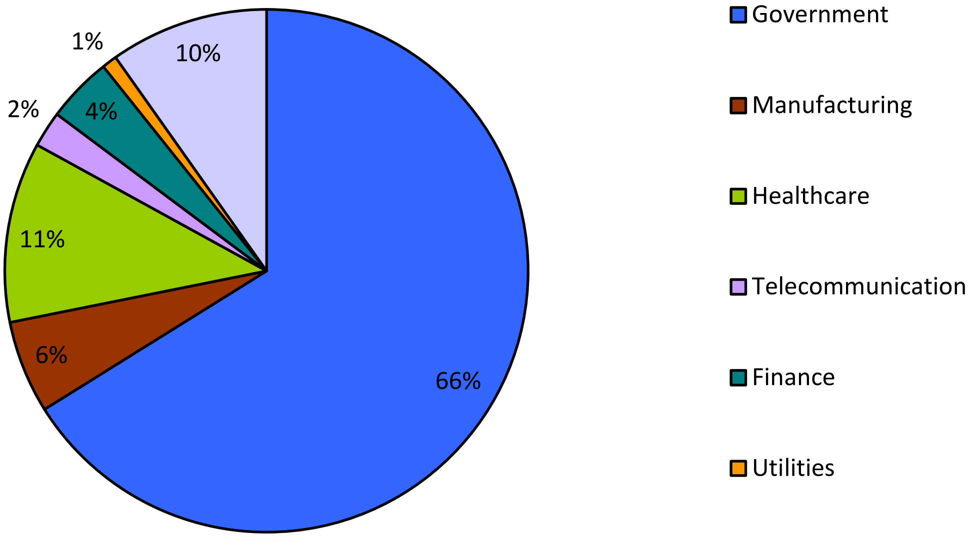
The following table shows the horizontal breakdown of 2021 and 2020 sales revenue by the ICZ's main service areas:

Sales in thousand CZK	2020	2021
IT Training and Education	1 639	2 693
IS Consulting	153 955	177 409
Outsourcing	200 975	227 987
Systems Integration	356 326	222 769
Customer Application Development	192 863	259 045
Support and Installation	304 388	319 170
Sales revenue from services	**1 210 146**	**1 209 073**
Resale of hardware and software	183 128	221 072
Total sales revenue	**1 393 274**	**1 430 100**



The following table shows the vertical breakdown of 2021 and 2020 sales revenue by the main customer groups:

SALES in thousand CZK	2020	2021
Government	861 284	945 439
Manufacturing	118 051	81 849
Healthcare	178 106	159 555
Telecommunication	19 728	32 007
Finance	59 338	57 853
Utilities	20 080	13 314
Other	136 687	140 083
Total sales revenue	**1 393 274**	**1 430 100**



3.2 Profit from Operations

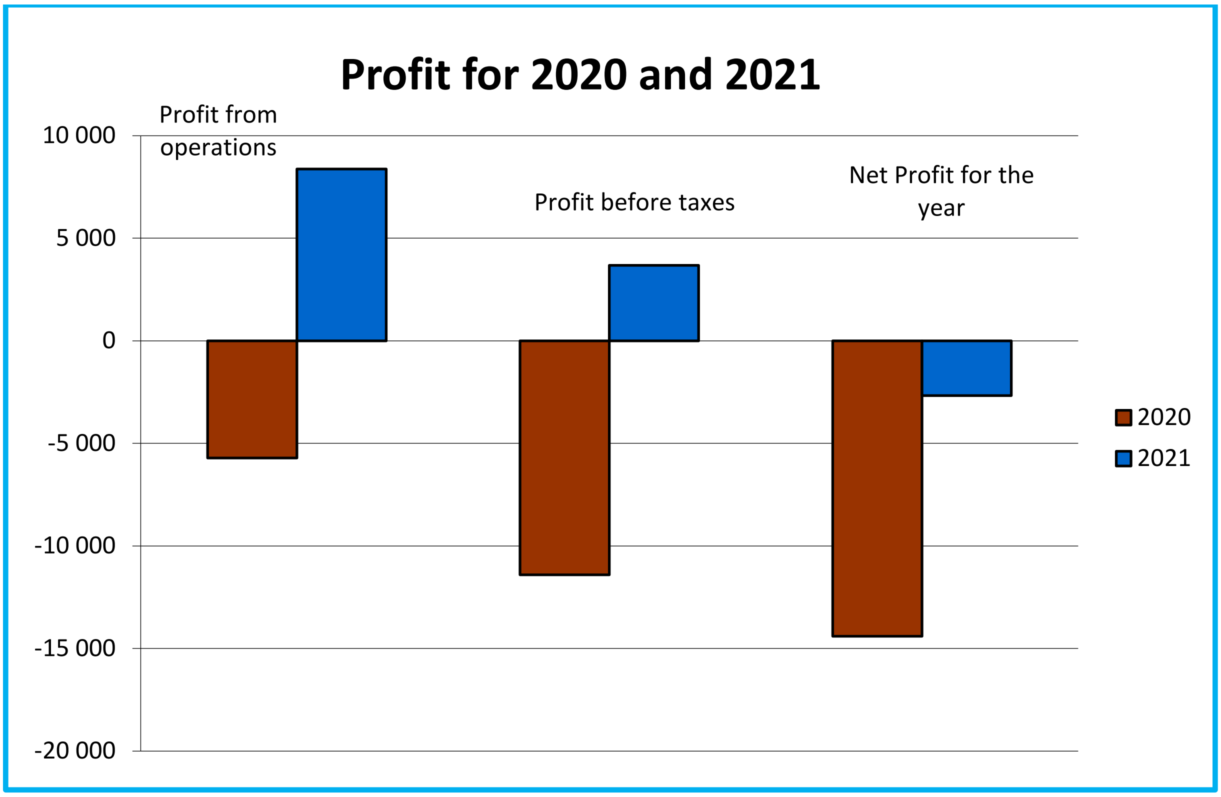
Compared to 2020, when the Group reported a loss of CZK -5 720 thousands, reached an operating profit of CZK 8 378 thousands.

3.3 Profit before Taxes

Compared to 2020, when the loss before tax amounted to CZK -11 404 thousands, the Group reported a profit before tax of CZK 3 679 thousands.

3.4 Net Profit from the Year

The loss of the Group in 2021 amounted to CZK -2 677 thousands in comparison with the loss in 2020, which was at the level of CZK -14 406 thousands.



The chart above shows a '2021 vs. 2020' comparison of the profit and loss acc. to the previous articles.

3.5 Cash and Liquidity

Cash and cash equivalents slightly decreased from CZK 177 724 thousands as of the year end 2020 to CZK 59 434 thousands as of the year end 2021.

The equity to total assets ratio was 32,5 % as of 31 December 2021 as compared to 32 % as of 31 December 2020.

3.6 Activities in Research and Development

In addition to the third party software that ICZ Group provides as a part of its solutions, the main engagement is in the development of own software. The development can take forms of localization or customization of existing software packages by adding new functionalities and/or modules, or developing completely new software solutions.

The following table shows the cost of our internally developed software solutions over the last two years:

Year	2020	2021
Costs (in thousand CZK)	41 082	31 728

4 Selected Financial Information (Key Figures)

The selected financial data presented in the following table were derived from the consolidated financial statements of ICZ Holding a.s. as of December 31, 2021 and from the consolidated financial statements of ICZ N.V. 31 December 2020 and should be understood in their context.

	2020 in thousand CZK	2021 in thousand CZK	2020(1) (2) in thousand EUR	2021(1) (2) in thousand EUR
Sales revenue	**1 393 274**	**1 430 100**	**52 688**	**55 765**
Gross profit	**665 297**	**739 739**	**25 159**	**28 845**
Earnings before interest, taxes, depreciation and amortization (EBITDA (3))	**95 005**	**117 887**	**3 593**	**4 597**
Depreciation	73 271	74 445	2 771	2 903
Amortization	27 454	35 064	1 038	1 367
Impairment	-	-	-	-
Profit/(loss) from operations	**-5 720**	**8 378**	**-216**	**327**
Profit/(loss) before taxes	**-11 404**	**3 679**	**-431**	**143**
Income tax expense / (benefit)	3 002	6 356	114	248
Profit/Loss for the year	**-14 406**	**-2 677**	**-545**	**-105**
Net cash	**177 724**	**159 434**	**6 772**	**6 413**
Equity	**345 735**	**340 300**	**13 173**	**13 689**
Total assets	**1 080 010**	**1 046 632**	**41 151**	**42 101**

(1) The balance sheet for the year ended December 31, 2021 has been converted at the CZK/EUR rate prevailing at the end of respective period as announced by the Czech National Bank. The rate used for the balance sheet for the year ended December 31, 2020 was CZK 24,860 = EUR 1,00 and for the year ended December 31, 2020 was CZK 26,245 = EUR 1,00.

(2) The consolidated income statement has been converted at the CZK/EUR average rate for the years 2021 and 2020. The rate used for the consolidated income statement for the year 2021 was CZK 25,645 = EUR 1,00 and for the year 2020 was CZK 26,444 = EUR 1,00

(3) EBITDA includes Revenue, Consumed materials, products and services and Change in inventories of finished goods and work in progress, Labour costs, Other operating income and expenses..

Ratios:

	2020	2021
Gross margin	47,8 %	51,7 %
EBITDA margin	6,8 %	8,2 %
EBIT (4) margin	-0,4 %	0,6 %
Profit before tax margin	-0,8 %	0,3 %
Net profit margin	-1,0 %	-0,2 %
Net cash to equity	51,4 %	46,9 %
Equity to total assets	32,0 %	32,5 %

(4) EBIT equals profit/(loss) from operations

5 Profit/Loss Treatment

According to the Articles of Association of ICZ Holding a.s. the treatment of financial profit or loss is as follows:

- Each year, the Executive Board will determine, with the approval of the Supervisory Board, which part of the profit will be transferred to the reserves. The part of the profit remaining after the reservation above will be distributed as dividend on the Shares.
- The share that is distributed among shareholders must not exceed the distributable part of equity.
- The distribution of profits will take place only after the approval of the annual financial statements, which will prove that such a distribution is possible.
- The Board of Directors may decide to pay interim dividends. This decision is subject to the approval of the Supervisory Board.
- The company's own shares are not included in the amount to be distributed.

6 Post-Balance-Sheet Events

ICZ Holding a.s. as the sole shareholder, decided to change to the position of CEO of the ICZ Group and Chairman of the Board of Directors of ICZ a.s. In accordance with the long-term planned change, Mr. Dan Rosendorf took over the position of CEO and Chairman of the Board of Directors of ICZ a.s. as of 1st February 2022. Mr. Dan Rosendorf, who has been with the ICZ Group since 2012, has been acting as the Director of Security in recent years. The current CEO, Mr. Bohuslav Cempírek, who acted in the position of CEO and Chairman of the Board of ICZ a.s. for 15 successful years, will continue to work in the ICZ Group, in the position of Chief Operations Officer.

7 Employee Relations

As of December 31, 2020, ICZ Group had 595 employees in employment relationship of which 467 were located in the Czech Republic and 128 in the Slovak Republic. Additionally, 13 employees work on the ‘Agreement to complete job’ basis and 57 employees on the ‘Agreement to perform work’ basis.

The following table shows the distribution of our employees by job classification as at 31 December 2021:

Function	Počet 2020	Počet 2021
Management	36	31
Administration	86	79
Project management	30	30
Software development	169	189
Other experts	226	206

Sales	35	33
Services	13	26
Manual workers	5	1
Total	**600**	**595**

ICZ Group is continuously driven by strategy considering that employees are providing the essential talent, professionalism and energy to fulfil long-term vision, business goals and ambitions. Strategic vision of ICZ Group in the area of human resources is to build long-term partnership with employees based on professional relationship full of respect, confidence, mutual communication, respect for equal opportunities and possibility of professional and career development. The Group strategy puts its focus on both growing revenues and improving productivity while growing employees' professionalism.

Human Resources Policy. The fundamental priorities of Human Resources Strategy have not changed from previous years and are permanently focused on following issues:

- build a depth of professional capability and managerial skills;
- build a performance culture with strong project management orientation;
- build an open, flexible and diverse organisation.

Diversity as a permanent part of employment policy. In 2018, ICZ Group joined the European Charter of Diversity. Signatories include significant international companies committed to developing such corporate culture, which builds on mutual respect and appreciation of individual talent. ICZ Group supports all activities that promote diversity with emphasis on a fair recruitment and choice of employees, their access to education and career progress, performance evaluation and adequate remuneration as well as on personal and family situation. iverzita je stálou součástí naší zaměstnanecké politiky.

Corporate culture and employee needs. The development of corporate culture, employee needs analysis and employee satisfaction have become a regular part of specific activities during the calendar year. In particular, bilateral communication between management and employees is supported, and at the same time, partial activities are planned and implemented to strengthen belonging and corporate culture in the company's divisions.

Innovation and Creativity. Also in 2021, the ICZ Group supported activities aimed at developing innovation and creativity. As part of this effort, the fourth year of an internal competition called "Idea of 2021" was announced, to which all employees of the company could contribute with their ideas for new solutions or products from any area of ICZ's operations. The fourth year brought a total of 25 innovative ideas.

Building the ICZ brand as an attractive employer. In 2021, the ICZ Group continued, as part of an ongoing internal project to further increase the attractiveness of the ICZ Group as an employer, with a broad focus on various groups of IT professionals. Thanks to specifically targeted activities in the field of HR marketing, the ICZ Group managed to achieve a wider awareness of the ICZ Group as an attractive employer not only for young IT workers, but also experienced IT professionals.

Learning and development. In 2021, it continued its activities mainly online in the form of the so-called Center for Internal Education, which supports the principle of a "self-learning society" and which has already become an integral part of education and development of ICZ Group employees. The center prepares internal courses for employees focusing on both technical skills and so-called soft skills. In

2021, a total of 18 internal courses were held under the guidance of internal lecturers with a total of 80 employees.
Another important priority in the development of knowledge was special IT courses for already certified IT experts focused on deepening knowledge and skills in specific areas (Programming Languages, Architecture, Cyber Security). Similarly, ICZ Group continued in tailor-made skills programs for Key Account Managers accompanied with practical workshops for project managers to share best practice.

