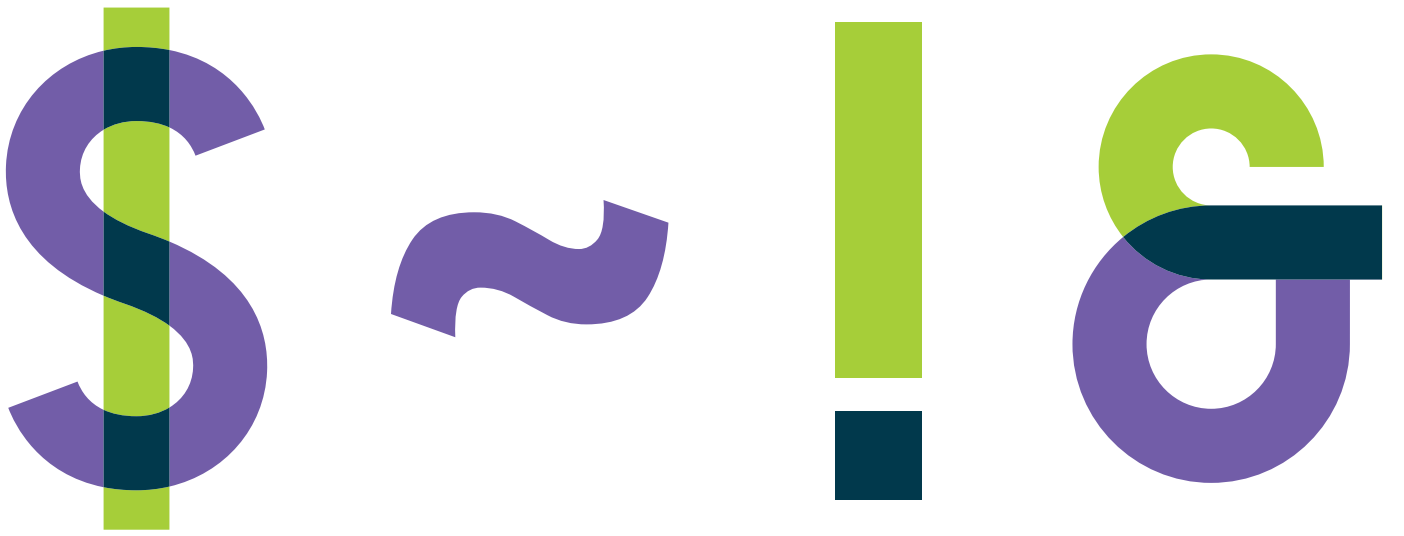


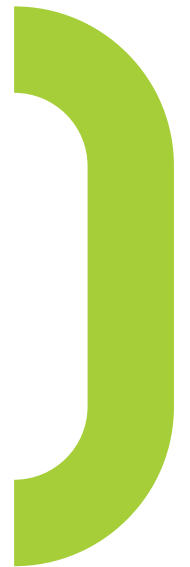
**The Seyfor brand  
prepares us for  
the conquest  
of Europe.**







# Seyfər



Annual  
Report  
2022



**2022 Consolidated Annual Report**  
**1 January 2022 to 31 December 2022**  
**Brno, on 30 June 2023**

Seyfor, a. s.  
Drobného 49, 602 00 Brno  
Czech Republic



**Seyfor**

**A New Name –  
A New Era**



# Contents

- 8** Key data
- 10** Company history
- 13** 10 years of the Company's existence
- 14** Martin Cígler:  
**I've grown up. I'm no longer banging the table**
- 26** Seyfor's values
- 28** On a human level, it works
- 30** Tomáš Loukota:  
**Everybody likes issuing invoices**
- 38** Martin Kudrna:  
**We need more Františeks**
- 46** Petr Franc:  
**I am surrounded by quality humans**
- 54** Jan Tomíšek:  
**Eventually, they all find out that it's better to have us**
- 64** Petra Šinigoj:  
**During the week, a strict order prevails at home. Over the weekend, not so much**

# 102

**Report of the board of directors on the company's business activities and the state of its assets**



# Editorial

## 70 Product portfolio

Seyfor solutions for self-employed and small businesses

Seyfor solutions for medium-sized businesses

Seyfor solutions for large customers and the public sector

Seyfor solutions for HR management

Seyfor POS systems for gastro, retail and services

## 96 Board of directors

## 98 Supervisory board

## 100 Top management

## 104 Seyfor ownership structure

## 106 Acquisition history

## 108 Seyfor global structure

## 110 Other information

## 113 Other information



Ten years ago, I came up with the name Solitea, which was derived from the Latin solutio, i.e., solution. It was a fine name; I liked it a lot. But as time passed, it no longer fit the direction we were moving in. We are no longer a grey company primarily dealing with accounting systems. We develop software to help companies manage their operation and production as well as tackle legislative obligations. We were established by merging three leading IT companies spread across seven European countries. And we are far from done. We have a very clear goal of becoming the biggest IT group in Europe. The name Solitea no longer fits this goal, and so there had to be a goodbye. However, it was not as difficult a parting as I thought it would be in the beginning, since the new name Seyfor expresses us completely.

And it corresponds especially well with the kind of relationships we want to establish with our customers, employees, and the companies we are buying. Would you like to tell us something? Just say it. We are listening. The golden rule says that in IT meetings, you need to listen for 80% of the time and speak only for the remaining 20%. Although a lot has changed over 30 years, our ability to listen is what has defined us and will continue to do so.

The change of our brand also has other effects. As I mentioned above, our company is no longer giving the impression of a bank. We are distinct, fresh, more playful, and this is exactly what we want to deliver to our customers all over the world. We are Seyfor!

# Key data



	2019	2020	FY2021	2021/adj.	2022	21/22 adj.
Revenues	1,363,403	1,792,902	3,440,882	2,350,214	3,053,323	29.9%
Expenses	1,233,492	1,636,696	3,055,982	2,093,614	2,641,198	26.2%
EBITDA	129,911	156,206	384,900	256,600	412,125	60.6%
Assets	1,392,691	2,193,859	2,951,642	2,951,642	4,469,385	51.4%
Equity	865,219	1,385,186	1,638,685	1,638,685	1,809,293	10.4%
Short-term liabilities	246,056	473,807	899,534	899,534	783,676	-12.9%
Long-term liabilities	70,908	12,676	36,892	36,892	1,452,938	3,838.4%
Number of employees	743	975	1,147	1,147	1,244	8.5%

2021 figures are audited consolidated data for the extended 18-month fiscal year.

2021/adj. figures are data adjusted to a period of 12 months, to maintain year-on-year comparability. These are data from the audited consolidated financial statements, recalculated to 12 months.

2021/adj. figures are thus unaudited and represent the Company's estimate, where figures were recalculated using a simple mathematical calculation

from 18 to 12 months as part of consolidation.

Change in % figures compare the data for 2022 to the adjusted data for 2021.

Revenues = net turnover for the accounting period

EBITDA = operating profit + fixed asset depreciation + consolidation difference amortisation

2021/adj. figures reflect the sale of JET ERP Betriebsgesellschaft, at 100% of the transaction value.

For €/CZK translation, the Czech National Bank's exchange rate of 24.115 as at 31 December 2022 was applied.



In the past year, we  
generated revenues of CZK

**3,053** billion.

Revenues  
grew by **29.9%**  
year-on-year.

EBITDA amounted to CZK

**412.1** million

The number of employees  
grew to

**1,244**

# Company history

1990

## Martin Cígler founds CÍGLER SOFTWARE

Just a few days after the Velvet Revolution in Czechoslovakia, Martin Cígler founds CÍGLER SOFTWARE, later renamed Solitea Česká Republika.

2013

## Merger with Altus software

CÍGLER SOFTWARE acquires Altus Software and the foundation of Solitea is formed.

2014

## Solitea originates

Solitea is established, and just one month after its foundation it expands its portfolio to the enterprise segment and HR systems by acquiring AQUASOFT (later renamed Solitea Business Solutions) and Vema.

2016

## New acquisitions in Czechia and Austria

In the spring, Solitea enters German-speaking markets with the acquisition of JET ERP Betriebsgesellschaft. In December, its position as Czech market leader for ERP systems is further boosted by the purchase of J.K.R., a traditional Czech manufacturer of ERP systems for SMB (later renamed Byznys software).





### **Solitea enters Balkan markets**

Solitea enters the Balkan markets with the acquisition of Saop, Slovenia's SMB market leader. At the same time, the Company starts presenting and strengthening its own brand, and AQUASOFT is rebranded Solitea Business Solutions.



### **New names, and a contract for Finland's customs administration**

Solitea continues to strengthen its brand by renaming CÍGLER SOFTWARE to Solitea Česká Republika, and J.K.R. to Byznys Software. The Finnish customs administration awards us the biggest ever contract for the export of IT technology from the Czech Republic. The acquisition of CDL SYSTEM (a major Microsoft partner and vendor of infrastructure solutions), now known as Solitea CDL, is completed.



### **Solitea rated the best employer**

Altus software is transferred to Byznys software. Aon Hewitt, a consulting company, declares us the best employer in the Czech Republic in the category of medium-sized companies. Saop, Vema and Solitea CDL align their fiscal years with Solitea. Solitea Pay is founded with the aim of entering the European market of smart payment terminals.



### **Solitea strengthens its partnership with Microsoft by acquiring new firms**

Solitea finalises several major acquisitions in the Czech Republic, Slovakia, and Serbia, focused primarily on developing its partnership with Microsoft and strengthening its position as a market leader in the segment of cloud software for small businesses. According to Aon Hewitt, the Byznys software subsidiary defends its position as the best employer in the Czech Republic in the category of medium-sized companies. For the first time, the consolidated turnover of the group exceeds CZK 1.3 billion.

A stylized graphic of the year 2020. The digits are composed of thick, rounded lines in purple, green, and blue. The '0' is a solid purple circle. The '2' is a purple line with a green diagonal slash. The '0' is a solid purple circle. The '2' is a purple line with a green diagonal slash.

### More than twenty firms merge to form a single company – Solitea

Solitea undergoes substantial restructuring in preparation for the merger in the Czech Republic and Slovakia, and is newly internally divided into four divisions. The Company continues in its strong acquisition activities both in the Czech Republic and abroad. By acquiring AXIOM PROVIS Int. and Clever Decision, it reinforces its position as Microsoft's most significant Czech partner in the business solutions area. By acquiring Dotykačka and Smart software, Solitea becomes the leader of POS systems for the Czech market. The Company managed to cope successfully with the COVID-19 pandemic. The holding's consolidated revenues are close to CZK 1.8 billion (growth of 32% compared to fiscal year 2019; EBITDA amounts to CZK 156 million (growth of 20%).

A stylized graphic of the year 2021. The digits are composed of thick, rounded lines in purple, green, and blue. The '0' is a solid purple circle. The '2' is a purple line with a green diagonal slash. The '0' is a solid purple circle. The '2' is a purple line with a green diagonal slash.

### Solitea continues to grow through acquisitions

By acquiring Mainstream Technologies, Solitea becomes Microsoft's only Czech partner, supplying a full range of Microsoft products. With the acquisition of D3 Soft, Seyfor enters the utility company market; through the acquisition of Prytanis, it gains necessary logistics know-how; and the acquisition of AW Solutions provides Seyfor with low-code know-how. Through the acquisition of MIT Informatika and Opal Informatika, Seyfor strengthens its position in the Balkans. Internal consolidation continues: As of 1 July, all Balkan subsidiaries have been merged. The effect of the consolidation starts to show in the Company's financial results: Year-on-year, turnover grew by 31.1% and EBITDA by 64.3%.

A stylized graphic of the year 2022. The digits are composed of thick, rounded lines in purple, green, and blue. The '0' is a solid purple circle. The '2' is a purple line with a green diagonal slash. The '0' is a solid purple circle. The '2' is a purple line with a green diagonal slash.

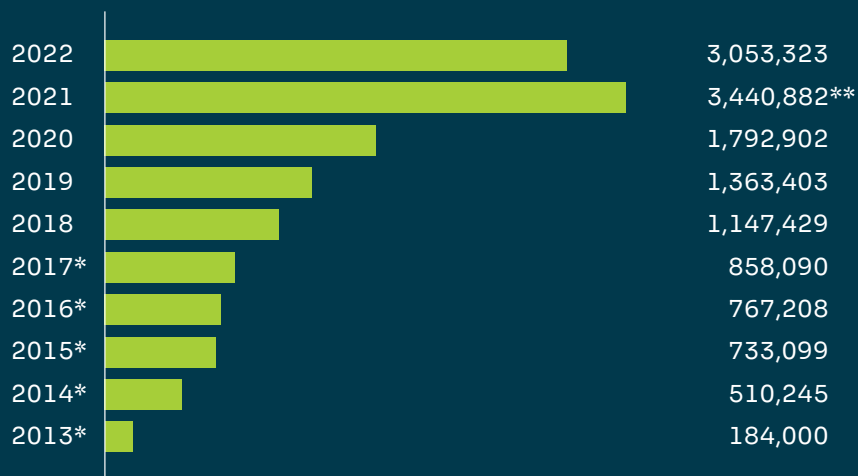
### Solitea became Seyfor

Outwardly, the most significant event was the rebranding. With the Seyfor brand, we wanted to better express our relationships with customers. Together with the new name, the entire visual design got younger, fresher, and more modern. 2022 was our strongest year of acquisition growth so far. We completed transactions with PROVIS, Pay Solutions, TECHNISERV IT, Besteron, Vasco, and Commander Services. For the fourth time in a row, Seyfor managed to maintain its year-on-year turnover increase at a 30% level. The Company is doing well on all markets it operates in. The increase in internal effectiveness is underlined by a year-on-year EBITDA growth of more than 60%.

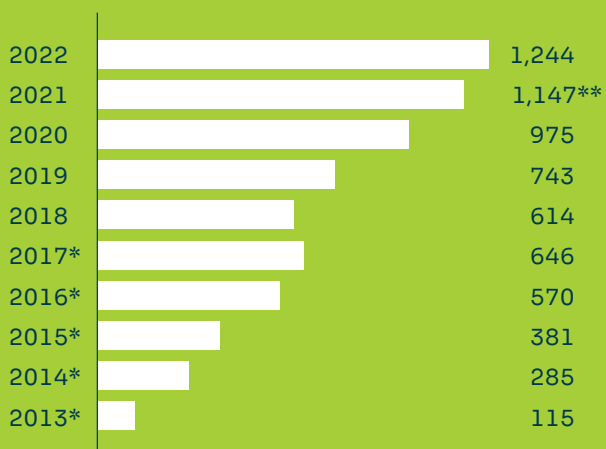


# years of the Company's existence

## Revenue over 10 years (in thousands of CZK)



## Employee numbers over 10 years



# Just sey it!

\* Data for the Solitea group in years when no consolidated financial statements were prepared (not audited).  
\*\* For a period of 18 months (from 1 July 2020 to 31 December 2021).



Welcome to the company of the future, where business is done to truly suit clients. Where the emphasis is on efficiency. A company where the work done is more important than the hours spent at a desk. A company that has a keen sense of what its customers want. Welcome to Seyfor.

**TEXT** Daniel Köppl **PHOTOS** René Volčík

# Martin Cígler: I've grown up, I'm no longer banging the table



He built one of the largest companies in the Czech Republic. But instead of just enjoying the money he has earned, he continues to invest into growth and acquisitions. His investment philosophy is somewhat unique: He says that when he buys a company, money is only one part of the deal. The main thing is to respect the wishes of the owners. That's how Martin Cígler is. Seyfor's owner. *"Anyone selling a working business wants two things. Adequate money and appreciation for their work. Almost any investment group can meet the first requirement, but the second is not so easy. You have to be able to listen to the sellers and really perceive them. To some people, their clients with whom they have built a friendly relationship with over the years are most important. For others, it's important that their mates can stay with the company,"* Martin Cígler says, looking suspiciously at the coffee mug in front of him. Smoothly turning to his colleague, marketing director Daniel Sturm, he asks with a slight irony in his voice: *"How come I don't have the new Seyfor mug?"* Even though it's clear from the question that he knows the answer, he can't help but innocently tease his colleague with a hidden subtle nudge.

*"Because they still haven't brought them. And the ones I had, my colleagues already took them, I mean, they took them,"* Dan Šturm explains and adds with a smile: *"Last year we did the biggest rebranding in the history of the company. Everything worked as it should, but we still don't have the mugs."*



*Terrible thing. At the same time, it's clear that if people hadn't accepted the new identity, the ones that I did have would still be on my desk."*

### **Emotions, right?**

Martin Cígler listens, nods, and returns to the topic of acquisitions. While everyone in the room has just witnessed a mild reprimand, the interview resumes. *"Selling a company always involves emotions. Just like the business owners, we sacrifice a lot of our time to our work, sometimes even costing us our families. So it would be kind of crass if we went to these people and said 'here's your money' and 'see ya!' If I behaved like that, within a year I'd have all the skilled salespeople and programmers gone, and the only ones left would be the ones with nowhere to go. I call myself a true strategic investor. I can see how that may sound like a cliché to you, but I really want happy people in my company. Mainly because it makes me happy, too,"* Martin says, returning to the initial topic of our talk.

Noticing that instead of snapping pictures the photographer is eyeing a young woman walking past, Martin quips: *"Emotions, right?"* Embarrassed, the photographer averts his eyes, but Seyfor's boss puts him at ease: *"Look, this might surprise you, but that's one of our programmers. Almost a third of our team is female. And that's great. Because a mixed team..."* Suddenly, Martin falls silent. He takes a moment and then adds in a quieter voice: *"Listen, I don't know if you're allowed to say this anymore, but I just know that a team that is not purely male or female is always more productive. Because the subtle tension between the sexes acts as a motivator. You know what I mean, right?"* Winking twice, he smiles knowingly.

### **Over a beer, not products but feelings matter**

Emotions in general are very important to Martin Cígler. In fact, they come up several more times during the interview. For starters, he talks about emotions that come up at the end of the day.

*"I don't know of any clients who tell their buddies in the pub: 'Hey, I've got an accounting program with really beautifully written code.' They're all interested in something else, like whether it's user-friendly, intuitive, but most importantly whether it works the way it's supposed to. If I'm looking for, say, a new feature, do I find it right away or not? And I'm not as naive as to think that when people get together with their friends, the first thing they deal with is accounting programs. But I want to make*

*sure that when it does come up, every one of our clients will say: 'I use this, and it's great. You should also get it.'" the firm's chief explains what he meant by emotions, at the same time revealing a bit about his thoughts on marketing.*

The nice thing is that when he sees the skepticism in my eyes, before I can ask another question, he adds: *"This isn't marketing bullshit, really! We all have programs that we prefer to work with, and then the ones that are forced on us and which are an unpleasant duty. All I wanted to say is that we're not going to do the second category, okay?"*

And it suddenly occurs to me that this is probably the first time I've heard him raise his voice. Which, of course, immediately makes me want to see if I, too, can get a rise out of him.

Before that, though, I have a question in my notes that I've prepared for the beginning. So I quickly consider whether to wait any longer with the desire to annoy the director.

Then I mentally dismiss such thoughts and come back to the question I originally wanted to ask first: *"How do people suck up to you?"* And suddenly the conference room goes wonderfully quiet.

### **On home-made pastries and buttering up the boss**

Martin Cígler sits back, lowers his eyes and asks *"What do you mean?"* At that moment it becomes clear to me that he is not asking to hear the question again, but solely to buy time. So I remain silent. After a while Martin makes up his mind and answers. *"I don't really think people are trying to butter me up."* I'm not really enjoying that answer. Firstly, because I don't believe it, and secondly, because it sounds like an answer from an ethics professor at Brno University. So I repeat the question and wait again.

*"Okay, okay. Probably less than one might expect, paradoxically. But if the question is how someone can make me happy, it's in the little things that I know people are sincere about. Like when our female colleagues spontaneously decorated the office for Valentine's Day and brought home-made goodies. That's the biggest thing for me. Because suddenly I feel a sense of togetherness, and that's something money can't buy. Or just the insincere kind. But the truth is, I kind of suspect that the girls weren't really thinking about me in their planning,"* he ends with a smile that shows he's proud of himself. He's dodged the question and, with a cute story to boot.



That answer is good for a PR manual maybe, but it's not good enough for me. I have no choice but to concede and ask the question again.

I ask: "You know, with you guys who can afford anything money can buy, it's hard. So help me find an answer for your business partners. If they want to bring a smile to your face, what should they get you?"

Suddenly, the big boss appears to be uncomfortable. Surprisingly, on a subject where I certainly didn't expect it. "You know, I don't like sucking up,

which everybody here knows, so I'm fairly certain nobody even tries anymore. Or maybe they do, but I don't see it, so they're possibly not doing it right. But I would be more likely to say don't bring anything, because I already have plenty of bottles. If I were to drink them all, I'd end up in a bad way. So definitely not that. Maybe a car?"

The tables have turned. Now I become alert and have to ask again, just to be sure I understood correctly and he really said 'car'. Suddenly, the tension drops from him. There's a sudden glint in his eye and he watches in amusement as his answer goes through my head. When you hear a person who participates in the Dakar Rally every year ask for a car, you logically ask yourself what kind of car you'd have to give him to make him happy.

"Don't be silly. I meant the model kind. For example, a friend gave me a cake years ago that had a truck made of marzipan on it. When she handed me this creation, she said it would keep for about a year or two. And you know what? I've had it for four years and it's still holding up."

In my mind I wonder what such a marzipan truck looks like after four years, but I say nothing. Just good manners, right? I nod slightly, as if

And I'm not as naive as to think that when people get together with their friends, the first thing they deal with is accounting programs.





AI will only be a danger to our business if we can't adapt it to our needs in a timely manner.

I understand. Because it's perfectly normal to have a four-year-old cake at home, isn't it? We all have one, right?

### **I prefer the carrot to the stick**

*"You know, I'm not big on complimentary gifts, which comes a bit with age. You have everything you need, and as you get older you find that some things are unnecessary. It's the same with running a business."* Martin tries to advance the conversation and I deliberately let him. Outside it is getting darker, the lighting in the room is not yet on, and so the atmosphere of our talk changes. Martin is now more open to talk a bit about himself, which he wasn't very willing to do a moment ago. *"Until a few years ago, I was probably also the kind of owner who exploded from time to time and had a tendency, to put it bluntly, to bang on the table. But as the years go by, I see more and more how foolish that*

*was. You can't achieve anything by shouting. But maybe it's because I'm at the top of the food chain. I can pick and choose the people that I surround myself with. Most of them love their jobs and I can see that they give it their all. And that's really not a cliché. They say at university that the older the professor, the easier the exam. But that's not it. I simply prefer the carrot to the stick now."*

I now ask the reader for calm, silence, and attention. For at this moment, Martin is really talking from within himself. *"I may have been insufferable at times before, but now I really see that it wasn't the best. The current state of affairs is perfect in that suddenly, people will come up to you and say 'Hey, Martin, I need help. I really could use the power of your personality in this. If you don't want to go with me, I'll give it a go and I'll manage somehow, but I'll feel more confident with you.' You know what I mean? It's about maximum confidence, because in corporations, such a request could be immediately*

taken as evidence of a person's weakness. But I don't see it that way. I think it shows a natural desire to do everything we can to get the job. And if someone feels that I can help, that's a good thing. On the other hand, I talked indirectly about humility earlier, and I also see it in me no longer lashing out if something doesn't work out. That is, assuming I know that my people have done their best. Now, I just think it was probably not meant to be."

### **Martin and the chocolate factory**

Here, I apologize for the interruption and try to prolong the almost intimate mood of the conversation as much as possible with a question: "You mentioned your age. I hope I'm not divulging too much when I say that you were born in the same year that Roald Dahl wrote his book *Charlie and the Chocolate Factory*. Do you ever feel like Mr. Wonka?"

Martin ponders this for a while and says "I don't actually know if he was good or not. After all, on the one hand he fired all his employees but on the other he created a dream world for children. It wouldn't be all bad, but I don't know if my colleagues here would like that first step."

He looks questioningly at Dan Sturm, who has been sitting in on the conversation the whole time, nervously pointing at a slip of paper with the topics we were supposed to talk about but are now ignoring. "Probably not. But that gets us back to the humility thing. I have a favorite example for this. If you're driving fast anywhere in the West and you're pulled over by a police officer, the first thing the officer will ask is if you had any plausible reason to drive faster than the speed limit. And that's good, because you may be going to the hospital to be with your wife to see your sick child. But what do some of our police officers ask? Do you know what you've done wrong, driver? That's a crucial difference in culture and in the way you treat people. On the job or on the road. And education plays a role in that, of course. That's also true."

I can't help but go back to Charlie Bucket and Willy Wonka. Because it's interesting that the first thing Martin remembers from this book is that Mr. Wonka let all the employees go. I kind of suspect that he won't want to talk about it, but I try anyway. I ask if, given the developments in artificial intelligence, he won't have to do the same sooner or later.

### **If AI does the presentation for me, it won't be my presentation anymore**

"That's tough. I often say today that our parents' generation kind of became a victim of the advent of computing. That was a huge change. And I kind of feel that we can be harmed in a similar fashion by the development of artificial intelligence. The change is coming slowly, but it's coming. I see it in things like the DeepL translator, for example. I'm completely amazed by it because I find myself putting more and more stuff into it and then just editing it. This sort of thing was unimaginable just a few years ago. Now, pay really close attention. Recently, I've been playing around with artificial intelligence. As a joke, I asked it what one of our companies should do in the future, i.e., what services it should develop. And it came up with ten points. Now, really hold on. We're already working on two of those ten. We're thinking about the other four, and the remaining four are not in a bad direction at all." He finishes the sentence, and then adds with a touch of irony in his voice towards Dan, "I guess so much for your future, dear marketing boss."

And even though Dan is still tapping away at his notepad, the debate is going somewhere other than where he would like. "AI is only a danger to our business if we can't adapt it to our needs in a timely manner. If we don't catch its onset, it will be a problem. And the change is really fundamental. On the other hand, AI will only come into its own where it logically replaces human labor. However, given that it is capable of learning.."

I take advantage of Martin taking a breath and interrupt his train of thought. I'm wondering if programmers shouldn't be worried the most. "It's not that simple. Or let me put it another way. We are talking about a change that will take place within five to ten years. I think it will be like with the translation app. Yes, it will do much of the work for you, maybe even 90 percent. But you will still need people to check the work and put their emotions into the result. The idea that programs or texts will be created without people is, in my opinion, false. For example, I already can have AI generate an image for a presentation, but I can't imagine AI doing the whole thing for me. Because then it won't be me. It'll be an interchangeable thing. But it's true that there are professions where AI will be able to replace a lot of people."

### **Data should be connected logically**

No doubt he's right. And with a touch of provocation, since Seyfor is known for its accounting programs, I add "Accountants, perhaps?"





*“The expectations are overinflated. I don’t think there will be such a thing as a central brain of humanity. But it is true that, for example, in the case of accounting, the state could already do many of the tasks for you. It has ledger statements, it has control over a lot of your expenses. But let’s face it... at the end of the day, even accounting is to some extent a creative job. And I’m not talking about any dishonest ideas. But rather than AI, I’d mention digital first. And by that I definitely don’t mean that a program will generate an invoice and print it out. I’m really talking about the fact that data should be connected logically, and more importantly, make work easier. That’s essential.”*

Suddenly it’s hard to interrupt Martin’s speech. Now he’s no longer speaking deliberately, and cer-

tainly not slowly. It is obvious that he enjoys the topic and has already given it a lot of thought. While he is talking the room is no longer dusky, but almost dark. The lady who had caught the photographer’s eye at the beginning walks by and turns on the light, and we all glance back as she disappears into the half-empty office space. Silence falls for a moment, and continues to grow. I decide I’d better cut it short with a neutral question about Seyfor’s plans for the future. Because there’s obviously plenty of space available in these offices.

*“Our acquisitions are moving in several directions. The first is expansion into regions where we aren’t present today. There, we usually look at local companies that have*

I've learned that it's better just to buy a company that's in a business we're not in yet.

*a good market position, are successful, and that will help us get into a particular new market. I always find that easier than if we enter there with just one of our products. Because in a business like ours, you are very dependent on legislation. Then there's the other direction of our acquisitions,"* says Martin, aiming to get his point across with the help of his hands, on which he is holding up two fingers at the moment.

*"This consists of buying our competitors and thus naturally increasing our market share. Personally, I prefer the third type, where we buy a new company and help it grow. The magic of these acquisitions is in building synergies from the very beginning. And then there's a fourth option, which other companies in the market don't usually understand, where we buy a company that is more of a project business. We acquire such companies primarily because of the people who work there. Because it is always better to work with a coherent, set team of people than if you are looking for fifty programmers on the labor market."*

And as his fingers are beginning to run out, Martin moves to the bench where he has been sitting, sadly picks up his coffee mug, empty for some time, and adds: *"Then there is one more reason for possible acquisitions. If we find out we're not yet in a business line but would like to be. I've learned over the years that it's better to buy an existing, functioning company rather than to start afresh."*

### **Expectations vs. reality**

While Martin is enumerating the possibilities, I tell myself that I just cannot let on that his words sound to me like something out of a manager's handbook. But I guess I didn't try hard enough;

Martin has read my thoughts. Hence, he continues *"It may sound simple, putting it like that, but it's also always about possibilities. Expectations and reality can often be different. So, of course, organic growth is best. If only because it's cheaper. But with our size and my nature, it's now about only a third of our overall growth. The rest is tied to what I said earlier. At the same time, you always have to think about what are very hideously called synergies."*

While his enthusiasm continues to grow, my attention is waning, because I still find the answers so very PR-ish. But you never know, so I figure I'll give him one more chance and maybe things will change. And indeed, they do. *"There are segments where we've grown by a third four years in a row."*

OK, that's enough. My impatience has won, so I sarcastically remark that it also comes down to where you're growing from, doesn't it? But Martin doesn't catch my sarcasm and calmly continues: *"If we manage to grow this year, it means we are going from three to four billion. Which is a high target, but let's face it, we're not here to give ourselves small targets. And then there's the other thing – the EBITDA to revenue ratio. We need to change that as well. And by that I mean improve it."*

In my mind, I think how fortunate that I didn't interrupt before. Because now Martin is gathering speed not unlike a steamroller. It's obvious we're on another subject he's really into. *"The key is to change the efficiency of work, which is what I am looking for above all – how much we are able to earn per invested crown. This is one of the things that my plan for this year is based on. I want to do a lot of work on the efficiency of the company. I feel that we need to improve development, which means having quality development teams here."*

It suddenly dawns on me why we started this block with the topic of acquisitions. "This year, I plan to approach several companies that I know have really good teams. Now, at the beginning, I can't say if I'll be able to pull it off this year or not. I would like to. But you know how it goes. We can end up trying to buy some companies for years because it takes a long time to merge our expectations, but that's the way it goes. It's certainly nothing that's worthy of special attention."

### **How I couldn't help myself**

There are always two pitfalls when interviewing anyone in such a high position. One is that they know what they want to say, and they will say it.



It's logical that some customers will always give you a lower score.

And then the second problem is that they have a natural desire to kind of bullshit you. Now, I don't mean that in a bad way, but these people just know that in communication you need to kind of paint everything pink. The only thing you can do to counteract this is to ask for as much detail as possible and question what they say.

At this point, the question I logically had to ask was whether all this talk about organic growth in the face of a budding economic crisis was really appropriate. *"There is no simple answer to that. You have new products that are growing fast. You have older products where you have some organic growth, but it's not spectacular, and then you have things that grow well over the long term,"* Martin tries to take me down with his answer. But I can't let him do that. So I cynically remark: *"And then there's the ones that don't grow at all."*

*"Yes, but I do have to look at our overall portfolio, and that's in the black. We're growing."* I take a deep breath and patiently try again. *"Yeah, well. But then in that portfolio you also have the ones that don't grow at all. Like the ones you call on-premise."*

*"Yeah, but it just doesn't make sense to invest any extra money in some of the older products anymore, because it's clear they're not going to grow. That is the case with the ones you are talking about, for example. Pumping more money into on-premise accounting systems is not viable because everything is gradually moving to cloud solutions.*

*And we all know that cloud solutions work better. So there are logical investments there. On the other hand, I have to point out to you that even old technologies still generate a lot of good money. So it also doesn't make sense to simply throw them under the bus."*

This time I can't help myself, and I mention a business story. Because his statement brings to mind the print media's situation, which gradually shifted to being primarily online only to find that they were unable to generate enough money from the internet. So...

### **You won't get straight 10s from anyone.**

My story turns irrelevant as Martin takes the floor again. *"This is the principle of the cash cow. I agree that there is more profitability in some of the older products because all you are really doing is policing and supplementing the program according to applicable legislation. And that's not that big an investment. In contrast, those cloud-based solutions have a much bigger investment in development, so they seem to have less profitability. But if we look ahead, the cloud is the future. In three- or four-years' time it will be most of the market. But let me reassure you – there are some cloud projects that we are investing really big money in, and they still have wonderful profitability. So I should probably correct what I said a moment ago just a bit – you need to take a product-by-product view."*

## I have to be able to sell my people's work at a higher price

I honestly don't want to talk about cloud versus on-premise solutions. I don't find it interesting at all. Probably because the more people talk about the cloud, the deader it becomes for me. It's already been decided. I find it far more interesting to go back to the beginning of the conversation and poke Martin a bit. So first I'll remind him about how he gushed at the beginning of the interview because everything at Seyfor is rosy and running like clockwork. How people are working like bolts when they don't have to, and overall it seems like the epitome of heaven on earth.

"Well, I'm not sure I said it quite like that," the boss downplays my summary. But before he can take a breath, I mention what he said about himself a little earlier – that he needs to work on efficiency this year. So?

"Well, yes. But that doesn't mean it can't be better, does it?"

"More efficient, you mean?" I nudge him.

"When you look at IT companies in general, it is simply evident that the bigger the company, the more efficient it is. But logically, I have to ask why German companies, which have a turnover comparable to ours, have a higher EBITDA. And to all those who answer that the market is easier there, I say it is much more likely due to them being able to manage their resources better. Yes, I can address that if we only have a third of the people in the office, I could take smaller offices. But things like that are, frankly, small potatoes. Almost two-thirds of the costs are in personnel, so what I need above all is to be able to sell my people's work at a premium. And if you can do that, then suddenly your work momentum goes up."

Martin pauses for a moment, takes a breath, and it seems to me as if he is waiting for a signal. So I nod and he continues. "I understand you will argue that in the current economic situation such considerations are daring, but there is no other option. Of course, I can make up for profitability by regional expansion. I can also optimize. So if I have four or five similar products, from a development point of view, from them, you can make one that looks a little different every time, but..."

No, no. I'm not gonna let him finish. I've heard that kind of reasoning from managers too many times in my life, and then it turns out that an Opel car has a Renault engine and Dacia makes cars for Mercedes. I guess it's possible, but I think it's a total rip-off to the customer. Do I want to pay for a

Mercedes brand knowing that a Romanian assembled my car? With all due respect to Romania, of course, no I don't! This was a completely outlandish marketing concept in the noughties. It's like going to Starbucks and getting served Tchibo coffee. These are things you just don't want. So, logically, I'm going to take the debate a little bit further now. Closer to marketing and branding. "The product will be of better quality. More people will be working on it," Martin refutes my objections.

## Czechs, forever dissatisfied

I have no choice but to remind him again of what he said at the beginning. That is, the debate about emotions. "I was talking about positive emotions. And that is here to stay. Maybe under a different brand, but I keep the main thing, the positive emotion."

Okay, okay, I think to myself. I press on and remind him that his research says it's all a bit different than he claims. Just to remind those readers who didn't happen to read it: Seyfor's survey shows that for two-thirds of employees in the Czech Republic their company's system or programs sometimes don't work properly. 13% of employees say it happens often, 18% almost never, and the lowest number of people said that their systems work perfectly (4%).

As soon as I say the numbers, there's that lovely moment of truth: "Well, yes, there is room for improvement. But 13% really isn't such a terrible number." Yeah, sure, he's right. 13% permanently pissed off isn't a terrible number, but what about the other two-thirds?

Obviously, he's got me figured out. He immediately adds "It may seem like a high number to you, but not to me. Because even computers are not 100%. And it's logical that some customers will always give you a lower score. You don't get straight 10s from anybody. We're in the Czech Republic! But there's one thing that's really interesting. The best scores are achieved by products that have been on the market for a long time. You can see that habits and tradition are working. So if I were to go by this index alone, I would de facto not be able to launch anything new."