Throughout 2021, the planned certification, recertification and professional development of employees in the positions of Project Managers also took place in parallel. Increasing the professional level of work of project managers is a long-term and necessary goal of the ICZ Group with a concrete impact not only on the competencies of these key employees, but also on project management of customer orders. Compliance courses are also an integral part of training at the ICZ Group in order to increase the awareness of all employees about the legal and ethical limits of business conduct and behavior in the process of public procurement and protection of competition.

Another large-scale educational project is the ICZ Group Management Development Program, which builds on the activities implemented in 2020 and entered the implementation phase in October 2021, when the first run of specific development activities for all managers at all levels was prepared and launched. The program was prepared in cooperation with the Association of the Defense and Security Industry and the educational company BIT CZ s.r.o. and includes 5-module managerial development in the form of interactive and practical workshops / courses focusing on selected topics of managerial work (eg Negotiation, Stress Management, Effective Communication and Listening, Active Work with Change, etc.). About 80 managers took part in the program and it should be completed in the spring of 2022. Due to the need for continuous knowledge and skills of the employees, the ICZ Group will provide professional development to its employees on the highest possible professional basis in the coming years, all courses will be based on current needs and long-term perspectives.

Working environment. In 2021, the ICZ Group also paid great attention, especially to the care of a healthy and safe working environment and working conditions, in all companies of the Group and at all company branches. The concept of a favorable working environment and a balanced working life due to the epidemiological situation, supplemented by an emphasis on maximum safety and prevention, represents a long-term vision for all employees of the company.

Employee satisfaction. In 2021, the Employee Satisfaction Survey was conducted, which again brought various proposals and practical ideas for improving and supporting corporate culture, communication and other areas. There was also a revision of the benefits system and their extension according to the needs of employees. The ICZ Group will continue to analyze the needs of its employees with the aim of building modern and motivating working conditions for all its employees.

8 Management Policy and Remuneration of Executive Board and Supervisory Board

8.1 Executive Board

The Executive Board is responsible for the day-to-day management of our operations under the supervision of the Supervisory Board. The Executive Board is required to keep the Supervisory Board in a timely manner informed in order to allow the Supervisory Board to carry out its task, consult with the Supervisory Board on important matters and submit certain important decisions to the Supervisory Board for its approval.

8.2 Supervisory Board

The Supervisory Board is responsible for overseeing the running of the Company as conducted by the Executive Board and the Company's general business affairs. The Supervisory Board shall assist the Executive Board by giving advice. In performing its duties, the Supervisory Board is required to act in the interests of the Issuer and its associated business as a whole. The members of the Supervisory Board are not, however, authorized to represent us in dealings with third parties.

The Executive Board consists of the following members, currently:

Name	Age	Position	Member since	Term
Pavel Rosendorf	67	Chief Executive Officer	November 25, 2020	unlimited
Bohuslav Cempírek	61	Executive Officer	November 25, 2020	unlimited
Zdenek Jirkovec	68	Executive Officer	November 25, 2020	unlimited

The Supervisory Board is currently composed of the following members:

Name	Age	Position	Member since	Term
Jan Muller	71	Chairman	November 25, 2020	na dobu neurčitou
Miloš Marek	82	Member	November 25, 2020	na dobu neurčitou
Zdenka Kubíčková	65	Member	November 25, 2020	na dobu neurčitou

9 Expected Course of Business in the Following Year (Goals for 2022)

The main goals of the ICZ Group for 2022 are set as follows:

- **Development of foreign activities**. After a continuing slowdown last year, the goal for 2022 is to restart foreign activities and follow up on postponed or postponed projects and acquire new ones. In the aviation sector, which is beginning to recover, complete contracts in Georgia for the supply of the Letvis system to the airports in Tbilisi and Kutaisi. Also complete negotiations on the supply of a simulator for Atyrau Airport in Kazakhstan. The aim is also to build on previous successes and develop cooperation with Saudi Arabian Military Industries.
- **Pokračující modernizace produktového portfolia**. This goal, as a necessary condition for the long-term development of the ICZ Group, remains valid. For the year 2022, it is desirable to develop or expand the offer of the ICZ Group by the following items: In the healthcare segment, the development of the Clinical and Patient Portal solution is planned as part of the ICZ eHSB integration platform, the completion of the development of the POJ 6 reporting system and the addition of new functionalities of the ICZ AMIS HD clinical information system. The development of a new national C2 system for the control and command of air operations and air traffic is planned for the ICZ Group's offer for air traffic management. In the area of security products and solutions, the possibilities of the LANPCS product and preparations for the new LANPCS RG3 foreign certification will be further developed. In the area of document management solutions, the development of the new ICZ e-spis G2 product, including the names register module, will continue. Following the successful sale of ICZ Risk*Guide, the development of another Audit*Guide module will begin. The development of the B2C module

will start at ICZ Osiris. The competencies of the Infrastructure section in the design of multicloud data center solutions will be extended.

- **Targeted development of middle management and employees competencies.** In 2022, the ICZ Group will continue to focus on the development of middle management competencies thanks to the continuation of the Management Development Program. The ICZ Group will also actively work on the specific development of professional competencies of key employee groups such as project managers, IT experts or salespeople. The aim is also to modernize working conditions and increase the attractiveness of ICZ as an employer. A major challenge for the ICZ Group in 2022 will be to focus on modernizing working conditions in order to increase employee retention and further strengthen the "ICZ brand" as an attractive employer and a targeted nationwide campaign to support it.

10 Risks and Managing the Risks

The management monitors and manages the financial risks relating to the operations through analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The management analyses the risks, and policies implemented to mitigate risk exposures, regularly. More information on risks and their management is described in Note 5.32 to the consolidated financial statements.

11 Identification Data

The ICZ Holding a.s. business address is Na hřebenech II 1718/10, Nusle, 140 00 Praha 4. Company is registered under the file sign B 25851 at the Municipal Court in Prague. Company identification number is: 09702652.

11.1 Companies and Business Premises

Czech Republic:

Company	Address	Contacts
ICZ a.s. (HQ seat)	Na hřebenech II 1718/10, Nusle 140 00 Praha 4	tel.: +420 222 271 111 fax: +420 222 271 112
ICZ a.s. (branch)	Londýnské náměstí 856/2, Štýřice 639 00 Brno	tel.: +420 222 272 111 fax: +420 222 272 112
ICZ a.s. (branch)	Husova tř. 1373/13 370 05 České Budějovice	tel.: +420 222 273 111 fax: +420 222 273 112
ICZ a.s. (branch)	Beethovenova 179/2 746 01 Opava	tel.: +420 222 276 511 fax: +420 222 276 512
ICZ a.s. (branch)	Nám. Míru 2363/10 301 00 Plzeň	tel.: +420 222 275 111 fax: +420 222 275 112
ICZ a.s. (branch)	Kostnická 646/6 674 01 Třebíč	tel.: +420 222 276 111 fax: +420 222 276 112
S.ICZ a.s. (HQ seat)	Na hřebenech II 1718/10, Nusle, 140 00 Praha 4	tel.: +420 222 271 111 fax: +420 222 271 112

S.ICZ a.s. (branch)	Husova tř. 1373/13 370 05 České Budějovice	tel.: +420 222 273 111 fax: +420 222 273 112
Amaio Technologies a.s. (HQ seat)	Na hřebenech II 1718/10, Nusle, 140 00 Praha 4	tel.: +420 222 271 111 fax: +420 222 271 112
Expert & Partner engineering CZ, a.s. (HQ seat)	Na hřebenech II 1718/10, Nusle, 140 00 Praha 4	tel.: +420 222 271 111 fax: +420 222 271 112
DELINFO, spol. s.r.o. (HQ seat)	Londýnské náměstí 2/856 Štýřice, 639 00 Brno	tel.: +420 222 272 777 fax: +420 222 272 112
ALES, s.r.o. (HQ seat)	Na hřebenech II 1718/10, Nusle, 140 00 Praha 4	tel.: +420 383 321 105 fax: +420 383 327 768
Nadační fond ICZ (HQ seat)	Na hřebenech II 1718/10, Nusle, 140 00 Praha 4	tel.: +420 222 271 111 fax: +420 222 271 112
ICZ Invest a.s. (HQ seat)	Na hřebenech II 1718/10, Nusle, 140 00 Praha 4	tel.: +420 222 271 111 fax: +420 222 271 112
E.ICZ a.s. (HQ seat)	Na hřebenech II 1718/10, Nusle, 140 00 Praha 4	tel.: +420 222 271 111 fax: +420 222 271 112
SIKS a.s. (HQ seat)	Na hřebenech II 1718/10, Nusle, 140 00 Praha 4	tel.: +420 222 271 111 fax: +420 222 271 112
ICZ Holding a.s. (HQ seat)	Na hřebenech II 1718/10, Nusle, 140 00 Praha 4	tel.: +420 222 271 111 fax: +420 222 271 112

Slovakia:

Company	Address	Contacts
ICZ Slovakia a. s. (HQ seat)	Soblahovská 2050 911 01 Trenčín	tel.: +421 326 523 544 fax: +421 326 523 506
ICZ Slovakia a. s. (branch)	Balkán 505/8 960 01 Zvolen	tel.: +421 455 368 057
ICZ Slovakia a. s. (branch)	Necpalská 243/30 971 01 Prievidza	
ICZ Slovakia a. s. (branch)	Vojtecha Tvrdého 790/13 010 01 Žilina	
ICZ Slovakia a. s. (branch)	Družstevná 5 031 01 Liptovský Mikuláš	
ALES a. s. (HQ seat)	Soblahovská 2050 911 01 Trenčín	tel.: +421 326 582 580 fax: +421 326 521 941
ALES a. s. (branch)	Popradská 57 040 11 Košice - Západ	tel.: +421 557 998 032 fax: +421 556 717 587
ALES a. s. (branch)	Družstevná 4 031 01 Liptovský Mikuláš	tel.: +421 445 522 196 fax: +421 445 523 895
ALES a. s. (branch)	Balkán 505/8 960 01 Zvolen	
D.ICZ Slovakia a. s. (HQ seat)	Soblahovská 2050 911 01 Trenčín	tel.: +421 255 422 385

12 Annexes

Annex No. 1

AUDITOR'S REPORT

Annex No. 2

CONSOLIDATED FINANCIAL STATEMENTS

Translation of independent auditor’s report on the consolidated financial statements of the company ICZ Holding a.s.

as of 31st December 2021

PKF APOGEO Audit, s.r.o.
Rohanské nábřeží 671/15
Recepce B
CZ186 00 Praha 8

počet stran: 5

ROHAN BUSINESS CENTRE, Recepce B
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INDEPENDENT AUDITOR’S REPORT

on the consolidated financial statements of the company ICZ Holding a.s.

Business address: Na hřebenech II 1718/10, Nusle, 140 00 Praha 4
Company registration number: 251 45 444
Main activity:

- Production, trade and services not listed in Annexes 1 to 3 of the Trade Register in the fields of activity:
- Manufacture of electronic components, electrical equipment and manufacture and repair of electrical machinery, apparatus and electronic equipment operating on low voltage,
- Wholesale and retail trade,
- Provision of software, information technology consultancy, data processing, hosting and related activities and web portals
- Renting and leasing of personal and household goods,
- Advisory and consulting activities, preparation of expert studies and assessments,
- Extracurricular education and training, courses, training, including teaching activities.
-

This Independent Auditor's Report on the consolidated financial statements has been prepared for shareholders of the company ICZ Holding a.s.

The auditor´s opinion

We have audited the accompanying consolidated financial statements of ICZ Holding a.s. and its subsidiaries and associates (hereinafter the "Group"), compiled based on International Financial Reporting Standards as adopted by the European Union, which compromise the consolidated statement of financial position as of 31 December 2021, and the consolidated statement of comprehensive income and consolidated overview of changes in equity and consolidated cash flow statement for the year then ended 31 December 2021 and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. Information about company is disclosed in note 1 to the financial statements.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2021, revenues and expenses and the results of its profit and its cash flows for the year then ended 31 December 2021 in accordance with International Financial Reporting Standards as adopted by the European Union.

Basic for opinion

We conducted our audit in accordance with the Act on Auditors and standards Czech Chamber of Auditors for the audit, which the International Standards on Auditing (ISA), possibly supplemented and modified the related application guidance. Our responsibility defined in these regulations is described in detail in Section auditor´s

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responsibility for the audit of the consolidated financial statements. In accordance with the Auditors Act and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic, we are independent of the Company and we met other ethical obligations resulting from these regulations. We believe that the audit evidence we have gathered, provide sufficient reasonable basis for our opinion.

Other information included in the annual report

Other information is in accordance with § 2) Auditor Act information in the annual report outside the consolidated financial statements and our audit report. Company executives is responsible for all other information.

Our opinion on the consolidated financial statements will not apply to other information. Nevertheless, it is part of our duties related to auditing the accounts, reading the other information and assess whether the other information is not significant (material) of non-compliance with the consolidated financial statements or our understanding of the entity obtained during the audit of consolidated financial statements or whether other such information not appear to be significant (material) is incorrect. Also consider whether other information was all significant (material) respects prepared in accordance with relevant legislation. This means assessing whether the information meets the other requirements of legislation for the formalities and the process of developing other information in the context of the significance (materiality), i.e. whether any infringement of those requirements would be likely to affect the judgment made on the basis of other information.

Based on the procedures performed, to the extent that we can no longer judge, we note that
- other information describing matters that are also presented in the consolidated financial statements, in all material respects in accordance with the consolidated financial statements and
- other information has been prepared in accordance with the law.

Furthermore, we are required to state whether, on the basis of knowledge and awareness of the Group to which we have arrived in auditing, and other information is free of material factual misstatements. Under those procedures, we have received no other information material factual misstatements were found.

Responsibility of the Statutory Body and Supervisory Board for the consolidated Financial Statements of the company ICZ Holding a.s.

The Statutory Body of the company ICZ Holding a.s. is responsible for preparing the consolidated financial statements give a true and fair view in accordance with accounting regulations and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material, whether due to fraud or error.

The preparation of consolidated financial statements, the Statutory Body of the company ICZ Holding a.s. is required to assess whether the Company to continue as a going concern and, if applicable, the disclosure in the consolidated financial statements matters relating to the going concern and the use of the going concern assumption in preparing the consolidated financial statements, except in cases the Statutory Body planned dissolution of the Group or its closure, respectively when no realistic alternative but to do so.

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The Supervisory Board is responsible for supervising the financial reporting process in the Company.

Auditor´s Responsibility for the audit of consolidated financial statements

Our objective is to obtain reasonable assurance that the consolidated financial statements as a whole do not have a significant (material), whether due to fraud or error and to issue an auditor´s report contains our opinion. Reasonable assurance is a high level of certainty, however, does not guarantee that an audit conducted in accordance with the above provisions in all cases in the consolidated financial statements reveal any existing significant (material), if it can be reasonably assumed that, individually or in the aggregate, could influence the economic decisions of users of consolidated financial statements on the basis of income.

In conducting an audit in accordance with the above provisions is our duty to apply throughout the audit professional judgment and maintain professional skepticism. Furthermore, it is our duty:

- Identify and assess the risks of material misstatement of the consolidated financial statements due to fraud or error, design and perform audit procedures responsive to those risks and to obtain sufficient appropriate audit evidence to provide a basis to express an opinion. The risk that we discover significant (material) misstatement due to error, as part of a fraud may be collusion, falsification, deliberate omissions, misrepresentations or circumvention internal controls.
- To be familiar with internal control relevant to the audit of the Group to the extent that we can design audit procedures appropriate to the given circumstances, we cannot express an opinion on the effectiveness of its internal control system.
- Assess the appropriateness of accounting policies used and reasonableness of accounting estimates and information which, in this context, the Statutory Body stated in the consolidated financial statements.
- Assess the appropriateness of using the going concern assumption in preparing the consolidated financial statements, the Statutory Body and whether, having regard to the evidence obtained, there is a significant (material) the uncertainty arising from events or conditions that may partly significantly doubt about the Group´s ability to continue as a going. If we conclude that such a significant (material) uncertainty exists, it is our duty to point out in our report on the information provided in this respect in the consolidated financial statements, and if this information is not sufficient to express a modified opinion. Our conclusions regarding the Group´s ability to continue as a going based on the evidence that we have obtained to date of our report. However, future events or conditions may lead to the fact that the Group loses its ability to continue as a going.
- Evaluate the overall presentation, structure and content of consolidated financial statements, including attachments, and whether the consolidated financial statements reflect the underlying transactions and events in a way that leads to a fair presentation.

PKF APOGEO Audit, s.r.o.

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Our duty is to inform the Statutory Body and Supervisory Board of the company ICZ Holding a.s., among other things, the planned scope and timing of the audit and on significant findings, which are in the course they did, including the identified significant deficiencies in internal control.

Prague 31st March 2022

Audit firm:
PKF APOGEO Audit, s.r.o.
Rohanské nábřeží 671/15
Recepce B
CZ 186 00 Praha 8
Oprávnění č. 451

Company auditor:
Ing. Jaromír Chaloupka
Certification number of the auditor 2239

CONSOLIDATED FINANCIAL STATEMENTS FOR 2021

COMPANY NAME	ICZ holding a.s.
Registered office	Na hřebenech II 1718/10, Nusle, 140 00 Prague 4
Legal form	Joint-stock company
ID	097 02 652
Date of Financial Statements	31st March 2022
Statutory body of the entity	Pavel Rosendorf, CSc. Chairman of the Board of Directors
Signature	

Contents

1 Consolidated Statement of Financial Position as at 31st December 2021

ICZ Holding a.s.		2021	2020
	Note	CZK '000	CZK '000
NON-CURRENT ASSETS			
Property, plant and equipment	16	158 093	172 197
Goodwill	17	22 629	22 629
Other intangible assets	18	115 758	117 424
Deferred tax assets	14	14 334	12 838
Long term receivables	19	525	543
Financial Investment	20	1 000	1 000
Total non-current assets		**312 339**	**326 631**
CURRENT ASSETS			
Inventories	21	3 977	32 118
Contract assets	5	153 282	133 714
Trade and other receivables	22	279 851	265 294
Current income tax assets	14	3 636	12 397
Other assets	23	134 113	132 132
Cash and cash equivalents	24	159 434	177 724
Total current assets		**734 293**	**753 379**
TOTAL ASSETS		**1 046 632**	**1 080 010**

ICZ Holding a.s.		2021	2020
	Note	CZK '000	CZK '000
EQUITY			
Issued capital	25	2 937	2 937
Other capital funds		306 483	306 483
Reserves	26	(2 895)	(1 506)
Retained earnings		33 775	37 821
Equity attributable to equity holders of the company		**340 300**	**345 735**
Non-controlling interest		-	-
Total equity		**340 300**	**345 735**
NON-CURRENT LIABILITIES			
Non-current trade accounts	27	(3 335)	1 693
Deferred tax liabilities	14	4 466	4 336
Other liabilities	28	48 996	62 989
Total non-current liabilities		**50 127**	**69 018**
CURRENT LIABILITIES			
Contract liabilities	5	149 162	167 346
Trade and other payables	29	380 016	363 259
Current income tax liabilities	14	2 643	378
Other liabilities	30	50 490	86 992
Provisions	31	73 894	47 282
Total current liabilities		**656 205**	**665 257**
TOTAL LIABILITIES		**706 332**	**734 275**
TOTAL EQUITY AND LIABILITIES		**1 046 632**	**1 080 010**

The lease liabilities are recognized under Other long-term liabilities and, where applicable, Business relationships liabilities and other liabilities. For more detailed information see Section 5.27 or 5.29.

2 Consolidated Statement of Comprehensive Income for the year ending on 31st December 2021

ICZ Holding a.s.		2021	2020
	Note	CZK '000	CZK '000
Revenue	5	1 430 100	1 393 274
Consumed material, products and services	6	(721 250)	(769 118)
Change in inventories of finished goods and work in progress	7	30 889	41 141
Labour cost	8	(606 901)	(568 204)
Depreciation	9	(74 445)	(73 271)
Amortization	9	(35 064)	(27 454)
Impairment loss on trade receivables and contract assets	22	10 567	2 233
Other operating income	10	14 655	16 663
Other operating expense	11	(40 173)	(20 984)
Profit (loss) from continuing operations		**8 378**	**(5 720)**
Finance costs	12	(4 484)	(5 418)
Finance income (expense)	13	(215)	(266)
Profit (loss) before income tax		**3 679**	**(11 404)**
Income tax (expense) / benefit	14	(6 356)	(3 002)
Profit (loss) for the period		**(2 677)**	**(14 406)**
Other comprehensive income (expense)			
Items that will never be reclassfied to profit or loss		-	-
Items that are or may be reclassfied to profit or loss			
Foreign operations - foreign currency translation differences		(1 389)	(15)
Other comprehensive income (expense) for the period, net of income tax		**(1 389)**	**(15)**
Total comprehensive income (expense) for the period		**(4 066)**	**(14 421)**
Profit (loss) attributable to :			
Owners of the company		(2 677)	(14 406)
Non-controlling interests		-	-
		(2 677)	**(14 406)**
Total comprehensive income (expense) attributable to:			
Owners of the company		(4 066)	(14 421)
Non-controliing interests		-	-
		(4 066)	**(14 421)**
Earnings per share (CZK)		(0,91)	(4,91)

3 Consolidated Overview of Changes in Equity for the year ending on 31st December 2021

ICZ Holding a.s.	No. Of shares	Issued capital	Other capital funds	Currency translation reserve	Retained earnings	Total
		CZK '000	CZK '000	CZK '000	CZK '000	CZK '000
Balance at 1 January 2021	**2 936 756**	**2 937**	**306 483**	**(1 506)**	**37 821**	**345 735**
Foreign exchange translation	-	-	-	(1 389)	(1 369)	(2 758)
Dividends	-	-	-	-	-	-
Net profit (loss) for 2021	-	-	-	-	(2 677)	(2 677)
Total comprehensive income for the period	***-***	***-***	***-***	***(1 389)***	***(2 677)***	***(4 066)***
Balance at 31 December 2021	**2 936 756**	**2 937**	**306 483**	**(2 895)**	**33 775**	**340 300**

4 Consolidated Overview of Cash Flows for the year ending on 31st December 2021

ICZ Holding a.s.	Note	2021 CZK '000	2020 CZK '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		(2 677)	(14 406)
Adjustment for:			
- Income tax expense recognised in profit or loss	14	6 356	3 002
- Depreciation and amortisation of non-current assets	9	109 509	100 725
- Interest income and expenses	12,13	87	(73)
- Loss (gain) on the sale of non-current assets	10,11	(639)	(126)
- Increase (decrease) in allowances for assets and provisions	21,22	16 180	10 885
- Other non-cash transactions		(15 260)	(36 329)
Net operating cash flow before changes from operating activities		**113 556**	**63 678**
Changes in:			
- Contract assets and liabilities	5	(37 752)	64 974
- Trade and other receivables	19,22	(3 967)	47 782
- Inventories	21	28 001	(21 264)
- Other assets	23	(1 981)	(18 623)
- Current liabilities	29,30,31	(15 784)	(52 936)
- Non current liabilities	27	(5 028)	1 693
Cash generated from operating activities		**77 045**	**85 304**
Income taxes paid	14	3 304	(12 868)
Net cash generated by operating activities		**80 349**	**72 436**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for non-current assets	16,18	(34 573)	(21 679)
Proceeds from the sale of non-current assets	10	639	126
Interest received	13	185	331
Net cash used in investing activities		**(33 749)**	**(21 222)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liabilities		(61 860)	(66 270)
Interest paid	12	(272)	(258)
Cash generated by (used in) financing activities		**(62 132)**	**(66 528)**
Net effect of currency translation on cash equivalents		**(2 758)**	**31**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(18 290)**	**(15 283)**
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		**177 724**	**193 007**
CASH AND CASH EQUIVALENTS, END OF PERIOD		**159 434**	**177 724**

5 Annex to the Consolidated Financial Statements for the year ending on 31st December 2021

5.1 Basic Information

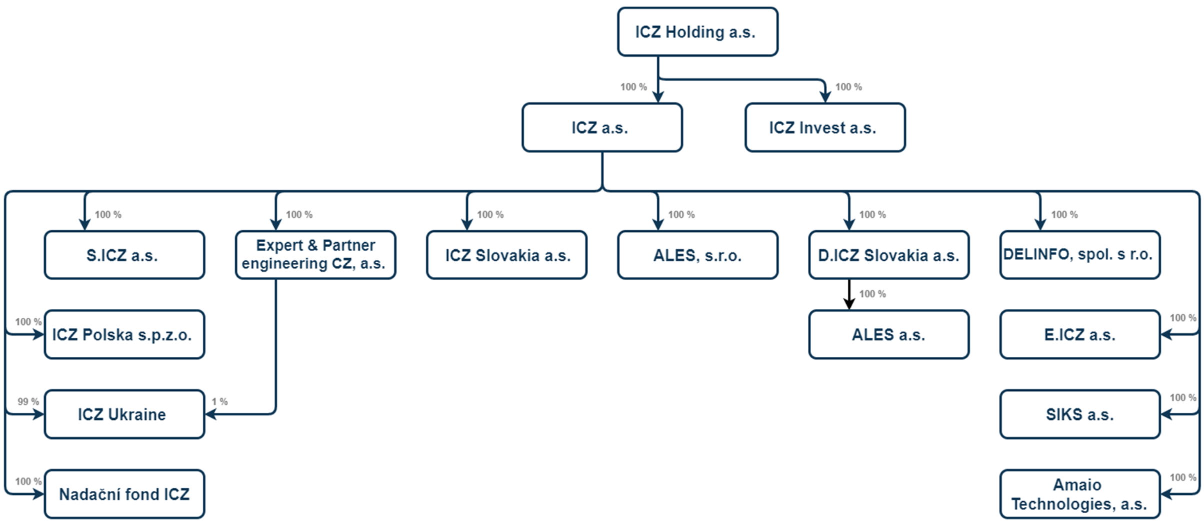
ICZ holding a.s. (the "Company") was established by registration into the Companies Register kept by the Prague Municipal Court on 25th November 2020, Section B, Insert 25851.

This consolidated financial statements shall contain financial information on both the company and its subsidiaries (the "Group").

Information on the ownership structure of the Group is contained in Section 5.33 of the Annex. Information on the share capital of ICZ holding a.s. can be found in Section 5.25 of the Annex.

As at 1st January 2021 a merger was registered into the Companies Register, where ICZ holding a.s., as an acquiring company, acquired, as a result of a cross-border merger by the acquisition, assets of ICZ N.V., having its registered office in the Kingdom of the Netherlands, 1077XX Amsterdam, Strawinskylaan 403, Unit 2 WTC, Tower A, 4th floor, registration number 818538636, registered in the Companies Register of the Chamber of Commerce of the Netherlands under number 34284333, as the acquired company. The effective date of the cross-border merger by acquisition was 1st January 2021.

Subsidiaries and non-consolidated entities



The following table contains information on subsidiaries as at 31st December 2021:

Name of the company	Registered office	Ownership interest
ICZ a.s.	Na hřebenech II 1718/10, Praha 4	100%
S.ICZ a.s.	Na hřebenech II 1718/10, Praha 4	100%
Expert & Partner engineering CZ, a.s.	Na hřebenech II 1718/10, Praha 4	100%
DELINFO, spol. s r.o.	Londýnské náměstí 856/2, Brno	100%
ALES, s.r.o.	Na hřebenech II 1718/10, Praha 4	100%
Amaio Technologies, a.s.	Na hřebenech II 1718/10, Praha 4	100%
D.ICZ Slovakia a.s.	Soblahovská 2050, Trenčín	100%
ALES a.s.	Soblahovská 2050, Trenčín	100%
ICZ Slovakia a.s.	Soblahovská 2050, Trenčín	100%
ICZ Polska Sp.z o.o.	Ul. Fransuska, nr. 34, 40-028 Katowice	100%
ICZ Ukraine	Kiyevskiy Shlyakh 1d-2, Boryspil, Ukraine	100%
ICZ Invest a.s.	Na hřebenech II 1718/10, Praha 4	100%
SIKS a.s.	Na hřebenech II 1718/10, Praha 4	100%
E.ICZ a.s.	Na hřebenech II 1718/10, Praha 4	100%
Nadační fond ICZ	Na hřebenech II 1718/10, Praha 4	100%

The share in voting rights corresponds to the size of the ownership interest.