That may sound logical, but it still seems a bit like whitewashing to me. Which is weird, because one can say anything about Martin, but he's definitely not the kind of person who finds an excuse for everything and justifies why it has to be that way. So I decide not to escalate the situation and instead move on thematically.



## You can love your children, not your brand of spaghetti

“At the beginning you talked about emotions. You even used quite strong words like ‘love’ for the product, which I always find strange. It made me think of old Rory Morgan. He always used to respond to marketers when they started talking about love of product by saying: ‘Folks, customers are busy loving their wives or husbands. You can love your kids, but you certainly don’t love your favourite brand of spaghetti. Because if you did, you would be committing adultery the first time you picked up another brand. So kindly use a different, truer term.’”

I know the story is long, but I just had to tell it. I apologize. Martin enjoyed it, though, and he follows up on it right away. *“When you put it that way, you’re obviously right. But what I meant was that there are a gazillion accounting programs today, all doing basically the same thing, but with one difference. With one software you spend 20 minutes with a single invoice, with another you only spend three minutes. With one you can see what you need to see at a glance, with the other, you can’t. Emotion is often created by the little things. For example, is the software able to generate analyses taking into account the segment in which you do business? The difference is what you need to see in accounting. It’s different if you run a hotel, or a factory producing some components. I know you will say that it is elementary when the product meets the customer’s expectations, but it is not that simple.”*

Now, listen up – I’m going to tell you a secret. This topic is always touchy. Every time a business owner starts talking about how their product is the best, it’s suspect. Because most of the time, it’s just empty lip service. But in Martin’s case, it’s a little different. He not only believes it, but also has the sense to make it true. Otherwise, Seyfor would hardly be where it is today.

Still, I can’t help it, probably a twinge of self-centeredness. So I ask two questions in quick succession. The first is: *“So you’re telling me you don’t actually make software, but you help people run their businesses?”* He’s probably expecting some kind of prank, so he answers with *“Yes, actually, I kind of do.”*

And then comes my second question. *“So how many more cars would Henry Ford have sold if he had your software back then?”*

## Wife as backup firepower

There is a moment of silence, and then the answer, *“Now, that I don’t know.”* And this, dear readers, is the most important answer ever.

For it shows that the boss has humility in him. Admitting in conversation that you don’t know is not nearly as matter-as-fact as it might seem. That’s why I allow another moment of silence before asking him where he gets his humility. If you remember, at the beginning Martin talked about how he now prefers the carrot in the carrot-and-stick method.

Now he’s also showing a certain amount of humility. *“Are you serious? I can’t tell you that. That would be silly.”* When he hears me insist on an answer, he begins cautiously.

*“All right, it’s like this: I do often feel like the best of the best. Like the one who’s been everywhere and seen everything. But then I have one equalizer to snap me out of it. And that’s terribly important because it keeps me grounded.”* He lowers his voice and adds, as if conspiratorially: *“If you want to know who it is, I’ll tell you. It’s my wife.”* He looks into his empty cup and then adds in a normal voice *“It’s not much of a secret. Everyone here knows. In truth, I suspect that when my colleagues can’t get me to agree on something, they use her as effective back-up firepower.”*

From the looks that Dan Sturm, sitting next to me, is giving me, it’s clear that Martin is telling the truth. In principle, it is probably some kind of an internal secret, which is not secret at all. And since it is obvious that Dan is getting nervous, because he is no longer just tapping his notes but drumming on them, I mercifully turn the conversation towards marketing.

## All it takes is one stupid button

*“Everybody is talking about marketing. I also see it as a terribly important thing. So that’s it, right?”* He looks meaningfully at the marketing director sitting next to him. Seeing that he’s not too happy, Martin adopts a more serious tone.

*“Without marketing, you’ll always be worse than the competition. If your marketing is good, you can often beat even much better projects. It’s incomprehensible to some people, but I really think of it that way. You’ve used the David Ogilvy and Henry Ford analogies. I don’t know if that still holds true today. But the advantage is that when you do performance marketing, you see the results directly. You can measure a lot of things, and you know how much*





I often feel like a world champion, but my wife always brings me back to reality.

*a customer is costing you or where it doesn't make sense to invest anymore because there's no return. That's good. Remember a few years ago, the only way to do that was to put an advert out and then count how many people responded to it. From that perspective, we're in a different place."*

I think for a moment but decide not to respond. This is even though I once heard a very nice metaphor that advertising on the web is the same as handing out discount coupons to people in line at your store. But I'll let it go. After all, even if I wanted to respond Martin has moved on in the meantime.

*"We have the great advantage that our clients measure the effectiveness of the software we implement very carefully. That means they know very well how much faster their order processing has become, how well we are reducing errors or other things. But again, that's just one parameter. The emotions that you are so doubtful about are still present. I'll give you an example on myself. I used to shop at mall.cz. And then I tried Alza once and stayed there. And that's only because of the quick buy button. I didn't want to fill out a million things on mall.cz over and over again, going through a gazillion steps to buy again.*

*And that's exactly the difference. One stupid button. Now I'm gonna transfer this to us. A few years ago, we had programs that looked similar. Just a menu at the top and some lines at the bottom. Okay? But we were the first to add what I now call analysis to accounting programs. That is, some sort of ongoing interactive information about a company. By the way, take a look and you'll see that the menu itself is gone and done with. What I meant to say is that from the same accounting data, our software can already extract more than anyone else can."*

# Seyfor's values

## Together, we're stronger

We develop enterprise systems that help domestic and foreign companies better manage their routine agenda and legislative obligations. Thanks to our products, small businesses, growing medium-sized enterprises and giant corporations save time and money every day and can invest it in their growth.

Above all, we are a mosaic made up of many companies, each with their own culture, customs and rituals.

These are an inexhaustible source of inspiration for us in our approach to both our clients and our employees. We are all united by our common values – **stability, expertise, partnership.**

# 1

## Stability

We have been in business for 30 years and are building Seyfor to last for decades. We don't make rash decisions.

We're growing, our products are changing, but we're staying the course.

## 2

### Expertise

We understand IT, data analytics, business, law, and everything else it takes to build great software.

We work on ourselves and make sure we understand our customers' trade as well.



### Partnership

We keep what we promise. That's a rule we follow in our negotiations with our clients and with each other.

We do everything we can to make sure that Seyfor has a welcoming climate and that we enjoy spending time together.

## 3

# On a human level, it works

We were definitely nervous, but we didn't let it get to us, and after several acquisitions, when our number of employees had increased significantly, we decided to repeat our employee satisfaction survey. It's no cliché at all to say that this factor is really a priority for us. Nor is it at all bragging that 85 percent of our people are satisfied; it's a fact.

## **We notice every BUT!**

We listen to everyone. And while we are of course better at listening to praise, we didn't just settle for good results in each category, but carefully monitored the answers to each question. So we figured out what employees perceive as our strengths and where they instead feel an imaginary Achilles heel.

## **We are ready to find a solution.**

What we take away from the survey are valuable suggestions on which we want to work both immediately and in the long term. Some of our employees would appreciate more professional growth, easier orientation in Seyfor, communication and collaboration across the company, and in some cases, more suitable working equipment or a better working environment. The topic of benefits and appreciation also resonated in the responses. We are ready to work on this as well.

## **Thank you!**

But let's not kid ourselves, of course we were most looking forward to a lot of nice findings and comments. In particular, from the free responses it's clear that on a human level, things just work for us at Seyfor, both from the perspective of co-workers and supervisors. At the same time our employees are great patrons of the services and products we provide to our customers, and we really appreciate that. Thank you.

# We listen to more than just IT needs.



Employee satisfaction rate of

85%



We are not bragging when we mention that 85 percent of our employees are satisfied; it's a fact.



We met in Brno, on Seyfor's terrace. Tomáš Loukota, the director of the Small Business Division, arrived on time, and from the first glance it was clear that a damn-good salesman with a flair for communicating with people was sitting across from me. Between you and me, maybe he's not that good, because I left without him selling me even one license. But I was grateful that I got to talk to him; he's actually really good.

**TEXT** Daniel Köppl **PHOTOS** Jiří Salík Sláma

# Tomáš Loukota: Everybody likes issuing invoices

**How many clients do you currently have? Unless it's a secret, of course.**

I can't tell you. Not that I don't want to, but I don't know exactly.

**And in orders of magnitude?**

Tens of thousands.

**Are you sure?**

Yes, but I can't give you an exact number; it varies day by day.

**I've always wondered how a firm can take care of tens of thousands of clients. Is that even possible?**

Well, it is.

**I wouldn't expect you to tell me it isn't. I just wonder if the clients think so, too.**

They do. Because we measure their satisfaction. I'd say probably more than any other tech company. Now, if you want to know what the results are, I'll tell you right off the bat, there are products that are doing better and then there are products that don't rate as high.

**That's a politician's answer. But I'm interested to know if you think they're happy.**

What I'm going to say now is going to sound weird, but I'll explain. It's best if clients don't call us. Because that means they can find everything they need within the program they're using. Conversely, if customers have to call and need advice, something is wrong.

**Or the users are not smart.**

No, not that. I would leave that without comment.



**So your call center is proof that things aren't working for you?**

It's not. We handle about 30,000 calls a year. But a lot of them are not about our services, they're about politics. The questions are directed at legislation because our programs work with it a lot. Often, it feels like we are substituting for the hotline of some of the state agencies. For example, during COVID

times, we felt like we were spokespersons for the ministries of health, finance, and labor.

**I am also asking about the call center because there is always a lot of debate around it. To a large extent, it is just a big cost item, which is often the cause of disputes between the finance department and marketing.**





That is true, there is always such tension everywhere. That's why we also prepare video tutorials, for example, and carefully monitor whether the software is really intuitive enough. But in a country where one law can change ten times a minute, you have to offer extra service to users.

**Yes, but the debate about the efficiency and meaningfulness of the call center mostly remains.**

We're largely active in the service segment. That means we have to be able to accommodate the customer every time they need it. If we don't help them, we create a problem. I'm an advocate of the human touch. So there can be a debate, but at the same time we have to respect the nature of our business.

**A lot of companies address this issue by deploying robots. To me, that seems to be a little bit a cavalier attitude.**

When I make a call and a digital voice comes on, I'm not too happy. But I understand it because I can imagine the cost for the people who serve in the call center. And honestly? I can live with the artificial voice. It's kind of like our software. If the call center helps you solve a problem, you accept it.

**Video tutorials as a last resort**

**A moment ago you were talking about video tutorials. Maybe I'm an exception, but I find them to**

We have to be able to accommodate the customer every time they need it. If we don't help them, we create a problem.

**be one of the least helpful things ever. I always see them as a kind of joke.**

I agree that video tutorials are always the second or third solution. First people try to find the solution themselves, then they google. And when they are unsuccessful, they meekly move on to the video tutorial or call the helpline. From my point of view, the main thing is that people don't have to get to it at all. That's why the main thing is to be able to read one's customers' journeys and needs.

**That was a hit years ago. It was called insight.**

It works well for cloud stuff. There, you can easily deduce that if someone issues an invoice, in about 14 days they'll be dealing with paying it and in another x days paying VAT or something else. So we can really guide and help people a little bit. Maybe by telling them in advance, based on experience, what they're likely to be facing. Manuals are important.

**Do you drive?**

Yes, I like driving.

**And have you ever read the manual for your car? All 700 pages of it?**

No, I haven't. You don't understand. I don't let them read the manual. I'm trying to guess what they'll do or what they should do.

**That's what I'm talking about. Turn left in 30 meters.**

So what? What's wrong with that? I'd like my car to communicate with me more. I want it to send me a video or a voicemail when I'm on the freeway saying, 'You're on the freeway, set your cruise control, it's on the left under the steering wheel.' I don't want to read a manual, but I do want to be guided in a way.

**So, aside from wanting a new car from your boss, do you really want to be directed by your car? Aren't you worried it's going to steer you wrong?**

You always have the option of turning off the technology. But a certain amount of prediction is not a bad thing. The ideal, of course, is one where you don't even realize that the brand or the make is directing you. When you feel like you've figured it all out on your own.

## **I'm not cooped up in here, I talk to people**

**We started off with a discussion about client satisfaction. How do you find out if your clients are satisfied?**

By measuring. But the research, the calls to the call center, and the user experience that we've already talked about are just one level. The main criterion is really user satisfaction with the programs, and we see that in the analytics. If people can find what they want on the first try, that's fine. If they don't, then something is wrong.

**I'll come back to your point that if people don't call the call center, they're happy. I mean, I have a lot of things that I use, and basically I don't like them, but I don't call the call center because of it.**

I think we all have that. But there's one thing you have to consider besides research and the call center. I'm a salesman and I talk to people. I'm not stuck in front of a computer. I and the sales team talk to people. That also gives you a pretty good idea.

**It's just that salespeople usually talk to the person who buys the software. Not to the one who uses it. And there could be differences, no?**

You're right. But the owners are the first ones to look at efficiency. Plus, and let's be honest, our business is a little more – as they say in marketing – 'must have' rather than 'nice to have'. In today's business, you simply need some sort of accounting system. Just as it's difficult to run a business without a POS system. But I'm really not a fool. I don't think accountants are eagerly sitting around on Saturday night looking forward to running one of our programs on Monday morning. I really don't think that. But it's important to me that at least they don't feel disgust when they turn on the computer.

**That's nicely honest.**

Hey, but there's one thing that every entrepreneur in our program enjoys – invoicing.

**I get that. It's also my favorite part of working with somebody. But sometimes one wants more.**

I always find the beginning of a collaboration the most exciting, when we get to set expectations. And admittedly, it's always accompanied by

apprehension. Clients have a lot of respect for new technologies. But when the fear is broken, then it's good.

**It's almost as if you're describing the start of a new love affair.**

It kind of is like that. You are always a little hesitant at the beginning.

**But I think you meant to say something else, didn't you?**

Yeah, yeah, yeah. I was going to say that the moment clients see that the system makes it easier for them to do business, when they have things on their mobile that they used to have to call accountants for, the fears usually go away. And that's where it's really up to us. It's our ability to provide training and other services to help get through the initial period as quickly as possible.

## **It's difficult to balance the needs of so many customers**

**We've talked about this before, but you kind of slipped away. So I'll try again, in a different way. Which is the best form of marketing support for a broad client base?**

I would say...

**Excuse me again. The question was supposed to be what the most effective form, of course.**

I've been around a long time, so I'm trained to see it that way. I guess it's really the predictability. Because if you really have a product that – and I remind you that we're in the 'must have' segment – that works, that's key. What's difficult is matching the needs across so many customers. Because if you're talking to one segment, people in wholesale for example, they have different expectations and behaviors than, say, people in accounting firms. Yes, at first glance it looks like they're all the same, but they're not. For example, everyone has a different style of operation, which also comes from the nature of their business.

**So you have to average, which is always the riskiest.**

You have to, whether you want to or not. But it's important that it's not at the expense of the quality of handling the client's needs. To put it simply,

Data is fine, but it's no substitute for the human approach.



they mustn't notice it. Everybody has to be satisfied in some way.

**Satisfied in current times. That's pretty difficult, isn't it?**

If the question is directed at the mood of entrepreneurs, yes. You're right. They're worse off than they used to be. When we talk to them, we can see that.

**Isn't it also a bit of the Czech mentality to complain all the time?**

I don't think so. The worst thing for companies is uncertainty. The rising energy prices have had a big impact, I would say. And then, of course, there is the purchasing power of the population. Just recently I was talking to one of our clients – a medium-sized food producer – and he used a very crude vocabulary to describe the consumption behavior of end customers.

**I also ask because big companies always start talking about how they are going to stand by their customers in difficult times...**

Nicely put, but I think it's most effective if our services work. I'm hesitant about making big statements. I think the ideal is to help clients with what we logically know how to do – accounting, HR

consulting, and controlling. It's a bit much to get involved in other things.

**The butcher doesn't care about the blacksmith's problems.**

**You don't know how right you are. I've listened to plenty of managers who wanted to do everything and ended up doing nothing.**

It's tough. Cobbler, stick to your last! We can simply advise them on what we know how to do, and I know from experience that they'll return the favor. On the other hand, you have to try new things. So we've started a kind of business academy. We try to reflect our experience into it and warn customers what to look out for.

**But you said yourself a moment ago that it is difficult to find linkages with so many clients.**

It's not about linkages. It's more that each of them has something a little different. Or let me put it in another way. Each industry segment has its own concerns. To put it differently again, a butcher is not concerned with the problems of blacksmiths, and a blacksmith is not concerned with the problems of ICT companies. The first thing that comes to mind

for anyone coming here without experience is that we could somehow connect companies to each other. But then they stumble, because communities are created at a professional level. But I'm not saying we don't want to do that, but there's no point in substituting things that are already on the market.

**This is exactly the experience you don't usually get from data.**

That's why I'm so important. But, no, seriously. You can tweak the software itself to the max, but the human dimension is important. And that's something you only get with a good group of salespeople. One thing that's important to me is talking to the team. Data is fine, but there's no substitute for the human approach. But at the same time, you have to be able to triage, because no team has time to go around to all 70,000+ clients that we have. So it's almost alchemy.

**The human dimension usually rears its head when you come up with a major innovation, right?**

That's always the hardest moment. Because at the beginning, everyone says that our cool new functionality sucks. They'd rather have the same program they know.

**One of the biggest marketing dilemmas. New look or no new look.**

That's exactly what I am talking about. On the one hand, we have existing clients who are largely conservative and don't want any major changes. When we show them, they always ask 'Why? Couldn't it stay the same, with the same features as before?' Then there is the second group that says: 'OK, could you ad this and this as well?' So yes, it is a dilemma.

**So how do you deal with that?**

A little differently for each product. We have programs that stay more or less the same for five to seven years and any changes are subtle. Particularly because we know that 10–15 percent of clients are very sensitive. But then it catches up with us anyway and after about five years we just have to make a change.

**I think this is a general IT problem. If it's always the same, I wonder why they don't do anything about it. And only then do I find that the change I need is in tab 37 in sector B68.**

Yeah, that's it. Evolution is great, but it also has its limits. Like, a few years ago, we did everything on classic screens. But today, even accountants have ultra-wide monitors or have two displays side by side. These are things you just have to respect. You can eliminate that to some extent by testing and consulting with clients, but in the end it's just change. And people generally don't like that very much.

**I'm not so sure about that. If you look at the number of divorces in the population, one could argue that people want change.**

I'm not going to comment on that, okay? But there are pitfalls to fundamental change. Because when you build a program from the ground up, there's an awful lot of demands on what it should be able to do. Logically, because there's a lot of possibilities, and everybody wants to kind of build their own monument. So I say, for example, that you need two types of people on your team – enthusiasts who come up with ideas, and then those who can say no.

**That's a problem. Unlike kids, grown-ups generally don't like to say no.**

Exactly. Everybody sees possibilities, but if you want to be functional, you must be able to say no. Sure, it all looks logical and practical in the assignment, but that doesn't mean it is logical.

**And you're the bad guy, then?**

A bit. But that's a role that's primarily played by the product development people. However, I'm naturally interested in it because we then sell the result to our customers. And then there's something else. I mean, you often have to decide these disputes. And you also must take into account the fact that there is now, for example, a big generational change in accounting positions.

**Generational change?**

Absolutely. But we also see that there are a growing number of new companies, start-ups that are already operating differently. They don't have traditional accountants but work with external firms. Yet these entrepreneurs want to manage their processes themselves.

**How long have you known Martin Cígler?**

20 years. I guess.

**What's he like?**

Hmmm.

**Are you not allowed to talk about him?**

No, I'm thinking.

**And?**

I did sit in the same office with him for a long time.

**Exactly. That makes it all the more interesting.**

Martin is a fountain of ideas. Maybe even a bit of a loose cannon. He spits out ideas and you have to sort them out, comment on them, react to them, and decide what to do and what not to do. But one thing is interesting about all this. He remembers all those ideas and goes back to them. So you can't rely too much on them fizzling out.

**And what does he know about the company?**

That's where I'm best off. Because we shared an office, he's got a pretty damn good grasp of my division. But I think it's the same in other areas. I have the advantage that my segment is the one he started in.

**What would you commend him for?**

For trusting people and giving them space. That's the thing that I think is really special. I don't want it to sound like a cliché, but I'm really grateful to him for giving me the space to realize myself.

**How does he punish mistakes?**

Well, he certainly doesn't yell at people. In fact, I don't remember him ever raising his voice. He tends to look for why something went wrong. Subsequent discussions are often rigorous.

**Can he accept a mistake?**

This may surprise you, but yeah. I'd say maybe with other people he's maybe a little too generous sometimes. But he can afford to be, because his whole principle of cooperation is based on trust. If there's one thing that should stand out, it's that Martin is probably the only person I know who gives room for error. And that's extraordinary. Because, and this is the reality, without mistakes, nothing new is created.

**Does he have a feel for people?**

He has the ability to draw people to him who have the ability to support his idea and add their

perspective to it, for example. That's something that... Wait, doesn't that sound stupid? I'm actually talking about me.

**Not at all. I think so, too.**

I, for one, am amazed at what he's done in acquisitions. That must have been mighty hard. He went into competing companies and convinced them. And not just into one. But maybe five times in a row, and he won them over every time. That's no coincidence.

**What makes Martin happy?**

I'm sure he's happy to see people working together and enjoying their work. He's also happy to know he's not indispensable. He's definitely not the type of boss who has to have the last word on everything.



# Martin Kudrna: We need more Františeks





**We have had some difficult years – COVID, the energy crisis. People are economizing, companies are too. How are ERP systems doing?**

I don't really understand the situation at the moment, and I can't really say what's going on. This time last year, the mood in the market was quite graspable. It was after the COVID crisis, some industries, like automotive, for example, were not functioning, so companies were cutting costs, and some were terminating or suspending start-up projects. But...while last year had quite clear consequences where companies waited after the downturn, energy was expensive, and it was unclear what would happen next, this year is different. The situation is clearer, there has been no tragedy, none of the catastrophic scenarios have come true. I don't know any of our big customers who have fallen, maybe just staggered, and yet this year feels special. The numbers are good, but I still feel a kind of sleepy mood.

**Lack of demand?**

No, the demand is there, but nobody's rushing to make it happen. And yet, everyone knows that digitalization will be needed. Perhaps the artificial intelligence situation discussed at the end

Throughout our conversation, he remained pleasant and all smiles. Only once did the sparkle in his eyes change, and I had to ask if he could ever get angry. At that point, a slight hostility flitted across the face of Martin Kudrna, Director of Medium-Sized Business, and he bluntly admitted that he is capable of 'terminating' a customer should they negatively impact his team.

**TEXT** Helena Dostalová **PHOTOS** Daniel Hamerník

of last year contributed to this. It is as if companies are waiting to see what happens in the digital field.

**So, many are surprisingly honest in saying that they have no idea what will happen next.**

Yes, it's strange, everyone is waiting. And you can definitely see that companies are saving. And so are people. Just recently I was at a food festival in Řevnice, where they were selling a piece of meat from Peru for 240 Czech crowns. Seriously?!?! In situations like this, I wonder if such an amount doesn't hurt a bit and if it is really worth it. And the companies have it the same way. Everything is getting more expensive, and we too have increased our prices, because costs are rising. And companies are deciding where to put their money.

**I assume you're advising investments.**

Absolutely, because any cost put into digitization and automation will save companies money in the future. Some companies are sub-optimally run, to put it mildly, but there, all you have to do is fix a few processes, put a system in place, replace a few people, and the company starts making money immediately.

**Paper and pencil, strudel, and František**

**What exactly are companies addressing less than optimally? Even many larger companies are still on a pencil and paper system.**

Well, that's because they have a František.

**A František?**

He's part of many companies, especially family-owned ones, that were founded in the '90s. And Frantisek has everything in his head and knows where and how things are done. He usually started from the beginning with the owner and knows the whole history of the company. It's like a strudel that is supposed to have both ends cut off and nobody knows why. Well, because Grandma's tray was too short. So, František. As long as he's in the company, everything works because he knows all the processes, he knows how to do what and why. But as soon as František leaves, there's a problem. That's why it's good if the owners, the management or František himself come up with the idea that some processes should be digitized and that pencil,

paper and Excel are not enough. Even though Excel is a brilliant application that cannot be beaten.

**And František doesn't have to lose his job.**

He doesn't have to. On the contrary, he is needed. We would also like to see more of these Františeks who not only understand their company but are also able to generalize their know-how and apply their experience elsewhere. Some companies do not have a František, and it is difficult for them to give us information on how to set up the system optimally. We necessarily look at companies through the prism of the capabilities of our software, we can't do it to the necessary extent from the perspective of their process. There, such process specialists would be a great help, and they are in great demand.

**How would you describe the state of Czech companies in terms of digitalization?**

Diverse. Some companies realize that it is necessary to deploy software and cover processes with a digital system, and they really invest time and money into it. But there are still those, and they are not necessarily small, that really use paper and pencil or just have an accounting system but are not yet interested in digitising their entire operation. And, there are also companies that are growing and the existing systems are not enough for them. They expand their warehouses and logistics processes quite substantially, and then they change to a bigger system.

**Still within Seyfor?**

If possible, yes. However, warehouses, e.g., we handle up to a certain level of complexity, and even though we also handle very large clients, we recommend that the really complex warehousing and logistics processes be handled in specialized systems. But it is only a matter of time before our systems will also be able to cover very sophisticated warehouse management. Either we'll be able to do it ourselves or we'll buy someone. But we already know how to manage production very well.

**What other challenges lie ahead of you?**

In addition to ERP, our division also includes GPS systems that provide information about the operation of vehicles or anything that moves, where data can be collected on, for example, movement, refue-



ling, mileage or consumption. These systems can also track whether a concrete mixer is mixing or discharging, because it may be that it is discharging somewhere other than where it is supposed to. We bought Commander Services, the Slovak market leader, and in addition to substantial growth in the Czech Republic and Slovakia, we have plans to move abroad with this system, because in this case we are not hampered by the barriers we have with ERP, which are, for example, accounting and tax legislation.

**At this point, the ERP systems are still working as the original companies that you merged?**

Yes, basically our ERP products still follow the layout of the original companies; they are organized into business units. I have four products in my division and each team is a proud flag bearer: I am the company, I am the product, I am the brand. Historically, they were actually direct competitors.

**How did you persuade them not to go at each other's throats?**

It was certainly difficult to set up the division in such a way that the teams were able to work together. To make sure that everyone understood that it was to their advantage, that by working together we would be better, stronger and that the pie would be bigger and tastier in the end. Even if our individual ERP products are different in technology, development method or software philosophy. I believe that when we are able to share information openly and collaborate, it generally leads to a better mood and significantly better results. And we are all happier and more relaxed.

**So it is not possible to unify them?**

To create a single ERP would be more of a political decision. But we are trying to combine the best of all. We need to get to a state where, for example, legislation, payroll or communication with the government is dealt with only once, not four times. I would like to reorganize the ERP business line within five years so that we can significantly reduce the number of products, share as much know-how as possible and work as one team. This also means comfort for the employees because we will have more people dealing with payroll, for example, rather than just two people in one unit. So employees will be able to go on holiday in peace without taking their laptop with them because there will

be a full replacement. And a rested and happy employee means a happy customer. Then everything works. Related to this is that I'm completely open about ERP consolidation. I don't whisper it anywhere around people so that rumors start spreading and they have to worry about their jobs. Sure, some people might not like it and go elsewhere, but that's the point. And that's how it works with customers, too.

**You're going to let them go?**

Yeah, sure. You see, we care about our customers, and we always strive for a long-term, fair and mutually beneficial relationship. But if that relationship isn't working and the client is negatively impacting our team, I'm able to terminate it. The moment someone yells at our people or systematically destroys them to the point that they don't want to go to the company and don't want to take care of it, I say: 'You know what, we're not going to work for you.' Sometimes the business that doesn't get done is the better business. It's really more important to me to have happy employees, not stressed ones, and to have them working for clients, rather than to have a frustrated consultant who as a result doesn't function well with other clients either. I'd rather lose that client because their money isn't worth it to me. Why should I take care of someone who doesn't treat us like a partner? We get rid of customers like that pretty systematically. I have already managed to partially eradicate the ingrained feeling among my colleagues that we cannot lose a customer.

**I make cuts quickly so that the wounds can heal soon**

**That's a pretty fundamental change of mindset. How'd you manage that?**

Gradually. But it's gotten to the point where I now tell them that every year in November, I want the names of candidates on the table who don't deserve our care. We'll pick one of those together, and we'll be happy to send them our best wishes for good luck with the competition. And the best part is that my colleagues looked at me like I was crazy at first, but in the end they were completely relieved. Because they no longer have to go to a client with a tight stomach or feeling like they have to take everything from them.

**How do clients react to such farewell telegrams?**

They are shocked, because they usually could not imagine in their myopia that a supplier would prefer the peace of mind of its employees instead of money. They usually try to convince us afterwards that they will behave themselves. One client even promised to take Mr. Owner out of the loop and ban him from communicating with us if they could just stay in our care.

**When you talked about getting rid of a client, I saw something like lightning bolts in your eyes. Do you get angry easily?**

I'm sure I do. Not as much as some of my colleagues, but I do. I get annoyed when someone doesn't do their job right repeatedly and for a long time, despite their surrounding's best efforts and warnings, or if they don't ask questions. And they repeatedly get the whole team in trouble or in a bad mood with their attitude and manner. Then I deal with it pretty quickly. I have a reputation for being able to cut people out of the company because of it. And it's true that I cut as quickly as possible so that wounds can begin to heal quickly. I can't keep people in there who make things difficult for other people and are no good for the company. I often get feedback that even though my colleagues didn't see it that way at first, letting go or replacing the person was the ideal solution, and then things miraculously started working better. When you get rid of the frog that's blocking the well, the whole team is relieved and the mindset changes completely. People are happier, more satisfied. And even the numbers start to look different.

**Serenity and three kids don't go together****How do you calm down?**

Yoga. I've been doing it since I was 14. I started with André Van Lysebeth's book, which I still have. It was absolutely amazing, and I started doing hatha yoga from it. And not only that, but all the other techniques that were described in it, like shankaprakshana, the cleansing of the bowels.

**Fourteen years old is quite a strange age to start yoga. Especially for a boy.**

I was close to it; I did martial arts. First karate, later in Leipzig, Viet Vo Dao, Vietnamese martial arts.

But it's true, maybe I started yoga a little later, at 16. But yoga has been with me ever since, with some interruptions. Right now, definitely. I also practice yoga with my wife, who finished her instructor course last year. We also go away together on yoga weekends.

**Does yoga also give you something more than calm?**

An escape from stress, and also maybe the relaxation of body and mind. And of course getting to stretch properly. If I've had a bad night, I'll do a Salute to the Sun, and it's better; it really works. For me yoga is definitely a better sport than, let's say, spinning, where people sit on bikes locked up in a room with loud music. That, I really don't get.

**You are the father of three boys, so maybe that's also why you do yoga?**

Living with them is really challenging. I am used to peace and quiet – no, that's not right, I am not really used to that. I would prefer peace and quiet and order, which with three boys is really hard to achieve. Two of them together is still ok, but as soon as all three of them are in one place, it's just screaming and fighting. They really are rough with each other. And it is really unbelievable for how short a moment a kid is able to hold on to a thought. If you repeat it to them, they'll make an idiot out of you, since they've heard it all before. Living together with three boys who are happily approaching puberty really is a huge challenge.

When you get rid of the frog that's blocking the well, the whole team is relieved and the mindset changes completely.

**Are there other things that you do for fun?**

I like reading, even though lately I've been listening instead, either to books or lectures or podcasts. In the car, in the train, whenever I have a free minute. But instead of fiction, I like listening to books on personal development, professional development, lectures on the brain, the neurosciences, even quantum mechanics. I also manage to spend more time just with my wife, without the kids, without feeling guilty or feeling that I am a bad parent. Having enough time and patience just for each other is essential for maintaining a happy relationship, as every parent will probably confirm. Recently, we went to Barcelona for the weekend. You come to realize that you're always on the move and never get to stop; but it's crucial to regularly take the time to just sign off.

**The keyboard and mouse are anachronisms**

How do you view our times and technology?

It's amazing. Years ago, when Byznys software, then J.K.R., started up, I imagined how technology could one day work. All were looking at me like I was crazy. I said that computer keyboards and mice were anachronisms, that we had been working for 30 years without any changes and that it was time to move forward. I told our developers to get inspired by some movies, maybe *Minority Report*.

**Now they no longer think that you are crazy.**

Nope. In reality we've arrived at a point where we can really control things with eye movement. For a long time, I've been saying, let's talk to our computers as if they were human: "Show me the results for the last three months in a graph and compare it to



last year's results." For that, I don't need a keyboard or a mouse. And finally, we've gotten to a phase where this has become reality. It is logical that a number of tasks that used to be done by people will be transferred to machines because they are faster and more effective.

**Have you ever tried to replace yourself?**

I'll give you an example. I was going to visit an international firm and I needed to prepare some questions beforehand. I opened ChatGPT and entered as a prompt that tomorrow I would be visiting a company that does this and that, the structure of the company, what products they produce and that we wanted to acquire them. Tell me what I should ask them about. Give me 50 questions. In a heartbeat, I kid you not, it was done, and I got 50 quite relevant questions. Ten I ditched, of the remaining 40 I divided five into two additional questions each, sent them via email and I was finished. And when we got there, the first thing I jokingly said was that I had my questions generated by artificial intelligence. They readily joked back that they had done the same with their answers. So that's still quite unbelievable to me.

**At Seyfor, do you use AI in other ways as well?**

Currently, we are trying to see how we can deploy different language models. We have a huge amount of data that it's not humanly impossible to sort. AI needs a couple of minutes for this. Ever since joining Seyfor, I've wanted to have something like a knowledge base for ERP. We are putting together all the information, the know-how, all that we've collected over the years. Which problems which sectors are dealing with, what production equipment individual companies have and what they do with them, how they are deploying them and what that does to their software. What questions we should ask them, what to ask about, how to talk

It can happen that AI may fool even very wise people. It seems very convincing, helpful, and friendly.



to them. Kind of like a manual for salespersons and consultants. And it is really something that works; I've myself witnessed it during my career. Unfortunately, we encountered a roadblock in how it is humanly absolutely impossible to systematically sort and re-assemble this information in a way that would serve us. But I am convinced that generative AI will be able to do this and that we will eventually be able to create this knowledge base within a couple of minutes.

## **AI will never get annoyed**

### **Are you also recognizing any negative aspects?**

Of course. Maybe we'll all end up with Skynet like in Terminator. There are some real threats out there. They trained GTP 4.0 on a huge amount of data, but only in English. And nobody, not even the founders of Open-AI, knows how it is possible that that thing now apart from English speaks Farsi, Czech, and other languages. Because they didn't teach it that; it managed to do this on its own. And that's really terrifying. The Israeli historian Harari says that a nuclear weapon cannot create a better nuclear weapon, but artificial intelligence certainly can create a better version of itself.

### ***You just need to know how to use it.***

If you trust AI implicitly, it's a big risk. We have to continue using our heads. If the satnav were to lead me to a pond, I wouldn't drive into it either. That's exactly the same thing. If the AI tells me something that is nonsense, I have to be intelligent enough to recognize that it is not quite ok. But it can happen that AI may fool even very wise people because it looks really convincing, helpful and friendly. It's a great thing in language learning, for example. Because AI will never get annoyed if it has to tell you something for the tenth time. It'll still be friendly and polite.

### **What is Seyfor's approach towards AI?**

We will have to change the system with which we process and evaluate data.

### **And when will this happen?**

Tomorrow? I have no idea. It could be in a couple of months or even in a couple of years. It will be up to us whether we will be capable of communicating with AI, give it the right prompts. Prompt

engineering is a field of study in itself, and people who can tell a machine what they want it to do in a way so that the machine understands will have a great advantage.


### **But are we as a society ready for such a change?**

Not one bit. And that's the biggest problem. Instead of thinking about what we need to do to cope (because it's no longer a question of if, but when), we're figuring out how to stop kids from writing term papers with the help of artificial intelligence. Why not change this approach? Let's evaluate how creative they can be in interaction with AI, with querying it. In education, in government, in business, in administration... everywhere we will have to change the approach. But our mindset is twenty or thirty years behind where we are technologically.

### **Are you trying to educate your sons in that direction?**

Absolutely. All my boys have AI on their phones, and they know how to use it. Even before, when they asked a question, I encouraged them to google it or use YouTube. But I'm afraid teachers will be completely lost. They will try to coerce or ban it. And that's a completely wrong approach that needs to change.