ICZ Polska Sp. z o.o. ceased its activities during 2004. ICZ Ukraine is an inactive company.

The Group's activities are mainly project activities in the field of information systems and system integration, consultancy and advisory activities in the field of information systems, provision of advisory services in the field of IT and development and sale of software (sale of finished standard programs on the basis of contracts with their authors or development of custom-made programs).

The ICZ Endowment Fund is not consolidated because the ownership interest is insignificant, both separately and in summary, in relation to the financial position, profit and loss, and the cash flows of the Group. Information on the ICZ Endowment Fund is set out in Section 5.20 of the Annex. There are no risks associated with this ownership interest in the non-consolidated entity and the Group has no obligation to provide financial support to the entity.

Accounting period

These consolidated financial statements were drawn up for 2021, ending on the balance sheet date, i.e. 31st December 2021.

The entity's continuous duration

The consolidated financial statements of the Company have been prepared on the basis of an assumption of the entity's continuous duration.

5.2 Significant Accounting Practices

Declaration of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

Basic principles for the preparation of financial statements

The consolidated financial statements were drawn up on the basis of historical prices. The basic accounting procedures are described below.

The amounts in this consolidated financial statements are shown in thousands of Czech crowns (CZK).

The method of consolidation

Consolidated financial statements shall comprise the financial statements of the Company and the entities controlled by the Company (collectively referred to as the “Group”).

Business combinations

Acquisitions of subsidiaries and undertakings are recognized by the method of purchase. The costs of the business combination shall be determined as the sum of the fair values (at the date of exchange) of the present value of the assets provided, liabilities incurred or received and capital instruments issued by the Group in exchange for the right to control the acquiree and any costs directly related to the business combination. The acquiree’s identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition in IFRS 3 Business Combinations shall be recognized at fair value at the acquisition date, except for long-term assets (or classes of assets for disposal) held for sale in accordance with IFRS 5 Long-Term Assets Held for Sale and Discontinued Operations, which shall be recognized and valued at fair value less costs of sale.

The acquisition goodwill is recognized as an asset and is valued by the cost at the time of its inception at a cost equal to the positive difference between the cost of the business combination and the Group’s ownership interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. If, after revaluation, the Group’s ownership interest in the net fair value of the acquiree’s identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, this difference is immediately recognized as other operating income in the profit or loss.

The contingent considerations are valued at fair value and subsequent changes are recognized to the profit or loss.

The proportion of minority owners in the acquiree is initially valued as a percentage of the minority interest in the net fair value of the recognized assets, liabilities and contingent liabilities.

Non-controlling interests

Non-controlling interests represent part of the profit or loss and net assets not held by the Group and are recognized separately in the statement of comprehensive income and in equity in the consolidated statement of financial position, separately from the equity belonging to the owners of the parent company.

Changes in the proportion of owners of the parent company in the subsidiary that do not imply loss of control are recognized as equity transactions (i.e. transactions with owners in the scope of ownership). The difference between the amount by which the non-controlling interests are adjusted and the fair value of the remuneration paid or received is recognized directly in equity and assigned to the owners of the parent company.

Subsidiaries

Subsidiaries are entities controlled by the Company. The Group is controlling another entity if it is exposed to or is entitled to variable returns on the basis of its involvement in that entity, and is able to exercise its power over that entity to influence the amount of such returns. The financial statements of the subsidiaries are included into the consolidated financial statements for the period in which they are controlled. The accounting practices of subsidiaries have been adjusted as necessary to comply with the procedures applied by the Group.

Transactions eliminated within the consolidation

When preparing consolidated financial statements, balances, transactions and all profits and losses or incomes and expenses realized within the Group are eliminated.

Foreign currencies

Functional currency

The functional currency of the company is the Czech crown (CZK). The functional currency of the subsidiaries is the Czech crown, with the exception of ICZ Slovakia a.s., D.ICZ Slovakia a.s. and ALES a.s., whose functional currency is the Euro (EUR), and with the exception of ICZ Polska Sp. Z o.o., whose functional currency is the Polish zloty (PLN) and ICZ Ukraine, whose functional currency is the Ukrainian Hryvnia (UAH).

Currency for reporting purposes

The currency for Group reporting purposes is the Czech crown (CZK). The Group chose this currency for reporting purposes, as users of its financial statements make economic decisions based on information expressed in CZK. Unless otherwise stated, all financial information shall be rounded to the nearest thousand.

Transactions in foreign currencies

Transactions in foreign currencies shall be converted into the respective functional currencies of the Group entities at the exchange rate valid at the date of the transaction. Monetary assets and liabilities in foreign currency shall be converted into functional currency at the date of the financial statements at the exchange rate valid on that date. The exchange rate gain or loss on monetary items is the difference between the amortized cost in functional currency at the beginning of the accounting period, adjusted by effective interest and payments during the accounting period, and the amortized cost in foreign currency converted at the exchange rate at the end of the accounting period. Non-monetary assets and liabilities in foreign currency that are valued at fair value shall be converted into functional currency at the exchange rate valid at the date of the fair value assessment. The exchange differences resulting from the conversion are recorded in the result of the profit and loss.

Foreign branches

The assets and liabilities of foreign branches, including goodwill and adjustments arising from the acquisition of a revaluation at fair value, are converted into CZK at the exchange rate valid at the date of the financial statements. Revenues and costs of foreign branches are converted into CZK at the exchange rate approaching the exchange rate applicable at the date of the respective transactions.

Exchange differences arising from the conversion at foreign branches are accounted directly into a separate item of other comprehensive income - exchange differences from the conversion of foreign entities' financial statements into another currency. If the foreign branch has been partially or fully sold, the relevant amount shall be transferred from the provision to conversion of foreign currencies into the profit or loss.

The cash flows of foreign branches shall be converted into CZK at the exchange rate approaching the exchange rate valid at the date of the respective transactions.

The following exchange rates have been used:

31 December 2021	closing rate	average rate for the 12 month period
EUR / Kč	24,860	25,645
PLN / Kč	5,408	5,619
UAH / Kč	0,806	0,796

31 December 2020	closing rate	average rate for the 12 month period
EUR / Kč	26,245	26,444
PLN / Kč	5,755	5,954
UAH / Kč	0,756	0,853

Revenue Accounting

Contracts with customers

See Section 5.5 for information on the Group's accounting practices relating to customer contracts.

Leasing

When a contract is created, the Group assesses whether it is a leasing contract. The contract shall be considered as leasing contract if it gives the right to decide on the use of the asset in exchange for consideration within a time period.

As a tenant

The Group recognizes the right-of-use asset and the lease liability at the commencement date of the lease. At initial recognition, the right-of-use asset is valued at cost including the initial amount of the lease liability adjusted for all lease payments made on or after the commencement date of the lease, plus any initial direct costs incurred and estimated costs that the lessee shall use to dismantle and remove the underlying asset and to restore the underlying asset or location of the underlying asset to its original condition, after deduction of any leasing incentives received.

Subsequently the right-of-use asset is depreciated in a linear manner from the date of lease commencement until the end of the useful life of the right of use or until the end of the lease term, depending on whichever is shorter. The useful life of an right-of-use asset shall be determined in the same manner as for property, plant and equipment. In addition, the Group periodically reduces the value of the right-of-use asset by impairment losses, if any, and adjusts it by a certain revaluation of the lease liability.

At initial recognition, the lease liability is valued by the present value of the lease payments that are not paid at the commencement date. The lease payments shall be discounted using the implicit interest rate of the lease if this rate can be easily determined. If this rate cannot be easily determined, the Group shall use the incremental interest rate. The Group generally uses its incremental interest rate as a discount rate.

The incremental interest rate shall be determined by the Group by taking interest rates from different external financial sources and making certain adjustments reflecting the duration of the lease and the type of assets leased.

The lease payments included in the valuation of the lease liability include the following payments:

- fixed payments, including essentially fixed payments,
- variable lease payments, depending on the index or rate, which were initially valued on the basis of the index or rate at the date of commencement of the lease,
- amounts expected to be due by the lessee under residual value guarantees,
- the option exercise price, if it is sufficiently certain that the Group will use that option, the lease payments at the time of the option renewal, if it is sufficiently certain that the Group will use that option to extend the contract, and payments of penalties for early termination of the lease if it is sufficiently certain that the Company will terminate the lease prematurely.

The lease liability is valued at an accrued value using the effective interest rate method. It is being revalued if there is a change in future lease payments due to a change in the index or rate; a change in the estimate of the amount expected to be due by the lessee under the residual value guarantees; or if the Group changes its assessment of whether to use the option to purchase the asset, to extend or to terminate the contract.

If the lease liability is revalued in this way, the relevant adjustment is also made to the carrying value of the right-of-use asset, or it is included in the profit or loss if the carrying value of the right-of-use asset has been reduced to zero.

The Group shall report the right-of-use assets that do not meet the definition of investment in real estate under the property, plant and equipment item, and leasing obligations under the Commitments from Commercial Relations and other liabilities item in the statement of financial position.

Short-term lease liabilities and low-value leases

The Group has decided not to report the right-of-use assets and lease liabilities in the case of short-term leases of machines with a lease period of 12 months or less and for low-value assets, including computer equipment. The Group shall report the lease payments associated with these leases as a cost on a linear basis over the lease term.

Interest costs related to the acquisition of assets

Interest costs directly related to the acquisition, construction or production of eligible assets, i.e. assets the preparation of which for intended use or sale requires a significant period of time, shall be included in the cost of such assets until the property is prepared in material respects for the intended use or sale.

All other interest costs shall be recognized to the profit or loss of the period in which they are incurred.

Government subsidies

Government subsidies shall be recognized as income at fair value over the next period, provided that there is reasonable assurance that they will be acquired and that the Group will meet the conditions attached to them. Subsidies which compensate the Group for the costs incurred shall be recognized systematically to the profit or loss of the accounting period in which the relevant costs have been recognized. Subsidies which compensate the Group for the purchase price of a particular asset shall be systematically recognized to the profit or loss for the lifetime of the respective asset.

Income tax

The income tax for a given period shall consist of a tax due and a tax deferred. The income tax shall be recognized to the profit or loss unless it relates to items recognized directly in the equity or other comprehensive income.

The tax payable shall include an estimate of the tax calculated on the tax base using tax rates valid in full or in substantial respects on the first day of the accounting period and any additional assessments and repayments for the previous periods.

The deferred tax is determined by the balance sheet commitment method and is based on temporary differences between the carrying value and the tax value of assets and liabilities. The amount of deferred tax is based on the expected method of realization or payment of the carrying value of assets and liabilities using the tax rates valid in full or in substantial respects at the balance sheet date.

Deferred tax assets are only recognized if they are likely to be used against future taxable profits. Deferred tax shall not be recognized in the event of the following temporary differences: initial recognition of assets or liabilities in relation to a transaction which is not a business combination and which does not affect the accounting or tax profit, and differences in ownership interests in subsidiaries and jointly controlled entities, if they are likely not to be exercised in the near future. The deferred tax is no longer recognized in relation to temporary tax differences resulting from the initial recognition of goodwill. Deferred tax is calculated using the expected tax rates applicable for the period in which temporary differences are applied, on the basis of the legislation in force in full or in substantial respects at the date of the financial statements. Deferred tax assets and liabilities shall be netted off if there is a legally enforceable right to set off payable tax liabilities and assets and these relate to income taxes levied by the same tax office from the same tax payer or from different tax payers, however, who intend to settle their due tax liabilities and assets in the net amount or whose tax assets and liabilities will be realized at the same time.

Property, plant and equipment

Land and buildings used for the manufacture or supply of goods or services or for administrative purposes shall be recognized in the statement of financial position at cost less following depreciations and impairment losses.

Uncompleted assets built for the manufacture, rental or administrative purposes, or for purposes not yet determined, shall be valued at the cost less the recognized impairment loss. The purchase price shall include fees for work of professionals. These assets shall be depreciated in the same way as other types of assets from the moment the asset is ready for its intended use.

Inventories and equipment shall be recognized at cost less depreciations and any impairment loss.

Property other than land and unfinished assets shall be depreciated evenly over its estimated lifetime.

Follow-up costs

The Group shall include the cost for replacing a part of the tangible property at the time the costs are incurred, if it is likely that the Group will benefit from this item economically, and the item can be valued reliably. All other costs shall be recognized to the profit or loss at the time they are incurred.

Depreciations

Depreciations shall be recognized to the costs, evenly for the estimated lifetime of the asset. Tangible fixed assets up to CZK 20 thousand is recognized to the costs of the year of their acquisition. Land shall not be depreciated.

The technical improvement of long-term assets increases their cost. Repair and maintenance costs shall be recognized directly to the profit or loss.

The following table shows the estimated life expectancy:

Category of assets	2021	2020
Buildings and structures	30 - 50 years	30 - 50 years
Machinery and equipment	4 - 5 years	4 - 5 years
Furniture, fixtures and other	4 - 5 years	4 - 5 years

Depreciation methods, life expectancy and residual values (if not insignificant) shall always be reviewed at the date of the financial statements and adjusted where necessary.

Profit or loss from the sale or disposal of tangible assets shall be determined as the difference between the sales revenue and the residual value of the assets and shall be recognized to the profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately are recognized at cost less depreciation and total impairment losses. Depreciation shall be carried out evenly over the estimated lifetime. The estimated lifetime, depreciation method and residual values shall be reviewed at the end of each annual accounting period in such a way that the consequences of any changes in the estimate are recognized in a forward-looking manner.

Intangible assets generated by own activities — R&D expenditure

Research expenditure shall be recognized to the costs of the period during which it was incurred.

Intangible assets generated by an own development activity (or development phase of an internal project) shall be recognized only if all of the following points are demonstrated:

- the technical feasibility of the completion of intangible assets in such a way as to make them available for use or sale;
- the intention to complete and use or sell intangible assets;
- the ability to use or sell intangible assets;
- the way in which intangible assets will generate future probable economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sale the intangible assets; and
- the ability to establish in a reliable manner the expenditure related to intangible assets in the course of its development.