His career started with a wild ride in the 90s. And even though time is speeding up, Peter still believes that there's no need to worry. To him, we are on the cusp of something new, and the only thing that can set companies apart from their competitors is the ability to work with information.

**TEXT** Helena Dostalová  
**PHOTOS** Daniel Hamerník

# Petr Franc: I'm surrounded by quality humans

"The architects designed it brilliantly, but it's not very functional. Watch your head!" Petr Franc, director of the Enterprise & Public division, warns me about the chandeliers in the office. Similarly, the chair in which I lean back feels almost like that of a therapist. So I straighten up, ask my first question and then I can lean back again, because Petr talks and talks and only occasionally lets me speak. And gradually, I get to hear about the benefits of acquisitions or what makes him smile in his fifties.

**Lately I find that when I ask what technology will bring, I get the answer 'I don't know', which is actually very honest. What's your answer?**

'I don't know' is actually very honest and true because the momentum that technology is picking up is incredible. But what I am convinced of is that we are paying too much attention to the notion that technology is out to get us.

**Nonetheless, it's different this time.**

Because the changes involve white-collar jobs. Machines have always been replacing heavy manual labour, but now they are making their way into the knowledge-based industries – lawyers, financial analysts and anyone who works with information. On the other hand, although AI gives us the impression that it can do everything and is convincing, it lacks creativity. But we are at the beginning, things are going to move forward incredibly fast and it will not be years, but months. We'll certainly be hearing about new and new possibilities every minute. So yes, we are really on the threshold of something new; it's comparable to the advent of the internet.

**The same scenario is repeating itself. Just as cars have not replaced horses and have instead created space for new industries.**

Exactly. The nature of work will change. I imagine that for example lawyers who used to spend 80 percent of their time gathering input to build their case on, will now have time to play with it and develop a strategy. And I'm happy about these changes.

**How will companies benefit?**

Virtual assistants can work on their data, saving hours of work. They can be asked to make a short output or presentation from the data in the financial system and show forecasts or trends. And I'm not worried about people losing their jobs. On the contrary, the need for people who know how to work with technology will be greater. Look at Estonia or the Scandinavian countries. They have already understood this. In a knowledge economy, this is exactly what can move them forward, not exporting timber. It is surprising to me that none of our governments have been able to set out any long-term meaningful vision of where the Czech Republic can move. Digitalization is permeating every aspect of our lives and we see that where the shift is not happening, the industry is suffering and not moving. The civil service is a beautiful example of this. Actually, unfortunately, it is rather sad. In this country, every government professes to want to reduce its staff and the opposite always happens. Always.

**Burned out at 30.**

**I think we can agree that we need to make a fundamental change in education.**

Absolutely, I have two younger and two older children and I can clearly see in them that technology is a part of their lives. We don't need to teach them how to use an iPad. Often, I'm amazed at what my four-year-old daughter can do with it. There is a big discussion around that at the moment as well. How we could be taken by surprise by the demographic curve... Because that's one of the things that can be predicted quite clearly. Suddenly we are surprised that children in Prague and the Central Bohemian Region don't have the opportunity to go to study certain fields. And politicians are baffled again. But we have already grown accustomed to not having ready-made people.

**So you raise them yourself.**

We recruit dozens of people to my division every year, and we are ready to educate them. In the interview process, it's not so much about what they know, but what they're willing to learn. It takes us about a year to get them to the point where they are an asset to us and able to work on projects. The question is how much of themselves do they really want to give, because at 30 they walk around thinking they're burnt out. At 55, that makes me smile. But they're smart, no question.

**The truth is that this generation is so much more reserved and values well-being.**

It's also about how attractive a job you offer them, with what you tie them to you. But personal freedom is really more important to them. It's not like it was back in our day. We wanted to have a nice car, a house... But they already have it, they were born into it.

**Maybe that's a good thing. These people know what they want and they're able to say no.**

I totally agree with you. We don't live to work.

**We have too many philosophers**

**You started your career in the '90s. What was it like?**

It was quite a ride.

**Now it's also quite a rush. Can you compare then and now?**

It was completely different, even in what we were just saying. We were all under the same blanket, we had equal or little of everything, and the regime tried to make sure that there were no disproportions between people. And suddenly everything changed, and whoever wanted to, could. And you can't deny that the Czechs are entrepreneurial, resourceful, and active. And suddenly we were across the big pond, making decisions with people a generation older than we were.

**Dressed in colorful jackets and white socks.**

And with a huge language barrier. It must have been very comical. But within a couple of years, we advanced a lot. What also happened at this time was that we started to profile ourselves as a very smart nation, which unfortunately was noticed by





In the interview process, it's not so much about what they know, but what they're willing to learn. We're ready to teach them.

foreign companies who built outsourcing centers here and took thousands of people away from us. Which brings us back to education. I don't know who gets to determine that we need so many philosophy majors. I mean, nothing against philosophers, but if someone wants to study this field, they should have to pay for it. Unfortunately, the state still hasn't figured out what it wants to invest in and where. Maybe that's why we're not moving forward as quickly. But maybe the era of assembly plants is

coming to an end and we will be more focused on the knowledge economy.

**Not to get stuck on philosophizing, how will the technological shift affect Seyfor specifically?**

The competitive advantage lies in the ability to work with information. That's the only thing that can differentiate you from your competitors. It's how you communicate with your customers, how you use digital channels to reach them, to collect what they want. The offer will have to be personalized. And to do that, you need to work with a lot of data and evaluate it for service and product innovation and for speed of deployment. Technology also saves people's time. So without investing in digital, companies can't operate. And that's possible the moment you have the data in order, which is the basis of our work. Working with clients to keep their data up to date, consistent and historicized. Because it's interesting to see the trends.



We are different  
from the others  
We don't just buy  
companies, we  
integrate them.

*And here's where Petr takes off and talks about cybersecurity, business processes, cloud, forecasting, effective cash flow management, and I just listen. But at the end I at least ask:*

**How are you different from the others?**

We reach out to specific customers who are relevant to our business. We do customized work through development – in the case of public administration, for example. Companies of our size are no longer strictly programming companies, but rather consultancies. Our added value is our substantive knowledge of the customer and the area they are in. I'm talking now, for example, about customs issues. There are no systems that you can order for that, it has to be customized. We used to only be able to offer one solution for each country. But now, thanks to the EU, it is different and we are able to cover the agendas in three countries, such as the Czech Republic, Serbia and Finland, and we supply partial solutions to others. Now imagine that the Finns,

who are very conscientious in this area, opted for a team from Karlín. So an important part of our job is to understand the customer factually and understand what they do.

**Our acquisition appetite is not waning**

**Do you have enough customers?**

We're definitely not suffering from a shortage, that's for sure. Instead, today we choose projects where we can make the best use of our knowledge and where we feel that we are on the same page as the customer. Of course, we also have some where this is not the case. But if we are not convinced that the customer knows what they want and that they will be able to listen to us, we know that the collaboration has no chance of success. We have the advantage of being able to choose our clients and what we devote our energy to. And our people are a precious and limited resource in this regard. It's difficult to get them to join our ranks, and we have to

train them, which perhaps creates a limit. We could be growing even faster than we are.

**So you're not happy with where you are?**

No, that's not really what I meant. We're happy with how we're doing. But that never means we can't do better. We have the ambition to grow organically at a double-digit rate, so around 10 to 12 per cent every year, which we are doing, and the acquisitions are adding to that momentum.

**Your acquisitions remind me a little bit of Babiš's 'I'll probably buy something tomorrow' line. Is it that what you are lacking, you just get?**

Acquisitions are an important part of how we operate. So far, we've been fortunate and we're different than others who are trying to consolidate in that we're not just buying companies, we're integrating them. They may become part of a public company later on, but they don't lose their corporate culture. They won't lose how the team makes decisions about their contracts, none of their original DNA.

**Do you have ambitions to become a corporation?**

Certainly not. We don't want to say, this is how you're gonna do it, or you can go elsewhere. We have the financial strength, the knowledge and the background that we're happy to share. We allow for mutual inspiration. I always tell people on the teams to imagine they've come from a district town where they've been the number one on the team, and suddenly there's thirteen of you on the same bench. I have fourteen teams under me in total. And of course, all of a sudden, you find out that somebody's at the top and somebody's at the bottom. Fortunately, the way it always works is that the weaker ones try to catch up with the stronger ones.

**What's important to you when it comes to acquisitions?**

It has to work humanely with the people we want under our wing. There has to be chemistry. When you buy a factory, you take over production. But when you buy a company of our type you take over the team first and foremost. Sure, there are customers, but that's why we need that team all the more. If we can't keep the people, we lose. It's a risk, but it pays off. And our acquisition appetite is not waning. It's more like we need to look at other terri-

tories. In the Czech Republic, we de facto already have what we wanted and what was possible.

**Martin Cígler must be pleased with you.**

Well, his idea is that we bring in our main competitors, especially in the field of accounting systems, but for many reasons this is not possible.

**Why, for example?**

Because there are successors present. Which in the opposite case is often a reason for selling, when there are no successors and the owners want to monetize their life's work and retire. And at the same time, they're happy that nobody gets to disassemble their firm, but that the company lives on in a way.

**All it takes is one craftsman**

**You talked about customs. Are you looking at other markets as well?**

We have a lot of unfinished homework. Before I get to the markets, we definitely want to move forward by improving collaboration within our teams. Because each of them is still mainly focused on their own specialty. We'd like to work more holistically with customers, so someone can offer ERP and somebody else can take care of cybersecurity. Our ambition is to set up an environment with individual managers that is as open as possible to create synergies between the different teams. This is one of the challenges we have ahead of us. It is already happening. One of our biggest clients is Zentiva, and we have three units operating there. One delivers cloud services, another delivers data analytics. The customer has the advantage of having more of their needs serviced from one place. That's how we want to stand out among others for our big clients.

**But diversification also has its advantages.**

Of course, but if you're happy with your craftsman, why would you hire another company? We see it as important to personally guarantee people. We rely a lot on introducing the client to a specific team of people who will work with them. This, by the way, is one of the key prerequisites that the Finnish Customs Service used when they chose their contractor. We had to present our team of experts who would take care of the client. We even committed to this in the contract. If we need to replace some-

one, the client has to approve it. Which I think is very smart. They've all been interviewed by the client, and they've all had to do well.

**So you operate Finnish customs from the Czech Republic?**

Partly. Here in the building, we have a red zone, which is video monitored, and only selected people can enter it. There's a second office in Helsinki. We used to fly there a lot, but now it operates more independently.

**Our interview will go in the annual report. Tell me, how was 2022?**

A lot of things happened. It wasn't an entirely happy year in terms of the geopolitical situation, and we are fortunate that the IT industry has been

We are fortunate that the IT sector is much less affected by circumstances than others.





much less affected by all of these circumstances than others. Perhaps, on the contrary, this has accelerated the need for digitalization for some. We have achieved our ambitions, moved forward, and won many more projects, customers and new companies.

**Have you seen any cooling off in the larger companies in terms of the effects of the energy crisis?**

For us it was not so clear. Maybe for smaller companies it was, but the bigger players remained stable. They are not so sensitive to different fluctuations. But yes, I can say that we felt a kind of anticipatory caution with some clients. Like where we wouldn't have expected it at all. Maybe because management is expected to just react to certain situations.

**Are you talking about any particular segment?**

Banks. Even though they are in perfect shape, in the fall they began to declare that management would not allow them to invest in any projects. But those just ended up being pushed back.

**Did that affect you in any way?**

We have approximately 1,200 clients that we work with. Roughly a hundred spend in the order of a million crowns with us, and then there are a few dozen where it's maybe ten to fifteen million crowns a year. With this number of contracts, a postponed project does not mean a big drop for us.

No client has as much weight in our portfolio as they had in the individual teams. There, when a client postponed a project, it was a significant problem. When it happens here it's an inconvenience that we discuss in a meeting, but otherwise it's not significant in the overall numbers. So we didn't have to deal with any negative issues, fortunately. And now with spring and AI, interest is not waning, quite the opposite. In the spring, everyone realized that maybe things weren't so bad with the energies. Moreover, the recurring theme is that a company that invests has a competitive advantage even in difficult times.

**When you describe all the things you deal with, what do you enjoy most about a typical workday?**

The thing I enjoy most about my job is that I get to do it with these people around me and have the opportunity to fill that role. To be in contact with people who have owned or run a successful busi-

ness before. These are people who have already made something happen. And having them around me every day, obviously with other colleagues, I'm happy to be surrounded by quality humans. What's worse is that then you start to think of it as normal, and when you are, let's say, confronted with service in a hotel somewhere, you feel like you're in another world.

**Until recently you were known as Solitea. I kept waiting for you to misspeak, but so far you haven't once.**

Well, Solitea wasn't exactly a suitable name. Or rather, not suited for the company we are today. We're no longer an accounting systems firm, we're a big IT firm with subparts that have their own products.

**Normally I would probably feel that you're sounding like a marketing handbook, but I can sense that you're really proud to be part of Seyfor.**

That, I am.

# Jan Tomíšek: Eventually, they all find out that it's better to have us

**Do you know any jokes about programmers?**

Of course, why?

**Because you're in charge of the product division for HR at a technology company. So I thought it might sound twice as funny coming from you.**

I don't know about that. Not all of them are like in the jokes. Most of them communicate normally.

**I'm not disputing that at all, but in jokes, they're a little like crazy scientists.**

It's the same as anywhere else. Some are extremely smart, but uncommunicative. Maybe you're right that sometimes they're slightly anti-social. But then there are those who are perfectly normal. I almost want to say that one can't tell that they're programmers.

**I didn't mean that in a bad way.**

I understand. You're right that in life, it is often like that. There are people who are extremely talented but are lacking something.

**So when you go to work, do you sometimes feel like you're going to the set of *The Big Bang Theory*?**

Careful, I'm originally a programmer myself.

Be forewarned. In this interview, you will learn a lot about how HR works and how the business is evolving from Jan Tomíšek, Director of Payroll & Human Resources. However, there is one thing the charismatic director refused to address, despite me asking him repeatedly.

**TEXT** Daniel Köppl  
**PHOTOS** Jiří Salík Sláma



**You mean that you've been diagnosed?**  
I hope not. Does it seem that way to you?

**So far, not at all. Just the opposite.**  
Wait a minute, you're already recording?

**Yes, but don't worry; this is not an investigative interview.**  
I know, but still. I'd hate to sound silly.

**The beginning was good, I liked it. But we can get more serious if you like.**  
We don't have to. But I do want people to get something out of it.

**They will, don't worry. Going back to the beginning and leaving the jokes aside, what's in your job description? Just to remain in line with the HR terminology.**  
I am not sure if this is really a job description. I manage the entire division, talk to customers, and mainly are in charge of the entire process being as productive as possible.

**In business, when one says productive and effective, they often actually mean cuts.**  
Often, they do, but it is not that simple. Hardly ever do positive developments come about only due to cost savings.

## **We have the upper hand**

**What criteria do you use to recruit people into your team?**  
That is something that I pay the utmost attention to. I try to be at the second round of interviews with candidates, for example. I try to assist in finding the tight people that then can find their place in a team and bring some added value to it.

**That seems to be a key aspect of Seyfor – fitting in with the team.**  
That's only logical. It makes your team more productive, more efficient, and more resilient, which is important.

**A couple pages back, Martin Cigler said the same thing.**  
And we did not talk about this beforehand!

**But how can you find out during tens of minutes of an interview that the person will be a good fit for your team?**  
It's more about finding out that they won't be a good fit. I've been honing this instinct for years.

**Yes, and I would really like to know how you do that.**  
But that I can't tell you. Then it might not work anymore.

**I for one always ask people what their parents do.**  
Good! Questions like that always show you a person's reaction.

**Exactly.**  
But their story is also important. What they tell you about themselves. Not just how they react.

**What do you use?**  
Every question that surprises them is a good one. For example, I think that their school years say a lot about people. Whether you want it to or not, it forms you. So, to answer your question, my favorite question is 'What grades did you get on your high school exit exam?'. But this only works perfectly if the person you're asking is more than 30 years old, because they've gained some distance and can be surprised by this question. The wonderful thing about this is that nobody expects such questions, and thus you can see their honest reactions. And, what's more, if they are surprised, they tend not to lie. Or they lie badly. Maybe they say that they don't remember. Which is silly. Everybody remembers their final exam grades from high school.

**That's a great idea.**  
The magic in it is that it makes people nervous and that we then have the upper hand. Simply, a surprising question can help reveal the person's true self.

**Would you want to employ me?**  
I don't know.

**So let's try it.**  
What grades did you get on your high school leaving exams?



**A B in Russian, because I didn't know Russian polygraph terminology. And what did you get?**

I got a C in Russian, and only because I tried to ignore it the entire time. But I got an A in both math and physics. That's why nobody then dared to give me a D in Russian.

**I also remember the reason I got that B, because I didn't know the Russian term for phosphates in the production process of printing cylinders.**

That was certainly a question that you did not want to get at your final exam, right? I attended grammar school, so we probably dealt with Russian authors or something similar.

### **Somebody like that won't advance to the second round**

**What's another question?**

We always want a person to tell us something about themselves, preferably about their career. That's a good place to look, too. When speaking, those who obfuscate or fabricate in writing usually don't get right what they wrote. That's how you know if you've got a less-than-ideal partner. And to save you another question, I'll also look at how often you change jobs.

**I have a period of at least seven years.**

That's good. We get people who have maybe a year or a year and a half between one job and the next, which is also cause for caution. Resumes like that aren't even allowed into the second round for me. The vast majority of them are people who disappear before they start to perform fully. Think of the complex systems we make. In 33 years of development, it's a huge mass of source code, perhaps comparable to SAP. Maybe I'm cynical, but if I'm investing energy and time into someone for a year or a year and a half, I certainly don't want them gone the moment they're fully trained.

**When we were interviewing Martin, at one point a lady walked by and the photographer couldn't take his eyes off her. I am not sure why, but afterwards we talked about how important it is to have a well-mixed team.**

You're asking me about the male to female ratio?

**I don't know if I'm even allowed to. Just so we don't end up going to jail.**

I don't really calculate such a ratio, as we don't have strict rules. But it's true that our industry is no longer male-dominated. And Martin's right, mixed teams are better. Women think a little differently than men, and they enjoy other things. In my experience, most programmers would rather just write operating systems or something similarly exciting. Women, oddly enough, are far less romantic about it. Look at print reports, for example. For men they are a necessary evil, but we have female colleagues who enjoy them and have excellent results. But to be honest, I don't know if men's and women's abilities can be generalized.

**Coming back to HR itself, a lot of people treat the field with disdain.**

It may look unattractive at first glance, but to me it's a full-fledged field like any other. As a team, we regularly go to HR conferences in the US and watch the market there. The US HR systems market is at least five years ahead of ours and is full of interesting technologies that are usually deployed in the largest US organizations, the likes of which do not exist here at all. That's why they are ahead. I am referring to the actual practical deployment of artificial intelligence in HR processes, not the media hype that we have been seeing all over the place for the last six months. And by following the trends, we are relatively well prepared for future developments. If we are to remain number one, we need to be ahead of the curve.

**Nonetheless, the US is a fairly specific market, no?**

Yes. But you have that in every line of business. In the beginning, it's hard to know whether new trends will catch on or not. The other thing is that a lot of companies want to try these new things. If only to be the first to catch on.

**In our country trends in HR don't arise much, do they?**

Realistically – trends in HR emerge in organizations of a size that don't exist here at all; hence, they emerge outside.

**Which trend would you say was an exemplary inflated bubble?**



If I'm investing energy and time into someone for a year or a year and a half, I certainly don't want them gone the moment they're fully trained.

I can speak for Seyfor when I say that we only offer clients things that we know will work. Then we have the advantage of distance. It's easier to be wrong in the US, which churns out trends, but here the risk is much smaller.

### **Bag of money outside the gate**

**You talk a lot about the US. But isn't it true that the population over there is just a little bit different? Or is that just wishful thinking?**

I'm going to disappoint you. Even seemingly nonsensical things can work. One such thing that we registered in the US and started to think about was something that can be described as paying wages whenever the employee asks. In English it's literally pay on demand. This benefit is rapidly gaining popularity, although the legislation is not ready for it at all. Here, for the time being, you work with the principle that you always calculate pay at the end

of the month. But this employee benefit, as I am saying, is growing. And we are talking about an idea that emerged in the US about two or three years ago.

### **And how exactly does it work?**

Simple. You can ask for an aliquot of your wages for the time you have worked. Most often, there's an

operator between your employer and you who provides the service. They know from your employer roughly how much you earn and how many shifts you've worked. And then, with a certain safety factor, because the exact number simply cannot be calculated during the month, they send the employee money to his credit card based on the employee's request via their mobile phone.

**It's like something out of an early 20th century movie.**

That's exactly right. I can't remember the name of the movie with Jiri Plachta, but in it, men are leaving the quarry after their shift, and everyone gets a bag of money at the gate. Their wives are waiting outside the gate, because they're afraid the men will drink away their wages. You're right, it's a bit of a return to the roots. By the way, there are already at least two companies in the Czech Republic that offer this option. And now we're back to the lead that we have. Thanks to us knowing about the trend and believing it will work, we already have an interface ready.

**On the other hand, was there anything you doubted from the beginning?**

I wouldn't dare put it that way. There are a lot of things that maybe we just haven't grown into or are not perceived as a problem by us.

**For example?**

Diversity is a huge topic in the US. That's fine there, but how do you want to do it in the Czech Republic?

**How do you know after the conference what's worth trying and what not?**

I often talk to our customers' HR managers. I listen to them. And we also organize a lot of events for them where we tell them about what we've learned and what we believe might become a trend. But, for example, with the continuous payroll, it's interesting. Their first reaction is to wonder if we've lost our minds. That they've just laboriously gotten rid of advances, and now we are telling them that they should start working on something to replace them.

**And what do you say to them?**

It's tough. I understand them. But I think this payroll in instalments will be a sure thing. We even thought for a while about introducing it ourselves.

But then we realized the concept was better suited for other segments.

**What is another trend?**

The whole HR industry experienced a big boom during COVID. A lot of suppliers of different sub solutions arrived. Maybe it is also related to the HR people wanting to maintain a certain position in the company hierarchy. But now we have a huge explosion of different small solutions and benefits. I'm quite skeptical about this trend because similar stages have always resulted in mergers so far. In fact, one survey in the US says that about 65% of companies there use just one, consolidated HR system. From one supplier.

**That's how it works in all segments. First a boom, then integration and compatibility problems, and finally you end up with one big company.**

Logically. Because when you have one vendor, maybe the solution isn't as sophisticated, but it works all together. Plus, you'll often find that the small differences aren't worth the extra cost.

**But then again, what you said is true. Which is that when smaller vendors are chosen, it makes the department seem like it's working harder.**

Sure, but there is something positive about it as well. Smaller companies bring ideas. Often, they're acquired and their solutions are integrated into larger HR systems.

**Unlimited vacation**

**When one mentions HR...**

People will talk about benefits. I know. But between you and me, most HR people would tell you that if it were possible, they would get rid of them in a heartbeat.

**Only they can't, because other people have them, right...**

Exactly. And they are what people want to hear. But I don't think you can make any meaningful competitive advantage out of benefits today. On the other hand, it would be a competitive disadvantage not to have them. I'm reminded now that we at Seyfor have come up with an interesting benefit – unlimited vacation. We already know that it is only a matter of time before others introduce it.

### **But aren't benefits all just a game?**

As long as there is a tax advantage to the benefits, they make sense. Once the subsidy is gone, they don't make sense. People would rather take the money and spend it however they want.

### **It seems that we've finished with the topic of benefits rather quickly.**

Well, I don't really believe in them. I think company culture is far more important. And no amount of HR can create that on its own. It just comes and goes with the owner of the company. He chooses the people to lead, who in turn follow him to set the style for their departments. Marketing simply doesn't work in a corporate culture.

### **Unlimited home office is not a benefit**

### **Well, I don't think the HR department needs to exist at all. To get back at you as a representative of the marketing enclave.**

I understand. But there are some things that need to work because they're legally required. Like payroll or timesheets and attendance records. So a complete elimination would not be ok.

### **Attendance records during home office times?**

Keeping attendance records is really a legislative obligation that is subject to inspection. But let's talk about home office. You brought up a big topic that has two fanatical camps. Some say it is possible to let everyone work from home, that is, provided they don't need a lathe to work at that particular time. The other group, on the other hand, says that work is a team effort and that the digital transfer of information kills creativity. That one idea begets another, and when people sit together in an office, they come up with a better solution.

### **And where are you in this argument?**

First of all, I'm not a fanatic. In my department, home office is purely a manager's concern. And as long as people are doing what they're supposed to, there's no reason for the setup not to work.

### **Nonetheless, what's your experience?**

I'm saying one thing. Home office must remain a benefit, it must be something people value. We have colleagues who commute dozens of miles to work. For them, the home office is a great benefit,

I don't see benefits as a meaningful competitive advantage. But it would be a disadvantage not to have them.

and they logically want to have it. It is a great motivation for them. That is the point that I consider to be essential in this dispute. The employee, in my view, still needs to be aware that working from home is a benefit that is not automatic. And then there's another level.

### **What is that?**

There is a real danger of letting performance lapse by the salami method, so to speak. I've seen this scenario a few times and know it's real. And make no mistake, these were always very intelligent and hard-working people. The home office put them in a kind of strange dormancy. Suddenly it felt like if we pushed them to work harder and be in the office more often, they would leave. To a large extent, I think this is an illustration of what happens when social bonds in the workplace break down. But to be fair, of course, it is also to some extent a failure of their manager to let the situation get this far.

### **What qualities do you think a manager should have?**

It's important for a boss to be predictable. Reasonable and not volatile. I think those are the key points. Other things like team cohesion or atmosphere will follow.

### **So I guess you and Martin get along, right? He does say similar things.**

We've known each other for a long time.









**Has he ever raised his voice?**

No.

**That's odd. He told me he used to be more volatile, but now he's calmer. Ergo, I'd expect him to have been more temperamental before.**

I've known him a long time, but I don't remember him shouting. For myself then, I can say that if I were to raise my voice, I would consider it my own failure. But I can speak very forcefully. And when the going gets tough, I speak in a very formal man-

ner. That's how my colleagues can tell when things are about to get interesting.

**Okay. I believe you.**

You know, the atmosphere is important. For instance, we recently went cycling in Austria for four days with a significant part of our division. Great event.

**Now I don't know if that's good. I'm always a little hesitant when it comes to these things.**



We are a big company with a unique atmosphere and style. And with a boss who's not virtual.

But it wasn't mandatory.

**Yeah, right. It wasn't. But I'm writing down everyone who didn't go.**

Oh, no. I really don't. That would be like me dragging grandma across the street when she doesn't want to get across. So if someone doesn't want to participate because maybe they're an introvert and wouldn't feel comfortable there, then for God's sake, no one is forcing them.

**How important is money to your employees?**

I'll give you one name, okay? Maslow. Okay?

**Yes, but...**

Just a second. I know for a fact that it's not the money that keeps our best people here. But I don't want this to sound bad. So it's clear to me that for a programmer with two small children and a wife on maternity leave, money is more important than the atmosphere in the company. But it's a question of whether the money is worth the atmosphere that a corporation offers. I believe that Seyfor is unique in this respect. We're a pretty big company that also has atmosphere and style. And owners who are not virtual.

**Well, you're almost a corporation, aren't you?**

Hell no! Our division retains a family atmosphere. I know I can't afford to send some namby-pamby key account manager to deal with the payroll clerk at a rural school because he'll sweep the floor with her;

she's just a tiny item for his corporation. I would never allow something like that. I need people who can talk to people and who have kindness in them.

**Sounds nice, but how long will it last?**

I believe forever, which I'm very much looking forward to. Martin and I agree that it makes no sense to build one central culture and it's better to support specific sub-cultures that work, are healthy and highly productive, and in our division that's without question the case.

**What are you going to do now?**

What do you mean?

**Well, I'm asking, what are you going to do now?**

**It's Friday afternoon.**

Like, we're done talking?

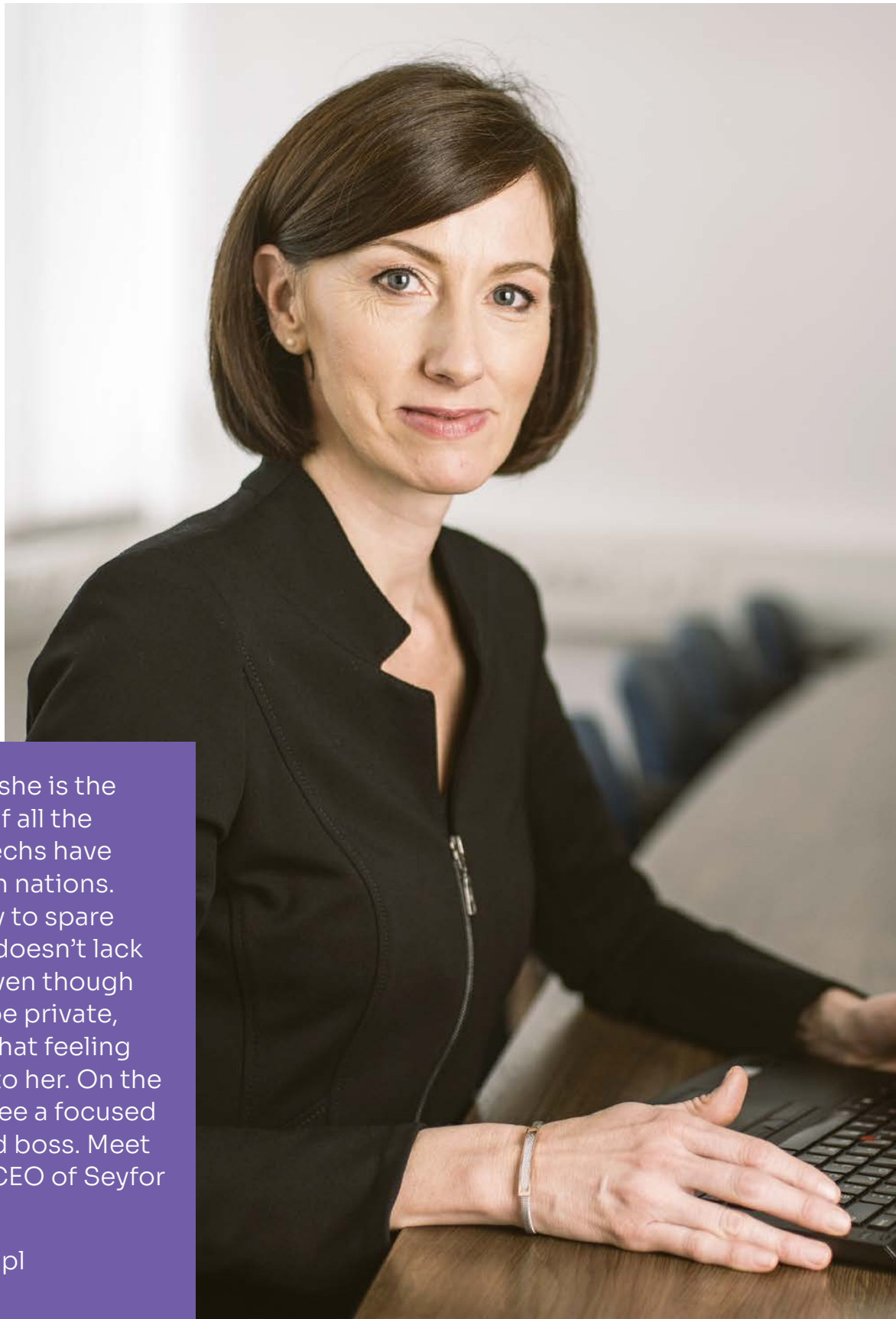
**Yeah, we're done.**

That went by fast, didn't it?

**I don't know, but I'll come back sometime. Then you can tell me what you did when the interview was over. And then you owe me one more thing.**


That's easy, I'm going to go for a bike ride. And I owe you something?

**Yeah, you owe me a joke about programmers.**



In a good way, she is the embodiment of all the myths that Czechs have about southern nations. She has energy to spare and definitely doesn't lack spontaneity. Even though she claims to be private, you don't get that feeling when you talk to her. On the contrary, you see a focused and really good boss. Meet Petra Šinigoj, CEO of Seyfor Adriatic.

**TEXT** Daniel Köppl  
**PHOTOS** Seyfor



# Petra Šinigoj: During the week, a strict order prevails at home. Over the weekend, not so much.

**Well, preparing for the interview, I didn't find much about you on social media. Did I look in the wrong places?**

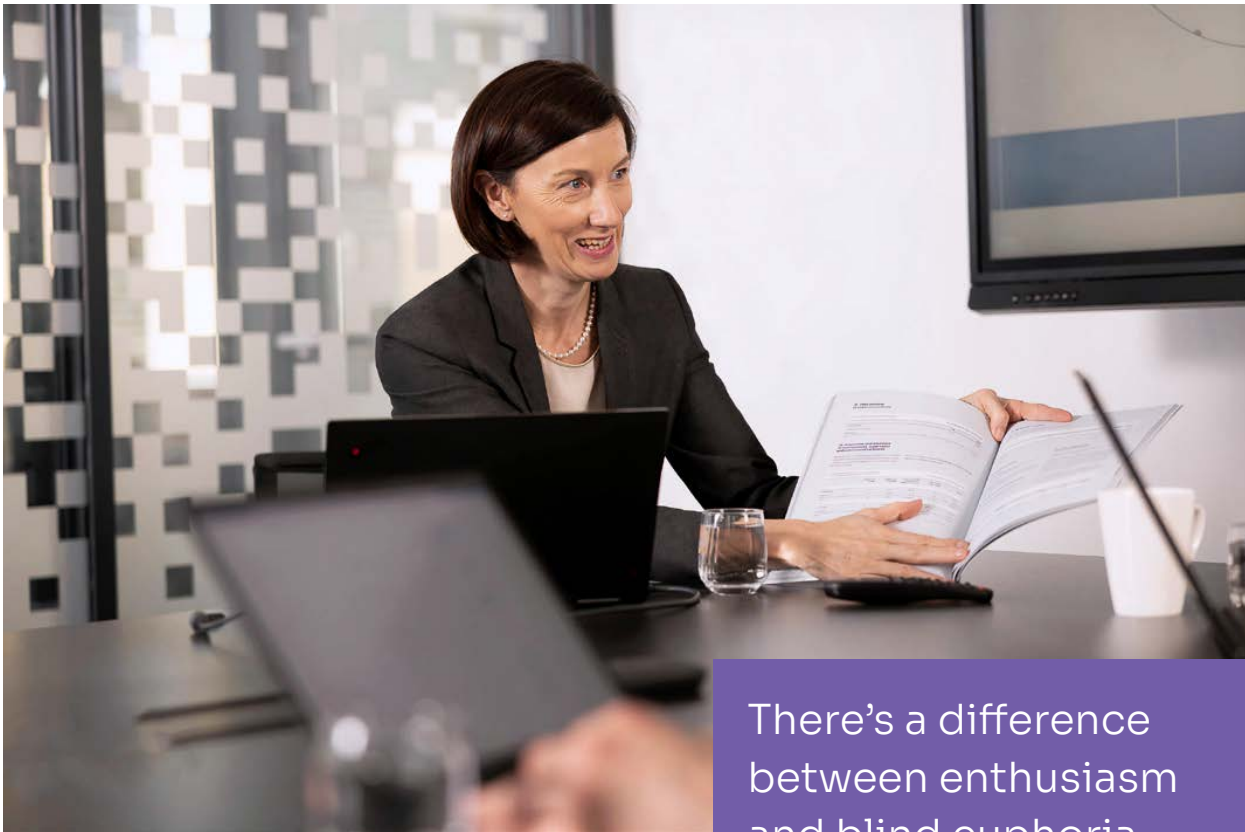
Oh, yeah. You're right about that. I'm not a typical fan of social media.

**That's what I thought.**

I think some things should stay home. I don't know why I should share my moods, joys, or worries with people I don't know. I'm kind of a private person.

**But you have a Facebook profile.**

Yes, I do. But only because I am stalking my husband a little bit. He's completely different from me. He shares everything that's going on in our family. Sometimes I'm a little worried about what he's going to put up there. But to be fair, he doesn't have a completely open profile either.