The amount by which is firstly valued the intangible asset generated by the own activity shall be equal to the sum of expenditures incurred from the date on which the intangible asset firstly met all the above posting conditions. Where the intangible assets generated by the own activity cannot be recognized, development expenditures shall be recognized to the profit or loss for the period in which they were incurred.

After the first recognition of an intangible asset internally generated, it shall be recognized at cost less the depreciation and the total impairment loss in the same way as the intangible assets acquired separately.

Intangible assets acquired within a business combination

An intangible asset acquired within a business combination shall be identified and recognized separately from goodwill where it meets the definition of intangible asset and its fair value can be reliably determined. The purchase price of such intangible assets shall be equal to its fair value at the date of acquisition.

After the first recognition of an intangible asset acquired within a business combination, it shall be recognized at cost less the depreciation and the total impairment loss in the same way as the intangible assets acquired separately.

Depreciations

Depreciations shall be recognized evenly to the profit or loss over the estimated lifetime of the intangible asset (excluding goodwill), except where the life span is unlimited. Intangible assets shall be depreciated from the date on which they are available for use. The estimated lifetime is as follows:

Category of assets	2021	2020
Intangible assets generated internally	3 - 5 years	3 - 5 years

Depreciation methods, lifetime and residual values (if not insignificant) shall be reviewed at the end of each annual accounting period to determine whether they correspond to the facts.

Goodwill

The goodwill that arose from the acquisition of a subsidiary represents the difference between the cost and the Group’s ownership interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognized at the acquisition date. The goodwill is initially recognized as an asset at cost and is subsequently valued at cost less the total impairment loss.

For the purposes of value-reducing testing, goodwill is allocated to each Group’s cash-generating unit that is expected to benefit from the synergies resulting from the combination. The cash-generating units to which the goodwill has been assigned are tested for impairment on an annual basis or more frequently when the unit shows signs of a potential impairment. If the recoverable amount of a cash-generating unit is less than its carrying value, the impairment loss is assigned firstly to reduce the carrying value of each goodwill allocated to the unit and then assigned to the other assets of the unit in a proportionate manner on the basis of the carrying value of each asset of the unit. The impairment loss recognized for goodwill shall not be reversed in the following period.

When a subsidiary is sold, the proportion of goodwill attributable to that subsidiary shall be included in the calculation of profit or loss arising from that transaction.

Value impairment

Financial assets

The Group recognizes allowances for expected credit losses at investments into debt instruments that are valued at accrued value or at fair value recognized to other comprehensive income (FVTOCI), for commercial relations receivables and other receivables, and for contractual assets. The amount of expected credit losses shall be updated at the date of the financial statements to reflect changes in credit risk since the initial recognition of the respective financial instrument.

The Group has applied a simplified approach and always reports expected credit losses for the entire duration of trade receivables, contractual assets and other receivables. The estimate of the expected credit losses for these financial assets shall be made using the reserve matrix on the basis of an analysis of the historical experience with the credit losses carried out by the Group and the age structure adjusted for factors specific to the respective debtor, the overall economic conditions and the assessment of the current and expected trends of the conditions at the date of the financial statements, including the time value of money, if applicable. The Group determined the projected inflation rate in the Czech Republic as the main factor showing general economic conditions. Since the structure of financial assets is homogeneous, the Group has used the portfolio approach and grouped financial assets on the basis of the similarity of credit risk and maturity date (age structure).

The Group considers a financial asset to be impaired in terms of credit if one or more events have occurred that have a negative impact on the estimated future cash flows from the financial asset. The evidence that a credit impairment of a financial asset has occurred includes the following observable facts:

- the financial asset is more than 180 days past due;
- likelihood of bankruptcy or other financial restructuring of the debtor (assessment of particular debts in terms of the state of the litigation, the financial health of the debtor, information provided by the legal adviser, etc.)

Expected credit losses over the duration are expected credit losses resulting from any possible non-compliance with liabilities during the expected duration of the financial instrument. On the contrary, the 12-month expected credit losses represent part of the expected credit losses over the duration that arise from the failure of a financial instrument that may occur within 12 months of the date of financial statements.

The expected credit losses on the money and cash equivalents in the bank accounts are determined by the rating of the respective bank or country (at the absence of a credit rating of the bank). The Group shall not recognize an adjustment on the money and cash equivalents due to its immateriality.

Non-financial assets

The residual values of the Group's assets, excluding inventories, project contracts and deferred tax assets, shall always be reviewed at the balance sheet date in order to determine whether an impairment loss has occurred. Where there is a indication that this loss has occurred, the recoverable amount of the respective asset shall be estimated.

The recoverable amount of goodwill shall be determined on each balance sheet date.

The impairment loss shall be recognized when the residual value of the asset or its cash-generating unit exceeds the recoverable amount. The recoverable amount of assets or cash-generating units shall be equal to the value of use or fair value less costs of sale, whichever is greater. Impairment losses shall be recognized in profit or loss.

Impairment losses on cash-generating units shall be recognized in such a way as to initially reduce the carrying value of goodwill allocated to cash-generating units (groups of units) and subsequently of other assets within the unit (group of units) on a pro rata basis.

The impairment loss of goodwill cannot be derecognize. Impairment losses on other assets that have been recognized in previous periods shall be audited at the balance sheet date in order to determine whether the loss has decreased or ceased to exist. The impairment loss shall be derecognized if there is a change in the estimates used to determine the recoverable amount. The impairment loss shall be derecognized only if the carrying value of the asset does not exceed the carrying value that would be determined after deduction of depreciation if the impairment loss was not recognized.

Assets held for sale

Fixed assets or disposal groups containing assets and liabilities are classified as held for sale if their carrying values are highly likely to be recovered through sale rather than through permanent use.

These assets or disposal groups are generally valued at their carrying value or at fair value less costs of sale, whichever is lower. Any impairment loss on a disposal group shall be assigned first to goodwill and then to the remaining assets and liabilities on rata basis, except for inventories, financial assets and deferred tax assets that are not assigned any loss and which are still valued in accordance with the Group’s other accounting practices. Impairment losses arising from the initial classification as held for sale and subsequent revaluation gains and losses shall be recognized to profit or loss.

Once intangible and tangible assets are classified as held for sale, they are no longer depreciated.

Inventories

Inventories recognized either at purchase price or at net realizable value, whichever is lower. The purchase price covering the relevant part of fixed and variable overheads shall be allocated to the inventories by the most appropriate method for the relevant inventories type, most of which shall be valued by the FIFO method. The net realizable value represents the estimated selling price of the inventories, reduced by all estimated completion costs and costs associated with the sale.

Provisions

Provisions are recognized when the Group has a current liability (legal or non-contractual) as a result of a past event, it is likely that the Group will be obliged to meet the obligation and a reliable estimate of the liability amount can be made.

Provisions shall be valued at the level of the best estimate of expenditures needed to cover the current liability on the balance sheet date, taking into account the risks and uncertainties associated with the liability. In the case of a provision valued using the expected cash flows needed to cover the current liability, the carrying value shall be equal to the present value of those cash flows.

Where it can be assumed that some or all of the economic benefits needed to settle the provision will be obtained from a third party, the relevant receivable shall be recognized as an asset if it is practically certain that the refund will actually be received and the value of the receivable can be reliably valued.

Short-term employee benefits

Short-term employee benefits are recognized at the time the service is provided. The liability is recognized in the amount that the Group expects to pay if the current legal or non-contractual obligation is to cover this amount due to a past service provided by the employee and this obligation can be reliably estimated.

Financial instruments

Non-derivative financial instruments

Financial assets and liabilities are recognized in the statement of financial position of the Group when the Group becomes a party to the contractual provisions of the relevant financial instrument.

Financial assets and financial liabilities are initially valued at fair value. Transaction costs directly related to the acquisition or issue of a financial asset or financial liability (other than a financial asset or liability valued at fair value against cost or income accounts) shall be added to or deducted from the fair value of the financial asset or liability at initial recognition. Transaction costs directly related to the acquisition of financial assets or liabilities valued at fair value against cost or revenue accounts are recognized directly in profit or loss.

Non-derivative financial instruments are loans and receivables, cash and cash equivalents, and trade liabilities and other liabilities.

Financial assets

All purchases or sales of financial assets made in an orderly manner shall be recognized and derecognized at the date of the transaction. Purchases and sales made in an orderly manner are purchases and sales of financial assets that require the supply of assets within the time limit set by regulatory or market-usual time limits.

All recognized financial assets are subsequently valued at accrued value or fair value according to the classification of those assets.

Financial assets that meet the following conditions shall subsequently be valued at an accrued value:

- a financial asset is held within a business model designed to hold financial assets in order to obtain contractual cash flows; and
- the contractual terms of a financial asset specify particular cash flow data consisting exclusively of principal payments and interests on the principal outstanding amount.

Debt financial assets that meet the following conditions are subsequently valued at fair value to other comprehensive income (FVTOCI):

- a financial asset is held within a business model whose objective is achieved by both the collection of contractual cash flows and the sale of financial assets, and
- the contractual terms of a financial asset specify particular cash flow data consisting exclusively of principal payments and interests on the principal outstanding amount.

The Group may irrevocably determine that it will report subsequent changes at fair value to other comprehensive income (FVTOCI) at the initial recognition of asset securities that are not held for trading. This decision shall be taken on a case-by-case basis for each instrument.

Subsequently, all other financial assets shall automatically be valued at fair value to profit or loss (FVTPL).

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. These assets are recognized at initial recognition at fair value plus directly attributable transaction costs. Subsequently, loans and receivables are valued at a accrued value using the effective interest rate method, reduced by any impairment losses.

Cash and cash equivalents include cash balances and short-term deposits. Cash and cash equivalents recognized in the balance sheet are valued at purchase price at acquisition and subsequently recognized at accrued value less the corrective item according to the impairment model of IFRS 9.

Derecognition of financial assets

The Group shall only derecognize a financial asset if the contractual rights to cash flows from a financial asset expire or if it transfers a financial asset and subsequently substantially all the risks and benefits associated with the ownership of a financial asset are transferred to another entity. If the Group has not transferred or retained substantially all the risks and benefits associated with ownership and continues to control the transferred asset, it shall recognize the retained interest in the asset and the associated liability to the amounts potentially liable to be forced to pay. If the Group retains a significant proportion of all risks and benefits arising from the ownership of the transferred financial asset, it shall continue to recognize the transferred asset and shall also recognize the accepted secured loan for the received income.

At the derecognition of a financial asset valued at accrued value, the difference between the carrying value of the asset and the sum of the received remuneration and receivable shall be recognized to profit or loss. At the derecognition of an investment in a debt instrument classified as a fair-value instrument recognized to other comprehensive income (FVTOCI), the accumulated profit or loss previously accumulated in the revaluation surplus shall further be reclassified into profit or loss. On the contrary, at the derecognition of an investment in an equity instrument that the Group decided to classify as a fair value instrument recognized to other comprehensive income (FVTOCI) at initial recognition, the accumulated profit or loss previously accumulated in the revaluation difference shall not be reclassified to the profit or loss but transferred to the profit or loss of past years.

Financial liabilities

Financial liabilities are classified as valued at accrued value or at fair value to profit or loss (FVTPL). Financial liabilities are classified as valued FVTPL if they are held for sale, derivative financial instruments or if they are designated as FVTPL at the date of initial recognition. Financial liabilities classified as valued FVTPL are valued at fair value, and net gains or losses, including interest costs, are recognized to profit or loss. Other financial liabilities are subsequently valued at accrued value using the effective interest rate method. Cost interests and exchange rate gains or losses are recognized to profit or loss. The gains or losses from derecognition are also recognized to profit or loss.

Business relationship liabilities and other liabilities are valued at accrued value.

Derecognition of financial liabilities

The Group shall only derecognize the financial liability in cases where its contractual obligations are fulfilled, cancelled or expired. The difference between the carrying value of the financial liability derecognized and the consideration paid and the consideration to be paid is recognized to profit or loss.

Set-off

Financial assets and liabilities may be set off and the resulting net value recognized in the statement of financial position, provided that and only if the Group is entitled to set off such amounts and it considers a net-value settlement or to sell the asset while settling the liability.

Share capital and share premium accounts

The share capital consists of ordinary shares. External costs directly related to the issue of new shares and share options are recognized as a reduction in equity, net of tax effects.

Repurchase, share capital reduction (equity)

If the share capital recognized as equity is repurchased, the amount of the consideration paid, if directly attributable costs are incurred, net of tax effects shall be recognized as a decrease in equity. Repurchased shares are classified as treasury shares and are recognized under the Reserve Funds item. If the treasury shares are sold or subsequently reissued, the amount received is recognized as an increase in equity and the resulting gain or loss from the transaction is recognized under the Issue Premium item.

Profit per share

The basic and recalculated profit per share is calculated for each period in the same way – by dividing the net profit for a given period by the weighted arithmetic average of the shares issued during that period.

Net financial income (costs)

Interest receivable

The interest receivable shall include interest on the money invested (bank interest). Interest receivable shall be recognized to the profit or loss at the accrued amount using the effective interest rate method.

Dividend income

Dividend income shall be recognized when the shareholder's right to receive payment arises.

Interest payable

The interest payable shall be recognized to the profit and loss account using the effective interest rate method.

The effective interest rate is such interest rate that accurately discounters the estimated future cash payments or receipts for the expected duration of the financial instrument to:

- the gross carrying value of a financial asset, or
- the accrued value of the financial liability.

When calculating interest receivable and interest payable, the effective interest rate shall be applied to the gross carrying value of the asset (unless the asset is impaired by credit) or to the accrued amount of the liability. However, for financial assets that have been impaired by credit after initial recognition, the interest receivable shall be calculated by applying the effective interest rate to the accrued value of the financial asset. If the asset is no longer impaired by credit, the gross amount shall be used again to calculate the interest receivable.

Other financial income and costs

Other financial income and costs include exchange rate gains and losses recognized in the statement of comprehensive income, and bank fees.

The exchange rate gains and losses shall be recognized after mutual set-off.

Overview of cash flows

The cash flows are recognized from the operational activity via the indirect method. The economic result (profit or loss) is adjusted by the effects of non-monetary operations, the accounting accruals and the income and cost items related to the cash flows from the investment or financial activities.