There's a difference between enthusiasm and blind euphoria. Instead, I'd say I am a hard worker.

**And you're on LinkedIn.**

That's a bit of an obligation, isn't it? But come to think of it, even there, I'm, as they say, frugal with information. I think on social media, less is more.

**But you do put something up there from time to time.**

Just major events. Acquisitions, various awards and other achievements. I wouldn't share that we just got a new coffee machine. That would seem a little weird. There's a difference between enthusiasm and blind euphoria. Instead, I'd say I am a hard worker.

**Well, in my opinion, a coffee machine would have a better chance of success.**

But I tick a little differently. Maybe it comes from my past. I've been through every department in the company. I started in sales, I went on to support, I was responsible for the development and operation of one of our products... It taught me that other things are more important to clients than whether we have coffee from Colombia or Brazil.

**A maximum of trust**

**It's always better to experience the entire company. Only sometimes people forget about the experience.**

Yeah, that's always a risk. But that doesn't apply to me, at least I hope so. For me, past experience is terribly important because it helps me run the company.

**Yep, that's what they say.**

Hold on a minute. Don't make light of it. This experience really makes it a lot easier for me to figure

out why something's not working in the company. Similarly, when we are dealing with a problem, I can connect the dots. My experience is very useful for me in developing new products. For example, I know how different departments interact, I can predict risks.

**You're right. But I know of examples where historical experience is more of a disadvantage. It makes it harder to break out of stereotypes.**

I think this problem is more common in other segments and is not a threat here. You know, frankly I am basically more of a proponent of what we can call a common sense approach. I just put one and one together and then act. It goes without saying that I also consult with colleagues or advisors and often look for information on the internet. Let me give you an example. Take the acquisitions that we've made. We went into them with colleagues without any experience or expertise. We just assessed that they would be good for the company. And it worked, we brought excellent companies into the group at a reasonable price.

**I guess your colleagues are finding you a bit difficult, aren't they? Such a level of enthusiasm must be challenging for those around you.**

You think? The fact is, I enjoy my work. And there's a difference between enthusiasm and blind euphoria. I'd say I'm more of a hard worker. When we dealt with the acquisition of new companies, I enjoyed them a lot. I appreciate having been there and I know that the acquisitions have given me new, important experience, and that's good. As for my colleagues, I don't think working with me has been challenging. On the contrary. It is important to me that my colleagues are happy. I don't want it to sound exaggerated now, but I'm really happy when people at work laugh and are happy. When you can feel a sense of belonging and enthusiasm.

**I know. I hear it a lot from people at Seyfor. Above all, the desire to have happy employees.**

You see, it's not a cliché, it really works for us. All my colleagues know that they can come to me at any time and say what's on their minds. By the way, there is at least one clear sign that there is maximum trust. People come to me not only with work matters, but sometimes with personal issues as well. And I'm really happy to help them.

## Four children and a Karst Shepherd

**Is it the same at home for you?**

You mean regarding trust?

**That, I don't doubt. I meant more organisation-wise. It's clear from your words that despite all this, you love having a strong system.**

I have four children; the youngest one is in the third grade in elementary school and the oldest one is just finishing up their first year at college. So you can probably imagine what it's like. Plus, my husband's an entrepreneur and really busy. So during the week, we're kind of in military mode. But on Friday, it's all over. On the weekend we always make up for the workload when we all meet at home – for meals, which are always the best moments for me. In general, I would say that family is important to me. For example, every year I organise two holidays, and we usually go abroad together.

**Four kids must be quite a feat.**

It's all fine. And I forgot about the dog. About a year ago, we got a dog – a Karst Shepherd.

**Sorry, a Karst Shepherd?**

Yes, it is originally a Slovenian dog. He's quite big, about 40 kilos. But he's our pet. Although anyone who has a dog like that knows that walks are important for him. Sometimes I'd say he has even more energy than me. And that's saying something.

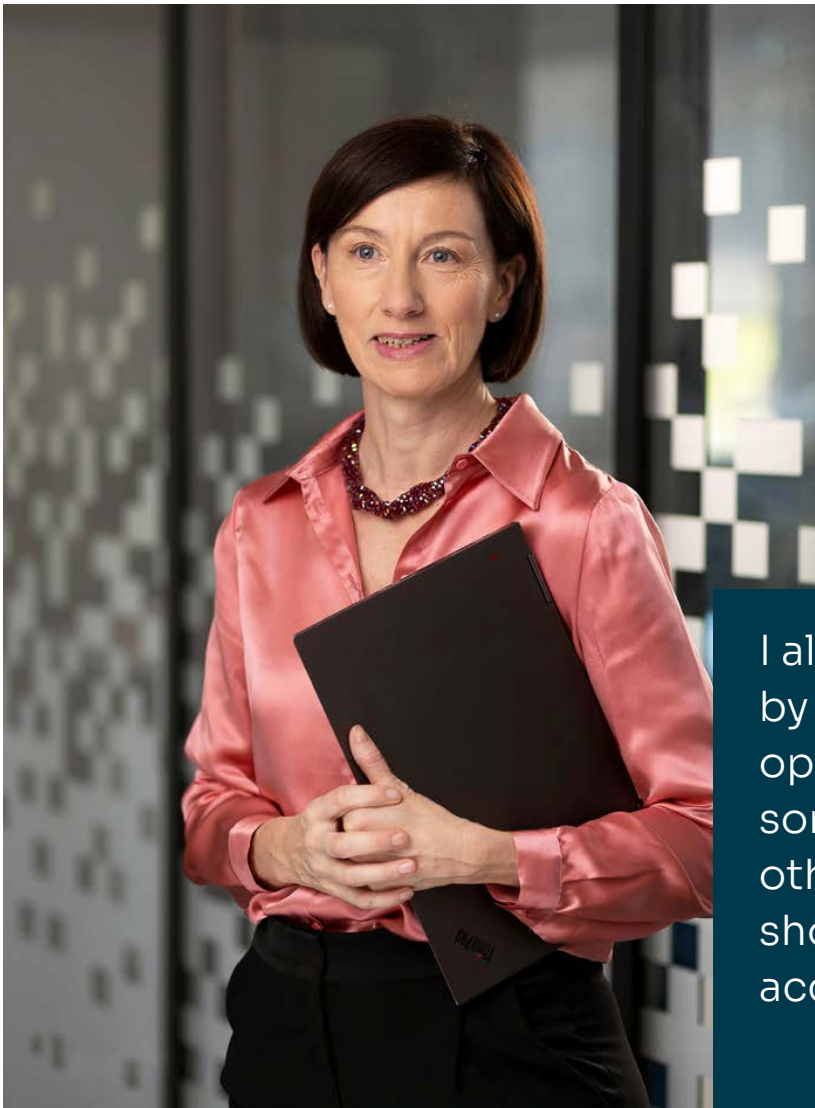
**Is there a difference in how you run the company and your family?**

I wouldn't say so. I always try to lead by example. In my opinion, if you want something from others, you should behave accordingly. And if you want to know what's important to me, it's a positive attitude. I appreciate being able to run a firm.

**You already mentioned that you are a member of the Seyfor group. How does this group differ from other large enterprises?**

This question has two levels. I'll start with what I actually enjoy most about Seyfor. And that's the human level. I know you may see my statement as a cliché, but the team is the main thing. Most of the people we have do their job as if it is their own company. They breathe for it. I am often surprised by their loyalty and their drive to the goal line.





I always try to lead by example. In my opinion, if you want something from others, you yourself should behave accordingly.

### **Surprised?**

In a good way. Their level of responsibility puts enormous pressure on you as a boss. You know you can't let them down. But it's fair to say that a lot of that is due to the leadership of Seyfor itself. When Martin Cígler gives you the space to run the company, you naturally want to give back to him. To show him that you appreciate the opportunity. At the same time, It is extremely valuable that in the Czech Republic they are aware of our insight into the local market. They do not patronise us with their knowledge as we see in some national concerns. They are always available to us if we need their help. I know it may sound all kinds of things, but this is terribly

important. The feeling that you don't want to let them down.

### **And the second level?**

Formally, I would say that we have gone from a company that had some 80 people in 2016 to where we have 250 employees today. But more importantly, I think, is the absolutely amazing ability to exchange knowledge and experience. Within the Adriatic region, we share products, we have unified development, support and sales processes. And together, we are also working on the development of a common on-line ERP, which in the long term should replace all legacy ERPs in the Adriatic region.



**You are talking about the Adriatic region. How important is tradition here?**

Our brands have been on the market for over 36 years. So I'd be contradicting myself if I said otherwise. Our thesis has always been that we want to cover the needs of all companies with our programs – or should I say solutions. From the smallest to the largest. We were also the first to come up with platforms for schools and nurseries. Since 2004, we have also been working on the first Minimax cloud solution, which we offered to our customers back in 2006. By the way, the foresight of this is best evidenced by the fact that today it is the most successful online accounting solution in Slovenia, Croatia and Serbia.

**I can't afford not to meet with clients**

**Aren't you worried what AI will do to all of this?**

Such things are not to be feared, but rather to be seen as an opportunity. To help us make faster and better decisions.

**Maybe the following question is a bit off, but still: I've always wondered if there is any way to tell a good program from a bad one.**

The customer needs to know the key points they want to solve with the new ERP. For example, some solutions better support certain business processes and other solutions others. However, I always say that it is essential to have a reliable team behind the solution to handle both customer needs and changes in legislation.

**Now I don't know if you answered me. I was hoping you would say something along the lines of: you can tell a good program by its color, its function, the button on the bottom right...**

It's not that simple. I know you may not like my answer now, but try to accept it. The goal of any business is, logically, to make money. The difference is how you get to that goal. It's probably obvious even to you by now that the definition of a good program is a little different for everyone.

**You're probably right. But how do you actually know what clients want today in the midst of your busyness?**

I can't afford not to meet with them. I see many of them at conferences that we organise or coorganise.

But I've picked up a habit from my time in sales – I always stop by a few customers every month and talk to them. And to be clear, I don't just go in to make sales or handle complaints. I go talk to them to get to know their needs.

**Well, I thought hardly anybody went to conferences these days.**

You'd be surprised. We always get about 400 people at our biggest XXL conference, and it's a really diverse mix. You get people from business and the public sector meeting our people in one place. I personally love this conference because, while it's practical, it's also a great source of inspiration for us. The conferences for companies that deal with accounting are a bit different. There, we deal with practical things – we show the latest innovations and users tell us what else we could be doing.

**The gym and hard questions**

**What's the best client approach?**

That's a hard question.

**No it's not.**

Let me put it another way. It's always important to be honest and as open as possible. I know that hiding feelings or covering up problems doesn't pay. So to answer your question: honesty. I always try to lead by example. In my opinion, if you want something from others, you yourself should behave accordingly.

**Honesty is sometimes the shortest way to hell.**

Tell me about it. Well, wait, I'm gonna tweak the answer a little more – honesty and also the ability to listen. And it's important to be willing to find compromises and solutions that are ultimately good for both sides. Ugh.

**Was that the hardest question?**

Maybe not the hardest, but I didn't want it to come out differently. And hard? I go to the gym twice a week, so I'm used to heavy lifting.

**May I ask two more questions?**

If there are only two.

# Product portfolio

## Small Business

- Cloud-based invoicing programmes
- Cloud-based accounting programmes
- On-premise accounting programmes
- POS applications



1

## Medium-sized Business

- Cloud-based ERP systems
- On-premise ERP systems
- CRM systems
- Robotic process automation
- Machine learning and artificial intelligence
- Production management systems
- Logistics management systems

2

# Enterprise & Public

- Cloud-based ERP systems
- On-premise ERP systems
- Cyber security
- IT infrastructure
- CRM systems
- Data analytics
- Customised applications
- Systems for power traders
- Systems for automotive vendors
- Systems for credit and lease companies
- Low-code platforms



# Payroll & HR Systems

- Cloud-based payroll and HR systems
- On-premise payroll and HR systems
- HR outsourcing
- ERP systems for governments and NGOs

# Point of Sale

- POS applications for gastro, retail, and services
- POS systems for chains
- POS hardware
- Payment terminals
- Payment solutions



# Seyfor solutions for self-employed and small businesses

Software is going to play an increasingly more strategic role in the self-employed and small business segment. From being the necessary evil needed to submit an income tax return, it will transform itself into the role of a significant business facilitator. At the same time, the cloud as a method of software development, distribution, and application is changing the paradigm and established practices. It enables companies to utilise a new way of working with data, simplifies communication, and brings a competitive edge.

It is now beyond any doubt that cloud architecture will bring about a revolution in the field of software applications, similar to the launch of Microsoft Windows. Historically speaking, technology has shown itself capable of relieving human hands and performing certain tasks faster and better. To support administrative processes, work more effectively and support decision-making, information systems will quickly acquire the capabilities of new technologies such as machine learning, big data, and artificial intelligence.

Seyfor wants to be present when this happens and wants to be one of the market leaders of cloud invoicing and accounting software for the self-employed and small businesses. With iDoklad, Minimax and Money S3 products and services, we belong among the accounting software market leaders in the Czech Republic, Slovakia, and Slovenia, and we have a strong position in Balkan countries. Our software is used by hundreds of thousands of self-employed and small businesses. We benefit from high functionality combined with an agreeable user interface.

A significant part of our customers consists of accounting companies and their clients, very often cooperating in a hybrid regime when the customer uses one of our cloud solutions (iDoklad, Min-

imax), and a full accounting or even robust ERP software (Money, Vario, Byznys, Minimax, iCenter) is run on the part of the accounting office. Thanks to this, even the smallest clients are not only able to communicate online with their accountant, often through a mobile application, but also to have a constant online overview of their company. This also saves time for the accounting office, as copying original documents is no longer necessary in this regime.

## ELDAx MC

ELDAx MC cloud services are primarily designed for small businesses or users for whom the implementation of the eIDAS platform is too costly an investment or cannot ensure the necessary level of operation in their own environment.

## iDoklad

iDoklad is the most popular online invoicing service on the Czech market. This is evidenced by the 300,000 self-employed and small businesses that have opened an account to date. And while the real number of active users remains slightly lower, iDoklad is rightly considered to be the market leader in the segment. It is a progressive cloud service that has transformed itself into a modern business SaaS model since it began to charge fees for its use (1 June 2017). The service can be used in the free-  
mium mode, which allows free use with some limitations of functionality. iDoklad also offers three paid tariff options for users requiring more advanced features. To date, over 70,000 entities use iDoklad actively, with approx. 50% using one of the paid tariffs.

iDoklad accommodates its potential users in many areas. New users benefit from two free months to try out the full range of features to see

which of them they will actually use and decide on the right plan. In addition, each customer who purchases any of the paid tariffs has a 30-day period during which they can request a refund.

iDoklad makes life easier for entrepreneurs by automating tasks such as periodic invoicing, pairing incoming payments with bank transactions, automatic reminders, or linking to accounting office software. An equally important benefit is the clear and transparent record of documents and quick preparation of outputs for accounting, whether double-entry or tax records. iDoklad also simplifies the work of its users with a connection to the Profi Účtenka POS system application.

iDoklad's utility value is enhanced by a mobile application that is built on Xamarin technology and allows the user to perform the most necessary billing tasks wherever the internet is available. The mobile application is available for iOS and Android.

Use of communication with other API extensions is increasing. This enables the user to easily integrate the services they use into their own business ecosystem. For easier orientation in the range of accessories, iDoklad published a clear catalogue where interested parties can find all available extensions in one place.

iDoklad monitors market developments and the needs of its existing and potential users. Its growth is ensured by an experienced team of developers who understand the product down to the last detail. iDoklad works on the Microsoft Azure platform, which guarantees data security for users and offers opportunities for the future growth of the service.

### **Minimax**

Minimax is the leading online accounting software used by more than 12,000 users in Slovenia, Croatia, and Serbia. It runs in the cloud and allows entrepreneurs, accountants, and consultants to cooperate in one system regardless of the time and location.

Thanks to many easy-to-use, intuitive functions and strong accounting, Minimax is the perfect solution for small and medium-sized companies. Easy integration of third parties' applications removes manual data entry from CRM, POS and other solutions commonly used by small businesses.

Minimax is not only accounting software, but over time it has also become a community that helps build loyal business relationships through knowledge base and good-quality electronic books, articles, webinars, and events.

### **Money S3**

Money S3 is the second most used onpremise accounting software in the Czech Republic and has a similar position in Slovakia. The product's paid version is used by more than 23,000 companies. Its users include entrepreneurs, and small and medium-sized companies. Additional tens of thousands of entities use the free version, Money S3 Start.

Similarly to iDoklad, Money S3 can be used in freemium mode. The free version, Start, is not limited in time, has all the functions of the paid version and is always maintained in accordance with the currently valid legislation. This version's only limitation is in the maximum possible number of records: stock movements or journal entries. Paid sets then remove these quantitative restrictions, and their users also receive customer support, one of the pillars of their satisfaction.

The big advantage of Money S3 is its easy operation based on MS Outlook standards. Another advantage is the system's comprehensiveness. Its functions cover the needs of users with tax records and double entry bookkeeping, and contain accounts charts, bank and cash registers, closing operations, home banking, and financial statements. The system also offers functions necessary for keeping asset records, warehousing, order management, basic functions for payroll and human resources, logbooks, and servicing.

Another significant advantage of the system is its modularity. The optional module structure allows the system to adapt to the needs of users with completely different requirements. The modules can be combined into convenient packages and thus handle the more complex requirements of e-shop operators and brick-and-mortar retailers. In addition, customers can analyse their data and get a more complete view of their accounting or warehouse management.

# Seyfor solutions for medium-sized businesses

Companies look for ways to maintain their operations and competitiveness. They improve and accelerate their internal processes. This is the reason behind Seyfor's vision, not only in the segment of solutions for medium-sized companies: Seyfor wants to provide its customers with solutions which enable them to be at the cutting edge of data processing effectiveness and internal process control worldwide.

Software will play an increasingly strategic role in business. The cloud, a manner of developing, distributing, and using software, changes paradigms and established practices. It enables companies to utilise a new way of working with data, simplifies communication, and brings a competitive edge. Labour forms an increasing portion of companies' total costs, and this trend may be reversed by the automation of key business processes.

The rise of cloud services is now unstoppable. Companies and institutions are increasingly aware of their benefits and advantages. In particular, cloud services eliminate the necessity of investment in infrastructure and platforms, as well as their management and maintenance costs. Transparent costs, access anytime and anywhere, user-friendliness, and support for collaboration are also important advantages.