5.3 Introduction of New and Revised Standards

In the consolidated financial statements for the year ended on 31. 12. 2021, the Group has introduced the following new and/or revised standards and interpretations:

- Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures and IFRS 16 Leases — Reform of Reference Interest Rates (Phase 2)
- Adjustments to IFRS 16 Leases — Rental Reliefs Related to the Covid-19 pandemic after 30. 06. 2021

The new standards and interpretations do not have a significant impact on the Group.

New IFRS standards, interpretations and amendments to issued standards approved by the European Union that are not yet effective

Several new standards, revised standards and interpretations have not yet been mandatory for annual accounting period beginning on 01. 01. 2021 or later and have not been used in the preparation of this consolidated financial statements. Of these changes, the following standards will potentially have an impact on the Group's financial statements. The Group plans to adopt these changes when they become effective.

Standards	Changes	Effective from
Amendments to IAS 37	Disadvantageous contracts – the cost of fulfilling the contract	1 January 2022
Amendments to IFRS 3	Reference to the conceptual framework	1 January 2022
	Annual improvements to IFRS, 2018-2020	1 January 2022
Amendment to IAS 16	Incomes before intended use	1 January 2022
Amendments to IAS 1	Classification of liabilities as short-term and long-term	1 January 2023

The Group is currently assessing the impact of applying these standards and interpretations. Based on existing analyses, it estimates that the adoption of standards and amendments will not have a significant impact on the financial statements during the period of initial application. This interpretation is effective for annual accounting period beginning on 01. 01. 2021 or later.

5.4 Key Accounting Estimates and Assumptions and Main Sources of Uncertainty

When preparing financial statements in accordance with IFRS, management must make judgements, estimates and assumptions that have an impact on the use of accounting procedures and on the carrying value of assets and liabilities, incomes and costs. Estimates and related assumptions are based on historical experience and other factors considered relevant under the circumstances and are the basis for assessing and determining the carrying value of assets and liabilities that cannot be obtained from other sources. Actual results may differ from these estimates.

Estimates and associated assumptions shall be checked on an ongoing basis. Changes in accounting estimates shall be taken into account in the period in which the accounting estimate changes providing that such change affects only that accounting period, or in the period in which the change occurs, and in subsequent periods providing that change affects both the current and future accounting periods.

Fundamental judgements in the use of accounting procedures

The following are fundamental judgements (except for judgement concerning estimates – see below) made by management in the application of accounting procedures, and which most significantly affect the amounts recognized in the financial statements.

Recognition of incomes

The material judgement concerning the timing of the income recognition concerns the applicability of the on-going recognition of incomes to Group contracts. The Group shall assess whether its contracts meet the relevant criteria and, in particular, whether it has an enforceable right to payment, including a reasonable margin for performance completed on that date.

If the criteria for continuing income recognition have been met, the key judgement applied in the on-going recognition of incomes shall be applied to the extent that the obligations for performance arising from contracts with customers are met. The Group established that the cost-based input method provides an adequate basis for measuring progress in recognition of incomes for the main income flows, since the costs attributable to the contract faithfully reflect progress in meeting the Group's obligations.

In addition, some contracts include multiple performance obligations, and professional judgement is needed to determine whether there are different products or whether there is a significant integral element indicating that, with the available resources, the customer cannot benefit from a single performance obligation individually.

In most cases, the transaction price in the contracts with customers is given as a fixed price for a performance obligation, with several milestones for invoicing. In cases where one contract and transaction price include multiple performance obligations, the transaction price shall be allocated to the relevant performance obligations using the method of valuation by purchase price and a mark-up, i.e. by predicting the expected costs for meeting the performance obligation and adding a reasonable margin for the respective goods or service.

The following are the main assumptions about the future and other key sources of uncertainty in estimates at the date of the financial statements that represent a significant risk of material adjustments in the carrying value of assets and liabilities during the following accounting period.

The feasibility of intangible assets created by own activities

During the accounting period, the Group management assessed the feasibility of the intangible assets created by own activities. The projects are progressing very satisfactory, and the feedback from customers confirmed to the management its previous estimates of expected project incomes.

Impairment of goodwill

An estimate of the value of use of the cash-generating units, to which the goodwill has been allocated, shall be made to assess whether the goodwill has been impaired. In order to calculate the value of use, the expected future cash flows generated by the cash-generating unit and the appropriate discount rate should be estimated to calculate the present value.

Provisions and contingent liabilities

For all legal and administrative proceedings, the likelihood of a liability occurrence, the amount of the liability and the time it could occur must be estimated. Provisions are recognized only if the Group is likely to have to pay the current liability in the future and its amount can be reliably estimated. Contingent liabilities are not recognized because their existence will be confirmed only by the fact that one or more uncertain future events will occur or not occur, which is not fully under control by the Group.

5.5 Revenues

The Group has introduced a five-step model to determine at what time and at what amount to recognize revenues. The new model provides that the revenue should be recognized when an entity transfers control of goods or services to a customer, at the amount to which the Group is expected to be entitled. Depending on the fulfilment of certain criteria, the revenue shall be recognized on an on-going basis in a manner that reflects the performance of the entity or on a one-off basis as soon as the control of goods or services is passed on to the customer.

The Group shall apply this model in order to provide users of financial statements with useful qualitative and quantitative information on the nature, amount, timing and uncertainty of the revenues and cash flows arising from the contract with the customer.

Revenue shall be valued on the basis of the performance defined in the contract with the customer. The Group shall recognize the revenue as soon as the control of goods or services is passed on to the customer.

The following table provides information on the nature and timing of the fulfilment of obligations to perform contracts with customers, including significant payment terms and related revenue recognition procedures.

Type of revenue	The nature and timing of meeting the performance obligations, including the relevant payment terms	Revenue recognition according to IFRS 15
Implementation of information systems including own licenses and third party licenses. Typically it is development of customer applications, system integration and purchase of goods for resale (as a part of an integrated contract) listed in the table above	The Group decided that customers can check all on-going product development operations. This decision was taken because, under project contracts, the products are made up according to customer specifications and, if the customer terminates the contract, the Group has the right to cover the costs incurred as at the date of the contract termination, including a reasonable margin. Invoices are issued according to contractual terms and conditions and are usually due within 14 - 30 days. Uninvoiced amounts are recognized as contractual assets.	Revenues are recognized on an on-going basis, i.e. before the product is delivered to the customer. The stage of completion to determine the amount of revenue shall be based on the cost method.
One-off services such as training, consulting, analysis. Typically it is consultancy in the field of information systems, outsourcing and training and education in the field of information technologies as listed in the table above	Invoices are issued at that time. Invoices are usually due within 14 - 30 days.	Revenues are recognized at a certain point, i.e. at the time of the service provision.
Delivery of one-time HW and third-party licenses (without integration into another contract). Typically it is purchase of goods for resale listed in the table above	Customers will gain control of the goods at the time of its delivery and acceptance at their premises. Invoices are issued at that time. Invoices are usually due within 14 - 30 days.	Revenues are recognized at a certain point, i.e. at the time of delivery and acceptance of goods at the customer's premises.
Regularly recurring service [support and maintenance] with periodic billing based on a lump-sum fee. Typically it is outsourcing and support and installations listed in the table above	Invoices are typically issued on a monthly basis according to contractual terms and conditions and are usually due within 14 - 30 days.	The Group applies practical simplification to recognize revenues at the amount which it can invoice and which represents directly the value of fulfilment for the customer at the stage of completion as at the invoice date.
Regularly recurring [support and maintenance] service with periodic billing based on the volume of work delivered. Typically it is consulting in the field of information systems, outsourcing and support and installation as listed in the table above	Invoices are typically issued on a monthly basis according to signed attendance lists and contractual terms and conditions and are usually due within 14 - 30 days.	The Group applies practical simplification to recognize revenues at the amount which it can invoice and which represents directly the value of fulfilment for the customer at the stage of completion as at the invoice date.
Regularly recurring [support and maintenance] service with advance billing for a specific period. Typically it is the support and installations listed in the table above	Invoices are typically issued at the beginning of a period covering a longer time range and are usually due within 14 - 30 days.	Revenues are recognized on a linear basis at the time of the service provision.

The Group recognizes the contractual asset and contractual liability in the financial statements. Other balances relating to contracts with customers (accrued income to other assets and accrued revenues to trade liabilities and other liabilities) are also classified in contractual assets and contractual obligations.

The Group will continue to closely monitor any new contracts with respect to these areas.

Breakdown of revenues

From the point of view of the operational segments, the Group considers its business activity to be a single segment. Nevertheless, the Group's revenues can be broken down on the basis of industry best practices as follows:

Sale of goods and services according to geographic regions

	Czech Republic		Slovakia		Other		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Customer application development	212 754	179 868	44 791	3 838	1 500	9 157	259 045	192 863
IS Consulting	157 851	148 530	13 721	5 388	5 837	37	177 409	153 955
Outsourcing	127 372	96 787	93 826	96 990	6 789	7 198	227 987	200 975
Support & Installation	300 104	261 462	18 543	42 379	523	547	319 170	304 388
System Integration	179 967	232 448	29 133	84 401	13 669	39 477	222 769	356 326
IT Training & Education	1 625	1 612	1 068	27	-	-	2 693	1 639
Total Services	**979 673**	**920 707**	**201 082**	**233 023**	**28 318**	**56 416**	**1 209 073**	**1 210 146**
Goods resale	174 348	182 644	46 637	442	42	42	221 027	183 128
Total Revenue	**1 154 021**	**1 103 351**	**247 719**	**233 465**	**28 360**	**56 458**	**1 430 100**	**1 393 274**

Sale of goods and services according to buyer sector

	Czech Republic		Slovakia		Other		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Government	735 574	672 301	198 217	167 122	11 648	21 861	945 439	861 284
Healthcare	146 319	132 234	12 795	45 448	441	424	159 555	178 106
Telecom.	18 374	19 689	13 633	39	-	-	32 007	19 728
Manufacturing	53 823	74 770	12 000	9 321	16 026	33 960	81 849	118 051
Utilities	12 070	14 679	1 244	5 401	-	-	13 314	20 080
Finance	54 597	56 830	3 256	2 508	-	-	57 853	59 338
Other	133 264	132 848	6 574	3 626	245	213	140 083	136 687
Total Revenue	**1 154 021**	**1 103 351**	**247 719**	**233 465**	**28 360**	**56 458**	**1 430 100**	**1 393 274**

The Group uses IDC's structure to break down its revenues. IDC is a leading global provider of market data, consulting services and events for the IT, telecommunications and consumer technology sectors.

Contractual balances

The following table contains information on receivables, contractual assets and contractual liabilities from customer contracts.

	31 December 2021	31 December 2020
Receivables included in Trade and other receivables	274 672	254 289
Contract asset	153 282	133 714
Contract liability	(149 162)	(167 346)

The contractual assets relate in particular to the Group's rights to the consideration for the work performed under contracts with customers that have not yet been invoiced at the date of the financial statements. The contractual assets are transferred to receivables as soon as the rights become unconditional, which usually occurs when the Group issues an invoice to the customer.

Contractual liabilities relate mainly to advances received or billing according to the stage of completion under contracts with customers, where the respective revenues are recognized on an on-going basis. The contractual liabilities are recognized as income at the time the contractual liability is fulfilled.

The table below shows significant changes in contractual assets and liabilities during the accounting period.

Contract balance as at 31 December 2019	**31 342**
Invoiced to customers	(1 453 706)
Revenue	1 393 274
Other changes (impact of FX differences)	(4 542)
Contract balance as at 31 December 2020	**(33 632)**
Invoiced to customers	(1 396 141)
Revenue	1 430 100
Other changes (impact of FX differences)	3 793
Contract balance as at 31 December 2021	**4 120**

Amount of CZK 99,065 thousand recognized to contractual liabilities at the beginning of the accounting period (as at 01. 01. 2021) was recognized as revenue for the period ending 31. 12. 2021.

The amount of revenues recognized in the period ending 31. 12. 2021 and 2020 from performance obligations satisfied (or partially satisfied) in previous periods are shown in the table below.

Reason	Year 2021	Year 2020
Contract was not signed	11 316	12 061
Change in total revenues	6 760	1 804
Change in total costs	4 243	1 435
Total contract balance as at year end	**22 319**	**15 300**

The following table lists revenues related to performance obligations non-satisfied (or partly satisfied) at the date of the financial statements. The recognition of these revenues is expected in the future.

	2022	2023	2024 and after	Total
Revenues to be recognised	1 008 756	587 043	657 837	2 253 636

5.6 Consumption of Materials, Products and Services

	31 December 2021	31 December 2020
Costs of goods sold	183 723	158 404
Material and energy consumption	20 563	48 106
Services purchased for projects	424 188	472 274
Other Purchased services	92 776	90 334
Total	**721 250**	**769 118**

5.7 Change in Inventories of Finished Products, Unfinished Production and Internally Generated Assets

	31 December 2021	31 December 2020
Change in finished goods	(839)	-
Change in internally generated intangible assets	31 728	41 141
Total	**30 889**	**41 141**

5.8 Labour Costs

	31 December 2021	31 December 2020
Wages, salaries and other employee benefits	458 356	429 216
Mandatory state-managed social and health insurance	148 545	138 988
Total	**606 901**	**568 204**

The Group did not provide any post-employment benefits, payments by shares or benefits at employment termination.

5.9 Depreciation of Tangible and Intangible Assets

	31 December 2021	31 December 2020
Depreciation of property, plant and equipment	74 445	73 271
Total depreciation	**74 445**	**73 271**
Amortisation of intangible assets	35 064	27 454
Total amortisation	**35 064**	**27 454**

The costs of R&D that do not meet conditions for the recognition under IAS 38 and were immediately recognized to the profit or loss in 2021 amount to CZK 6,830 thousand (2020: 7,234 thousand). All development activities are either part of recent customer projects or are activated as intangible assets.

5.10 Other Operating Income

	31 December 2021	31 December 2020
Grants from the state	9 503	7 564
Proceeds from the sale of fixed assets and material	639	126
Compensation from the insurer	4	-
Sundry operating income	4 509	8 973
Total	**14 655**	**16 663**

The other operating income from government subsidies for the period ending on 31 December 2021 consisted of government subsidies, which were received mainly by the Slovak companies (compensation bonus of CZK 8,251 thousand in connection with COVID-19) and SIKS a.s. (allowance of CZK 1,252 thousand for support of the employment of persons with disabilities)

5.11 Other Operating Costs

	31 December 2021	31 December 2020
Write-offs of receivables, net of income from the sale of receivables, write-downs of inventory to net realizable value, change in bad debt provision	8 183	2 234
Indirect taxes	339	419
Late payment charges and fines	958	4 122
Sundry operating expenses and change in provisions	30 693	14 209
Total	**40 173**	**20 984**

5.12 Financial Costs

	31 December 2021	31 December 2020
Interest expenses related to leases	3 198	4 040
Interest expenses	272	258
Banking fees	1 014	1 120
Total	**4 484**	**5 418**

5.13 Other Financial Incomes (Expenses)

	31 December 2021	31 December 2020
Interest income	185	331
Foreign exchange gains (losses) net	(397)	(596)
Other	(3)	(1)
Total	**(215)**	**(266)**

5.14 Income Tax

Tax expense includes:

	31 December 2021	31 December 2020
Current tax expense	7 657	3 610
Tax adjustment of previous years	65	(4 469)
Deferred tax expense (income)	(1 366)	3 861
Total tax expense / (benefit)	**6 356**	**3 002**

The tax for the accounting period is derived from the profit recognized in the statement of comprehensive income as follows:

	31 December 2021	31 December 2020
Profit before income taxes	3 679	(11 404)
Tax at the statutory rate 19 % (2020 – 19 %)	699	(2 167)
Effect of tax rates in foreign jurisdictions	(31)	414
Other tax benefit	628	3 220
Tax effect of expenses that aren't deductible in determining taxable profit	4 995	6 003
Tax expense/(income) relating to prior periods	65	(4 468)
Tax charge of the year	**6 356**	**3 002**

Most of the taxable profit was generated in the Czech Republic, therefore the tax rate of 19% is used for the calculation.

The tax impact of non-deductible costs includes permanent non-tax-deductible costs and research and development costs that reduce the tax base.

The following tax rates were applied to each company in the Group:

	2020	2021	2022
Czech Republic	19	19	19
Netherlands	17	17	17
Slovakia	21	21	21
Poland	9	9	9
Ukraine	18	18	18

Deferred tax asset/(liability) arose from the following:

	Property, plant and equipment	Provisions and allowances	Outstanding social security and health insurance	Tax losses brought forward	Other	Total
Balance at 31 Dec 2019	**(4 919)**	**12 395**	**-**	**3 751**	**1 136**	**12 363**
Movement in 2020 (including currency translation effect)	583	(2 522)	-	(1 338)	(584)	(3 861)
Deferred tax liability at 31 Dec 2020	(4 336)	-	-	-	-	(4 336)
Deferred tax asset at 31 Dec 2020	-	9 873	-	2 413	552	12 838
Balance at 31 Dec 2020	**(4 336)**	**9 873**	**-**	**2 413**	**552**	**8 502**
Movement in 2021 (including currency translation effect)	(130)	(817)	-	1 559	754	1 366
Deferred tax liability at 31 Dec 2021	(4 466)	-	-	-	-	(4 466)
Deferred tax asset at 31 Dec 2021	-	9 056	-	3 972	1 306	14 334
Balance at 31 Dec 2021	**(4 466)**	**9 056**	**-**	**3 972**	**1 306**	**9 868**

Non-recognized deferred tax asset as at 31. 12. 2021 amounts to CZK 2,124 thousand (2020: 5,185 thousand) It has been generated from accumulated tax losses in previous years and can be applied from 2022 to 2025.

Tax assets and liabilities due

The Group companies pay their due income-tax liabilities on an unconsolidated basis.

	31 December 2021	31 December 2020
Current taxes receivable	3 636	12 397
Current taxes payable	2 643	378

The government - Tax assets (income tax) include advances on corporate income-tax which the Group companies paid on the basis of tax returns from previous periods, less the tax costs of companies whose tax costs are lower than the paid advances.

The government - Tax liabilities (income tax) include income tax after deduction of advances paid by companies whose tax costs are higher than advances paid.

5.15 Earnings per Share

The company has only one type of ordinary shares with which there is no right to a fixed return.

The basic and recalculated earnings per share are therefore the same.

	31 December 2021	31 December 2020
Profit / (loss) for the period (CZK thousand) attributable to the owners of the company	(2 677)	(14 406)
Weighted average number of shares (pcs)	2 936 756	2 936 756
Earnings per share (CZK)	**(0,91)**	**(4,91)**

5.16 Property, Plant and Equipment

Purchase price

	Land, buildings and structures	Machinery and equipment	Furniture, fixtures and other	Right of use (IFRS 16) buildings	Right of use (IFRS 16) cars	Total
Balance at 31 December 2019	**75 434**	**122 426**	**3 191**	**134 368**	**69 712**	**405 131**
Currency translation effect	(753)	(1 231)	(72)	-	-	(2 056)
Additions	2 541	15 060	188	30 850	8 286	56 925
Disposals	-	8 307	28	14 163	6 072	28 570
Balance at 31 December 2020	**77 222**	**127 948**	**3 279**	**151 055**	**71 926**	**431 430**
Currency translation effect	(2 966)	(954)	(33)	(1)	1	(3 953)
Additions	46	30 894	1 068	9 908	24 379	66 295
Disposals	-	12 189	-	8 129	20 585	40 903
Balance at 31 December 2021	**74 302**	**145 699**	**4 314**	**152 833**	**75 721**	**452 869**

Depreciation and impairment losses

	Land, buildings and structures	Machinery and equipment	Furniture, fixtures and other	Right of use (IFRS 16) buildings	Right of use (IFRS 16) cars	Total
Balance at 31 December 2019	**39 781**	**108 577**	**2 137**	**38 744**	**18 478**	**207 717**
Currency translation effect	1 003	92	1	-	-	1 096
Additions	2 738	10 180	286	40 088	19 979	73 271
Disposals	-	8 307	28	8 949	5 567	22 851
Balance at 31 December 2020	**43 522**	**110 542**	**2 396**	**69 883**	**32 890**	**259 233**
Currency translation effect	(1 662)	(342)	(15)	(1)	1	(2 019)
Additions	2 788	11 948	378	41 102	18 229	74 445
Disposals	-	12 189	-	8 129	16 565	36 883
Balance at 31 December 2021	**44 648**	**109 959**	**2 759**	**102 855**	**34 555**	**294 776**

The depreciations are recognized in the statement of comprehensive income in the Depreciation line at a total amount of CZK 74,445 thousand (2020: CZK 73,271 thousand)

Carrying value

	Land, buildings and structures	Machinery and equipment	Furniture, fixtures and other	Right of use (IFRS 16) buildings	Right of use (IFRS 16) cars	Total
Balance at 31 December 2019	35 653	13 849	1 054	95 624	51 234	197 414
Balance at 31 December 2020	33 700	17 406	883	81 172	39 036	172 197
Balance at 31 December 2021	29 654	35 740	1 555	49 978	41 166	158 093

In accordance with IFRS 16, the Group applied an exception for reporting costs related to short-term leases and leases of low-value assets amounting to CZK 11,988 thousand (2020: CZK 8,483 thousand)

The Group did not activate any interest costs in 2021 and 2020.

5.17 Goodwill

Goodwill	
Balance at 31 December 2019	22 629
Recognised impairment loss	-
Balance at 31 December 2020	22 629
Recognised impairment loss	-
Balance at 31 December 2021	22 629

For the purpose of determining the impairment, goodwill has been allocated to individual cash-generating units ("CGU"). The carrying value of goodwill assigned to CGU that are individually or collectively significant shall be as follows:

	2021	2020
ICZ Group excluding ICZ Slovakia a.s.	16 061	16 061
ICZ Slovakia a.s.	6 568	6 568
Total	22 629	22 629

Goodwill allocated to ICZ Slovakia a.s. is assessed on the basis of the recoverable amount of this CGU.

The recoverable amounts of both cash-generating units were determined by calculating the value in use based on an estimate of cash flows, based on the financial budgets approved by management for a three-year period, and a growth rate of 1% (2020: 1%) and discount rates of 6,15% p.a. for 2021 (2020: 6.70%). The rate was established on the basis of Weighted Average Cost of Capital (WACC) method. The underlying assumptions used in the calculation include in particular the risk-free interest rate, the expected growth of the ICT market sector, expected inflation, etc. Based on inputs within the applied valuation method, the fair value measurement was classified as Level 3 fair value.

The key assumptions used to estimate the value in use were as follows:

%	2021	2020
Discount rate	6,15%	6,70%
Terminal value growth rate	1,00%	1,00%
Budgeted EBITDA growth rate (average of next 3 years)	1,00%	1,00%

Analysis of the sensitivity of the value in use as of 31. 12. 2021:

The decisive factors affecting the value in use of assets within each unit responsible for generating cash flows are: The operating result of the pre-depreciation (known as EBITDA) and the discount rate.

The effect of the sensitivity of these factors change is shown below:

		EBITDA		
Discount rate	Changes	-5%	0%	5%
	-0,5 p.p	no impact	no impact	no impact
	0,0 p.p	no impact	no impact	no impact
	0,5 p.p	no impact	no impact	no impact

The estimated recoverable amount of CGU significantly exceeded its residual value. The management found that there was no reasonably possible change in two key assumptions that would cause the residual value to exceed the recoverable amount.

5.18 Other Intangible Assets

Purchase price

	Intangible assets generated internally	Other intangible assets	Total
Balance at 31 December 2019	**467 049**	**52 966**	**520 015**
Currency translation effect	1 521	233	1 754
Additions	41 082	3 890	44 972
Disposals	-	3 244	3 244
Balance at 31 December 2020	**509 652**	**53 845**	**563 497**
Currency translation effect	(2 619)	(387)	(3 006)
Additions	31 728	2 565	34 293
Disposals	2 039	3 809	5 848
Balance at 31 December 2021	**536 722**	**52 214**	**588 936**

Depreciation and impairment losses

	Intangible assets generated internally	Other intangible assets	Total
Balance at 31 December 2019	**370 951**	**50 152**	**421 103**
Currency translation effect	529	231	760
Corrections	-	-	-
Additions	25 298	2 156	27 454
Disposals	-	3 244	3 244
Balance at 31 December 2020	**396 778**	**49 295**	**446 073**
Currency translation effect	(1 724)	(387)	(2 111)
Additions	32 584	2 480	35 064
Disposals	2 039	3 809	5 848
Balance at 31 December 2021	**425 599**	**47 579**	**473 178**

Carrying value

	Intangible assets generated internally	Other intangible assets	Total
Balance at 31 December 2019	96 098	2 814	98 912
Balance at 31 December 2020	112 874	4 550	117 424
Balance at 31 December 2021	111 123	4 635	115 758

The intangible assets generated by the own activity shall include, in particular, the results of the development that meet conditions set out in the accounting procedure described in points 5.2 and 5.4.

The most significant items recognized at year-end are software generated by the own activity:

- e-spis G2 (Document Management System (DMS)) with a residual value of CZK 41,413 thousand and remaining depreciation period of 5 years
- AMIS*HD (Hospital and/or Management Information System (HIS, MIS)) with a residual value of CZK 16,092 thousand and remaining depreciation period of 2 years
- ICZ Promis (Manufacturing Execution System (MES)) with a residual value of CZK 11,109 thousand and remaining depreciation period of 5 years
- Letvis (Air Traffic Management System) at a net residual value of CZK 14,102 thousand and remaining depreciation period of 5 years

The software internally generated is sold to final customers.

Other intangible assets include, but are not limited to, other purchased software.

5.19 Long-Term Receivables

Balance at 31 December 2021	1-5 years	5+ years	Total
Trade and other receivables	525	-	525
Total	**525**	**-**	**525**

Balance at 31 December 2020	1-5 years	5+ years	Total
Trade and other receivables	543	-	543
Total	**543**	**-**	**543**

5.20 Financial Investments

In 2016, ICZ a.s. founded ICZ Endowment Fund. Its mission is to support various charitable activities and generally beneficial objectives. It deposited CZK 1,000 thousand into its capital. The ICZ Endowment Fund is not consolidated due to its insignificance.

5.21 Inventories

	31 December 2021	31 December 2020
Material	597	706
Products	1 357	2 196
Goods	5 338	32 391
Total gross inventory	7 292	35 293
Write-downs to net realisable value	(3 315)	(3 175)
Total	**3 977**	**32 118**

Decrease in value of inventories to net realizable value during accounting periods ending as at 31. 12. 2021 and 2020, in the amount of CZK 140 thousand or CZK 559 thousand, was recognized under other operating costs.

The purchase price of the inventories recognized in profit or loss during the accounting periods ending on 31. 12. 2021 and 2020 was CZK 183,723 thousand, or CZK 158,404 thousand.

5.22 Trade and Other Receivables

	31 December 2021	31 December 2020
Trade receivables	274 672	254 289
Short term advances paid	4 029	6 543
Other receivables	3 493	17 377
Gross short-term receivables	282 194	278 209
Allowances	(2 343)	(12 915)
Total	**279 851**	**265 294**

Age structure of trade receivables

	31 December 2021	31 December 2020
Receivables before due	264 004	237 726
Receivables overdue less than 180 days	*10 073*	*13 145*
Receivables overdue more than 180 days	*595*	*3 418*
Total receivables overdue	10 668	16 563
Total receivables	**274 672**	**254 289**

Increase (decrease) in the allowances for assets

	31 December 2021	31 December 2020
Change in allowances to Trade receivables	(10 572)	(2 230)
Total change in allowances	**(10 572)**	**(2 230)**

The average payment period of invoices for sales of goods and services is 40 days.

The Group has applied a simplified approach and always recognizes expected credit losses for the entire duration of trade receivables, contractual assets and other receivables. The estimate of the expected credit losses for these financial assets shall be made using the reserve matrix on the basis of an analysis of the historical experience with the credit losses carried out by the Group and the age structure adjusted for factors specific to the respective debtor, the overall economic conditions and the assessment of the current and expected trends of the conditions at the date of the financial statements, including the time value of money, if applicable. The Group determined the projected inflation rate in the Czech Republic as the main factor showing general economic conditions. Since the structure of financial assets is homogeneous, the Group has used the portfolio approach and grouped financial assets on the basis of the similarity of credit risk and maturity date (age structure).

The Group considers a financial asset to be impaired in terms of credit if one or more events have occurred that have a negative impact on the estimated future cash flows from the financial asset. The evidence that a credit impairment of a financial asset has occurred includes the following observable facts:

- the financial asset is more than 180 days past due;
- likelihood of bankruptcy or other financial restructuring of the debtor (assessment of particular debts in terms of the state of the litigation, the financial health of the debtor, information provided by the legal adviser, etc.)

Depreciations

The carrying value of a financial asset shall be depreciated if the Group has no sufficient expectation that the financial asset as a whole or part thereof will be revalued.

5.23 Other Current Assets

	31 December 2021	31 December 2020
Deferred expenses	134 113	131 402
Estimated receivables	-	730
Total	**134 113**	**132 132**

The costs of the next periods in 2021 and 2020 mainly include pre-paid contract costs.

5.24 Cash and Cash Equivalents

For the purpose of compiling a cash flow overview, cash and cash equivalents include cash in the cash register and money in bank accounts. Cash and cash equivalents at the end of the accounting period recognized in the cash flow statement are as follows:

	31 December 2021	31 December 2020
Cash and current accounts with banks	159 434	177 724
Total current financial assets	**159 434**	**177 724**

5.25 Share Capital

The share capital of ICZ holding a.s. amounts to CZK 2,936,756 and is divided into 2,936,756 shares with a nominal value of CZK 1 per share.

5.26 Provisions

	31 December 2021	31 December 2020
Other reserves	(2 895)	(1 506)
Total	**(2 895)**	**(1 506)**

5.27 Long-term Trade Liabilities

Balance at 31 December 2021	1-5 years	5+ years	Total
Non-current trade accounts	(3 335)	-	(3 335)
Total	**(3 335)**	**-**	**(3 335)**

Balance at 31 December 2020	1-5 years	5+ years	Total
Non-current trade accounts	1 693	-	1 693
Total	**1 693**	**-**	**1 693**

5.28 Other Long-Term Liabilities

	31 December 2021	31 December 2020
Operating lease long term - IFRS 16	48 996	62 989
Total	**48 996**	**62 989**

5.29 Trade Liabilities and Other Liabilities

	31 December 2021	31 December 2020
Trade accounts	263 662	237 980
Payables to employees	26 378	24 520
Social security and health insurance payables	15 802	15 269
Tax payables (other than corporate income taxation)	33 429	30 994
Operating lease obligations	40 744	54 475
Other short-term payables	1	21
Total	**380 016**	**363 259**

The normal repayment term for trade liabilities is between 14 and 60 days.

Age structure of trade liabilities

	31 December 2021	31 December 2020
Trade accounts before due	254 364	224 087
Trade accounts overdue less than 180 days	*5 600*	*13 884*
Trade accounts overdue more than 180 days	*3 698*	*9*
Total Trade accounts overdue	9 298	13 893
Total Trade accounts	**263 662**	**237 980**

5.30 Other Liabilities

Other short-term liabilities

	31 December 2021	31 December 2020
Estimated liabilities - Projects costs	1 872	41 484
Estimated liabilities - Labour costs	44 345	38 444
Other	4 273	7 064
Total	**50 490**	**86 992**

The estimated liabilities of project costs include, in particular, the expected billing from suppliers.

The estimated liabilities of personal costs include, in particular, employee bonuses and the deferred holidays, including social security and health insurance.

5.31 Provisions

	31 December 2021	31 December 2020
Provisions - Legal disputes	73 894	47 282
Total	**73 894**	**47 282**

As at 31. 12. 2021 the Group is a party to several disputes. The Group has set up a provision on possible penalty payments due to these disputes.

5.32 Financial Instruments

The Group manages its capital so that entities within the Group can operate on the principle of continuous entity duration and at the same time maximize shareholder returns by optimizing the debt-to-equity ratio. The overall strategy of the Group has not changed since 2007.

Neither the company nor its subsidiaries are subject to any externally imposed capital requirements.

Financial risk management

The Group management monitors and manages the financial risks related to the operational activities of the Group by analyzing the degree and extent of the risks. These risks include market risk (including currency risk, changes in the fair value of assets due to changes in interest rate and price risk), credit risk, liquidity risk and the risk of change in the value of cash flows due to change in the interest rate.

The management of the Group shall regularly analyze these risks and the procedures applied to reduce them.

Currency risk management

The Group is subject to monetary risk only to a limited extent, as transactions are denominated mainly in Czech crowns. An entity does not apply any instruments to hedge assets against monetary risk.

The carrying value of assets and liabilities of the Group denominated in foreign currencies at the date of the financial statements is as follows:

31 December 2021

The CZK thousand equivalents of assets and liabilities in foreign currencies are as follows:	EUR	USD	Total
Short-term receivables	21 889	3 564	25 453
Cash	21 854	1 818	23 672
Other assets	2 648	-	2 648
Total assets	**46 391**	**5 382**	**51 773**
Short-term payables	47 728	39 045	86 773
Accruals and other liabilities	6 516	(59)	6 457
Total liabilities	**54 244**	**38 986**	**93 230**

31 December 2020

The CZK thousand equivalents of assets and liabilities in foreign currencies are as follows:	EUR	USD	Total
Short-term receivables	59 794	17 597	77 391
Cash	40 092	578	40 670
Other assets	3 898	22	3 920
Total assets	**103 784**	**18 197**	**121 981**
Short-term payables	53 337	30 552	83 889
Accruals and other liabilities	38 595	-	38 595
Total liabilities	**91 932**	**30 552**	**122 484**

Sensitivity to foreign currencies

The Group is exposed to risks, in particular in relation to assets denominated in EUR and USD. The following table shows the sensitivity of the Group in the event of an increase and decrease in the Czech crown exchange rate against relevant foreign currencies by 10%. 10% is the sensitivity rate used internally within the Group to create management reports and represents management assessments regarding possible changes in exchange rates. Sensitivity analysis includes only outstanding monetary items denominated in foreign currencies and adjusts their conversion at the end of the accounting period in the event of a 10% change in exchange rates. A positive number means an increase in profits, while the Czech crown weakens against the respective currency.

in CZK thousand equivalents	31 December 2021	31 December 2020
EUR	(785)	1 185
USD	(3 360)	(1 236)
Total	**(4 145)**	**(51)**

Interest risk management

The Group is subject to a limited interest rate risk arising from the use of short-term financial instruments, but which are applied only to a small extent. The Group does not use any instruments to hedge interest rate risks.

Other price risks

The Group has no financial assets and liabilities that would be exposed to price risks.

Credit risk management

The credit risk arises mainly from the risk that the counterparty will not meet its contractual obligations, as a result of which the Group will suffer a financial loss. The Group has introduced rules whereby it can only enter into transactions with trusted partners and, where necessary, it must require sufficient collateral to mitigate the risk of financial loss resulting from non-compliance with contractual obligations. The Group's exposure to credit risk and the credit rating of its contractual partners shall be monitored on an ongoing basis, while particular transactions are distributed among approved contractual partners. The credit exposure is managed by means of limits established for each of the contractual partners, which are revised once a month and are subject to management approval.

Trade receivables result from business dealings with numerous customers representing diverse industries. The Group continuously assesses the state of its receivables and concludes credit insurance contracts if necessary.

The Group is not exposed to any significant credit risk arising from business relationships with a single partner or a group of trading partners of a similar type. The credit risk arising from liquid funds is limited as partners in these relationships are banks highly rated by international credit rating agencies.

The carrying value of financial assets recognized in the financial statements plus allowances for loss represents the Group's maximum exposure to credit risk without taking into account the value of any collateral possibly provided.

More information on expected credit losses is mentioned in point 5.22.

Liquidity risk management

The management of the Group is responsible for the liquidity risk management, and they developed an appropriate framework for the management of the Group's short-, medium- and long-term funds and set out liquidity management requirements. The Group manages the liquidity risk by maintaining adequate provisions, banking products and borrowed provisions, on the basis of the processing of forecasts and continuous monitoring of actual and future cash flows and a comparison of the maturity profiles of financial assets and liabilities. Point 5.35 contains an overview of the unused facilities available to the Group to further reduce the liquidity risk.

Liquidity risk - tables

The following tables contain data on the contractual maturity of non-derivative financial liabilities. The tables were prepared on the basis of undiscounted cash flows of financial liabilities at the earliest date on which the Group may be required to pay the liabilities. This table includes cash flows of both interest and principal.

	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	5+ years	Total
31 December 2021						
Trade and other payables	162 634	160 308	12 994	-	-	335 936
Non-financial liabilities - Current income tax liabilities	2 427	216	-	-	-	2 643
Operating lease obligations - IFRS16	3 487	8 432	28 825	48 996	-	89 740
Other liabilities	49 891	599	-	-	-	50 490
Non-interest bearing	**218 439**	**169 555**	**41 819**	**48 996**	**-**	**478 809**
31 December 2020						
Trade and other payables	171 540	131 462	4 069	3 385	-	310 456
Non-financial liabilities - Current income tax liabilities	220	158	-	-	-	378
Operating lease obligations - IFRS16	3 361	8 053	43 061	62 989	-	117 464
Other liabilities	85 916	1 076	-	-	-	86 992
Non-interest bearing	**261 037**	**140 749**	**47 130**	**66 374**	**-**	**515 290**

The following table gives an overview of the expected maturity of non-derivative financial assets. The table was prepared on the basis of the undiscounted contractual maturity of the financial assets, including the interest earned by the Group in relation to those assets, except where the Group assumes that the corresponding cash flow will take place in another accounting period.

	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	5+ years	Total
31 December 2021						
Trade and other receivables	139 347	134 494	1 455	1 051	-	276 347
Non-financial assets - Current income tax assets	3 636	-	-	-	-	3 636
Non-interest bearing	**142 983**	**134 494**	**1 455**	**1 051**	**-**	**279 983**
31 December 2020						
Trade and other receivables	111 123	141 278	5 806	1 087	-	259 294
Non-financial assets - Current income tax assets	10 543	1 873	(19)	-	-	12 397
Other assets	730	-	-	-	-	730
Non-interest bearing	**122 396**	**143 151**	**5 787**	**1 087**	**-**	**272 421**

In addition to the above table, the Group has receivables from contractual assets amounting to CZK 153,282 thousand, while it is not possible to clearly specify the maturity, which is usually in the range of 1-12 months.

Fair value of financial assets and liabilities

A number of Group's accounting policies and disclosures required the valuation of financial and non-financial assets and liabilities at fair value.

Fair value is the price that would have been obtained for the sale of the asset or paid for the assumption of the liability in a fair transaction between market participants at the valuation date. The fair value of an asset or liability is determined using estimations that market participants would use when valuing an asset or liability, supposing that market participants act in their best economic interest.

Fair values are categorized in accordance with the requirements of IFRS 13 into different levels of the fair value hierarchy according to the inputs of the valuation technique used as follows:

- Level 1: Quoted (unadjusted) price in active markets for identical assets or liabilities
- Level 2: Input data of other than quoted price contained in Level 1 that are observable for an asset or liability, either directly (i.e. prices) or indirectly (i.e. price-based data)
- Level 3: Valuation techniques for which the observable input at the lowest level is significant for fair value measurement.

Group management considers that the carrying value of financial assets and liabilities recognized in the financial statements at accrued value corresponds to fair value at Level 3.

5.33 Related Party Transactions

The following table gives an overview of individuals and legal entities holding more than 20%, including the amount of their ownership interest:

Shareholder	Ownership percentage 31 Dec 2021	Ownership percentage 31 Dec 2020
Jitka Rosendorfová	73,03%	47,66%
ICZ N.V. (Note 26)	0,00%	34,74%
Other (individuals)	26,97%	17,60%
Total	**100,00%**	**100,00%**

The shareholders' voting rights correspond to their ownership interests in the company's capital.

Transactions between the company and its related subsidiaries were eliminated within the consolidation and are not mentioned in this point. Information on transactions between the Group and other related parties is provided below.

Remuneration of management members

The remuneration of directors and other key management members during the accounting period was as follows:

	31 December 2021	31 December 2020
Short-term benefits (remuneration)	47 537	48 145
Total	**47 537**	**48 145**

Management members are entitled to use service vehicles for private purposes.

The remuneration of directors and key management members are determined by the remuneration committee with regard to individual performance and market development.

The remunerations referred to above were paid in full during the year, except for the following amounts which were recognized in other liabilities.

	31 December 2021	31 December 2020
Short-term benefits (remuneration) payables	2 651	2 848
Total	**2 651**	**2 848**

Other related-party transactions

Bohuslav Cempírek, Member of the Board of Directors of ICZ Holding a.s., who also owns a 1,5% ownership interest in this company, was the CEO of the ICZ Group in 2021.

5.34 Audit Fees

	2021	2020
PKF APOGEO Audit, s.r.o.	1 238	-
PKF Slovensko s.r.o.	408	-
KPMG Accountants N.V.	-	1 037
KPMG Czech Republic	-	2 181
KPMG Slovakia	-	538
Total	**1 646**	**3 756**

5.35 Financing

The Group has the following unsecured overdraft framework payable on request:

	31 December 2021	31 December 2020
Amount used for covering bank guarantees	29 742	34 239
Amount unused	135 258	130 761
Total	**165 000**	**165 000**

5.36 Contingent Liabilities and Receivables

ICZ a.s. and its subsidiaries, at the request of customers, issued guarantees for the performance of contracts within public sector projects. Guarantees were issued in the form of a bank guarantee and are not shown in the balance sheet.

	31 December 2021	31 December 2020
Performance bonds ('000 CZK)	11 115	17 700
Performance bonds ('000 EUR)	129	29
Rent related bank garantee ('000 EUR)	620	601

5.37 Follow-up Events

ICZ holding a.s. as the sole shareholder decided to change the CEO of the ICZ Group and Chairman of the Board of Directors of ICZ a.s. In accordance with the long-time planned change, with effect from 01.02.2022, Mr. Dan Rosendorf takes over the position of CEO and Chairman of the Board of Directors of ICZ a.s., he has been working in the ICZ Group since 2012, recently at the position of Director of the Security Section. The former CEO Bohuslav Cempírek resigns as CEO and Chairman of the Board of Directors of ICZ a.s. after 15 successful years, however he will continue to work in the ICZ Group as Chief Operations Officer.