The long-term trend shows that cloud solutions are being adopted even in medium-sized companies: running ERP systems internally, i.e., on-premises, will be gradually replaced by using cloud-based applications on the infrastructure of software providers such as Seyfor. New and modern applications with an intuitive user interface enable companies to respond aggressively to market developments and customer preferences, and even to introduce new business models. Seyfor is adapting to this trend through its products, preparing the

transition to a fully cloud-based operation of ERP systems in the next few years. Our ambition is to set the direction in the development of ERP systems in the Czech and Slovak markets and beyond, to apply new procedures and technologies, and to include elements of AI and machine learning in the standard of our products.

Seyfor provides advanced and highly scalable ERP systems to companies for which tailor-made internal process solutions are the key requirement. It offers solutions for companies doing business in the trade and services segment (Money ERP, iCenter), as well as solutions for manufacturing and servicing companies (Vario, Byznys, iCenter) or transportation and forwarding companies (Prytanis). Seyfor also has a strong position in information systems for government and budgetary organisations (iCenter, Vema Ekos) in all regions.

More than a quarter of a century of experience in the development and implementation of ERP systems is yielding benefits today thanks to the exchange of knowhow across the entire Seyfor Group. The result is implementation satisfaction and measurable customer savings. We help our customers increase their growth and profitability through the automation of business processes. The full range of Seyfor's ERP portfolio is complemented by DMS, BI, RPA, and workflow solutions.

## Vario Portal

Vario Portal is an intuitive enterprise intranet system designed to record and organise internal and external company documentation. The system enables electronic document approvals and workflow activity management. It is integrated with Vario and Money ERP systems (as Money portal). The system is used by companies in the Czech Republic



and Slovakia, with Czech, Slovak and English versions of the software available.

Vario Portal provides safe storage of documents in an encrypted database, easy search, versioning, and authorisation-controlled access. It can be run in any internet browser without having to install client workstations; working with the system and approving documents is possible wherever internet access is available.

The system allows users to easily define the workflows of individual documents on a user level, and thus offers its users an efficient tool for approving documents. All workflow steps are confirmed by the authorised persons' electronic signature. As encrypted information, the electronic signature becomes an integral part of the signed document and remains in that document even if the signatory is no longer a user of the system.

Vario Portal can track who is to sign a document, notifies and reminds signatories, and can appoint a substitute for periods of absence. Each document can have a pre-set validity and an appointed individual responsible for its revision. In the document control management, the individuals responsible for approval and issuance, as well as for the entire distribution list, are linked to the documents.

Companies most often acquire Vario Portal to keep records in accordance with quality standards, to approve electronic documents, holidays, requests for repair or purchase of materials, and as a comprehensive corporate intranet. By integrating with Vario Portal, users of Vario and Money ERP systems can approve documents directly from their ERP systems. Customers appreciate the intuitive user interface, easy accessibility via web a browser, ability to connect to the company information system, and the security of data storage, which follows GDPR regulations.

### **Byznys**

Byznys is a robust ERP system for medium-sized and large companies with a wide range of available modules. The average cost of a new implementation is roughly CZK 3,000,000. The software is used by 1,000 customers in the Czech Republic and Slovakia. The Byznys business information system is a tool for the comprehensive management of companies that want to unify their business agenda with one tool. It offers solutions for monitoring, planning, and managing all key business processes at all

levels of enterprise architecture. The system variability allows solutions within individual modules or interconnection to other specialised systems.

The Byznys online web client enables full access to all ERP functionalities via any web browser. The Byznys unique data model solution and its implementation teams' experience allow Byznys to provide an extremely high level of customisation without the need for further programming. The result is a surprising system launch speed, even for very extensive implementations.

Given the range of modules offered and high variability in deployment, the Byznys system can meet the needs of organisations in various sectors; from trading companies to accounting and logistics transport companies, and to manufacturing companies operating in various areas. The system can find solutions both for companies that have extensive and specific functionality requirements, and for companies that have to process large volumes of data due to the nature of their operations. These companies can cut business costs by setting up automated workflows for key processes.

Byznys is an effective tool for production management in most sectors. Its comprehensive production control solution consists of a relatively easy-to-modify universal system that can be used to automate production control in a variety of industries, such as engineering, electrical engineering, paper, furniture, prefabricated construction, foundry, and more. The system is suitable for single and serial production and supports custom production. It provides transparency and automation in all production processes and integration with supporting activities (trade, construction, technology, and others).

Byznys is also a suitable tool for the construction sector and for the management of development projects. It covers a wide range of activities in the construction industry in the design, supply, and realisation of projects for companies from subcontractors up to developers.

Companies providing transport services use the Byznys system for planning and subsequent accounting of transport services. The Transport Byznys module is based on these companies' basic needs and offers them support tools aimed at optimising internal processes connected with order processing. The system offers many functions that address this area; from scheduling individual trips

according to a given assignment to comprehensive reporting within the company and its business partners.

Byznys ERP is a suitable tool not only for handling a company's own bookkeeping and related tasks, but also for bookkeeping in specialised accounting companies. Multiple companies can be processed under one access account.

### **ELDAx eIDAS SMART TRUST eELECTRONIC PLATFORM**

A robust modular tool for the comprehensive digitalisation of processes in accordance with the eIDAS regulation, it comprises several independent modules.

The platform has over 150 on-premises implementations. In addition, hundreds of customers use services from the cloud environment designated as ELDAx MC.

### **Services and platform modules**

**ELDAx LTA** functions as long-term trusted storage of electronic documents in accordance with the eIDAS regulation, Czech and EU legislation. The long-term storage has several regimes, including a records office in accordance with Act No. 499/2004 Coll. on the Archives and Records Management, and Regulation No. 259/2012 Coll., on Details of the Performance of the Records Management, and the national standard for electronic filing systems NSESSS. Thanks to its integration interface, it can be used as CAS storage, etc.

**ELDAx Q-Validation:** Electronic document validation service in accordance with the eIDAS regulation, Czech and EU legislation. The validation supports all CAdES, PAdES, XAdES and ASiC formats. Validation reports in a trusted format are the output of the validation, which is provided as a qualified service.

**ELDAx (Q)SS Sealing and Signing:** The function of sealing and signing electronic documents using a qualified seal or other levels of seals and signatures. It can be integrated with various types of cryptographic means, including QSCD equipment supporting work with qualified seals.

**ELDAx PORTAL:** A portal platform, including a smart form solution, designed for the implemen-

tation of robust portal solutions with support for external electronic identities, complete electronic submission, workflow, internal portal, CMS, with an interface for both authorised and unauthorised users, several integration connectors to state and local government systems.

### **iCenter**

iCenter is a high-performance ERP system designed for the efficient management of small- and medium-sized companies or public institutions. It is currently used by more than 15,000 customers in Slovenia, Croatia, and Serbia.

Customers of the iCenter system are guaranteed to be able to do their business more efficiently. The intelligent system gathers all important data, providing users with a complete overview of the business and detailed reports. In particular, it also offers a wide range of advanced functions in the warehouse management, business intelligence and document management area, enables process automation and simplifies report preparation for management.

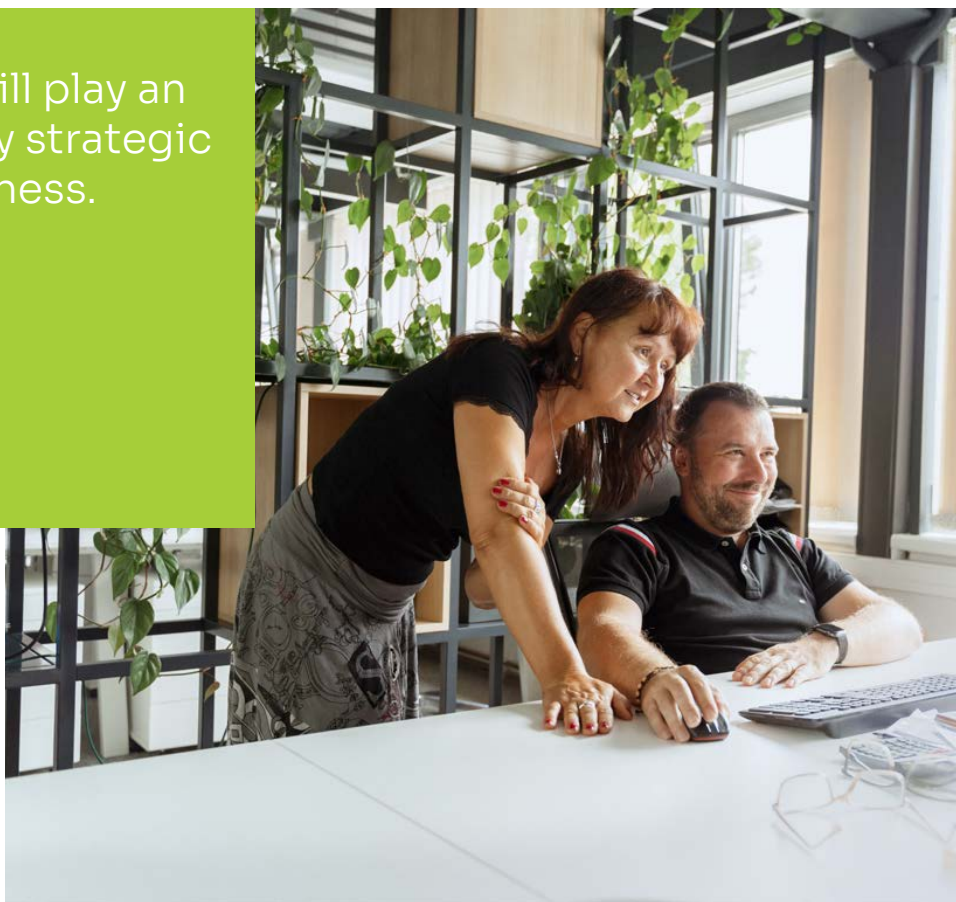
The development of the iCenter system is based not only on Saop's 35 years of experience, but also on user practice that is a key part of the extensive development process. Our goal is to improve iCenter using the latest development methods with special emphasis on user environment design. An innovated iCenter will continue in its mission of 'simplifying business for customers for many years to come.'

### **Money ERP (Money S4 a Money S5)**

Money S4 and Money S5 are advanced ERP systems based on state-of-the-art technologies, which are used by almost 1,000 companies on the Czech and Slovak markets, mainly from the SMB segment. They offer solutions to companies that want to fully master their internal processes and manage their resources efficiently. Money ERP systems are especially beneficial to businesses, as they provide the companies with sufficient functions for modern management.

Money S4 is an enterprise information system especially suitable for companies that appreciate a comprehensive ERP system at a bargain price. It offers tools for financials, cost and managerial accounting, supplier-customer relationship management, payment automation, trading via e-shop,

Software will play an increasingly strategic role in business.



workflow, wages, BI, logbooks, and property records. The accounting can be linked to other Company products, such as iDoklad or POS systems. The system has several functions that are part of the system core and additional functions can be purchased in the form of various functional modules. Some of the most interesting options include the cloud tool for management and the management of business documents – Money Portal, or the tool for data evaluation – Microsoft Power BI. If the user's company grows over the course of time and there is a need to customise some of the functions to its in-house processes, they may switch to Money S5 at any time by simply changing their licensing terms to take full advantage of a robust, fully customisable ERP system.

Money S5 is an ERP system that will be especially appreciated by companies with high demands for adaptability to their needs. Precision analysis of internal requirements and internal company processes precede the deployment of the system to the company.

Users may customise all system areas and tailor their business processes and management outputs or handle integration with other systems in the company. The software is designed for companies that work with hundreds of thousands of documents per year.

### Vario

Vario is an ERP system designed for comprehensive management of business agendas for small and medium-sized enterprises, including production management. It is used by over 1,700 customers in the Czech Republic. The typical price ranges from CZK 300,000 to 1,000,000.

The Vario system is designed for companies who want to manage everything efficiently and in one place and process the entire corporate agenda from the procurement and sale of goods, through production and service management, to accounting, payroll, and human resources. It provides clear access to all business and economic information and the ability to view their interactions with just a

few clicks of the mouse. The system is user-friendly ensures lower management costs and offers an efficient way to obtain information relevant to process and enterprise management. The option to select only the system modules the company needs for its business, along with a wide range of system scalability and specific customer solutions, ensures that Vario fully adapts to all business processes. In addition, the system follows the look and feel of Office, allowing users to work intuitively and efficiently in a familiar environment. At the same time, it maintains compatibility with international standards and data formats, and application interfaces respect the most commonly used standards.

Start-ups with fewer documents will take advantage of start-up categories that are cost-effective while maintaining comprehensive system functionality. The system then grows with the company; all the company must do is buy a higher license.

Businesses will appreciate an unlimited number of managed warehouses, supplier and customer price lists, and the ability to connect to any e-shop, dispatch solutions, or connect of payment terminals to a retail store; a simple yet full-value solution for retail counter sales.

Manufacturing companies will find support in Vario for variant-based and alternative production, change management solutions and non-compliance management. Planning, whether capacity or material, supports the efficiency of the production process and helps meet deadlines. With the support of other Vario modules, it is possible to plan the purchase and issue of material, or to ensure the delivery of a specific material for the given production implementation. The Shop Floor Management application, which is natively connected to Vario, allows work to be carried out directly from the production hall.

Vario also offers industry solutions for companies operating in the service field with a focus on service activities or equipment rental and delivers specific solutions for car service stations. All solutions enable the automation of processes and the regular inspection thereof, bookkeeping and audit tools, and management data evaluation. The number of recorded entities is not limited, a point which will be appreciated by corporations and accounting companies. Regular updates are available to ensure compliance of documents and accounting with current Czech and European legislation.

## Prytanis

The Prytanis information system meets all the requirements for modern information systems and is a solid basis for management and growth in successful transportation and forwarding companies. The typical price of the implementation is between CZK 500,000 and CZK 1,000,000.

The Prytanis comprehensive ERP information system has been on the market for almost 30 years and has been developed in accordance with current Czech and Slovak legislation. The system reflects not only the necessary requirements of legislation, but also modern trends in IT for customers in the field of transport, forwarding, logistics and car servicing.

Prytanis offers its users the following modules: Economics, Commerce, Human Resources and Wages, Freight Transport, Passenger Transport, Logistics, and Orders.

The Freight Transport module is a key module for transport and forwarding companies. It works on a common main numeric code list of all vehicles, which allows users to schedule individual vehicle maintenance, calculate road tax, lease instalments, or car insurance. The Freight Transport module is further divided into forwarding, freight transport, pick-up service, and vehicle data sheets. The Passenger Transport module contains all the functions for managing the comprehensive agenda associated with the operation of regular and non-scheduled passenger transport. The Logistics module (WMS – warehouse management system) allows companies to monitor and record the movement of goods, including returnable packaging, in a logistics warehouse, and to ensure all necessary administration. All movements can be controlled via online terminals, using barcode scanners. By connecting to the Forwarding module, it is possible to arrange for goods forwarding. The Orders module is intended for companies engaged in the servicing of all types of vehicles.

A separate functional part of the system is a strong reporting tool KYBOS allowing for easy and fast compilation of outputs for managers. It contains a set of tools for generating spreadsheets and data outputs.

IS Prytanis is currently used by thousands of satisfied users in the Czech Republic and Slovakia (Slovak version) who appreciate its openness, flexibility, and simple, well-arranged interface. Its

modular architecture allows for the creation of an information system specifically tailored to the needs of the organisation by selecting individual modules while maintaining certain minimum configurations. IS Prytanis can be linked with large accounting systems such as SAP, Dynamics NAV, and others, thus providing an opportunity for the complete utilisation of high-quality, industry-specific solutions for transport, forwarding and logistics even for large companies.

### Commander Services

As of November 2022, the Seyfor Group also includes Commander Services s.r.o., a Slovak company, whose product is strongly complementary to the existing Seyfor product portfolio.

Since its establishment in 2005, Commander Services s.r.o. has worked hard to become a leader in GPS vehicle monitoring on the Slovak market, with a share of over 30%. It is currently very successful in expanding to the Czech market, where it is continuously increasing its market share.

It provides and operates its own comprehensive CCC (Commander Control Car) solution, built on its unique know-how, cutting-edge vehicle hardware, and specific expertise in GPS vehicle monitoring and fleet management.

Services rendered also include a 24/7 information hotline and an extensive service and assembly network in Slovakia and the Czech Republic. Commander primarily serves corporate customers. Although the customer base mainly consists of business, construction, logistics and transportation companies, municipal technical services and road maintenance companies, private persons are not an exception either.

By the end of 2022, the number of buildings monitored in CCC exceeded 55,000.

The main products and services offered by the company include:

- GPS vehicle monitoring in real time, enabling customers to monitor vehicle location, speed, direction, current and average fuel consumption, refuelling, fuel decreases and other information.
- Automatic journey logbook, automatic refuelling reports.
- Securing vehicles or other movable objects from theft.

- Vehicle fleet management, including downloading truck tachographs, activity monitoring, route planning, cost optimisation, vehicle administration and servicing.
- Safety – solutions for road safety improvements, such as speed limits, including notifications, driver behaviour alerts, etc.
- Other services, such as fuel card provision, people movement monitoring solutions, monitoring of machinery, motorcycles or boats, and other specialised services.

### Vema Ekos

Vema Ekos is an economic system especially suitable for budgetary and contributory organisations. It is used by more than 1,200 clients, and its typical price ranges from CZK 10,000 to 250,000.

The information system offers a set of applications for processing a wide range of economic and logistics agendas. It is integrated ERP software that handles the complete agenda of organisations of all types and sizes and offers them reliable and comprehensive business management solutions. With evolution that has been ongoing for almost three decades, one of its main advantages is the continuous development of technologies, and the routine incorporation of ever-changing legislation.

Ekos offers a wide range of tools for financial, cost and managerial accounting, supplier/customer document solutions, cashless payments automation, and asset recording, including the use of bar codes.

In general, the system specialises in the non-commercial segment, especially in budgetary and contributory organisations. It therefore supports the specificities of this segment, such as the creation of all accounting and financial statements, direct communication with CSÚIS and IISSP systems, budget monitoring, and the handling of subsidies and grants under multi-source financing.

Conversion modules may also be used for a comprehensive solution, as they secure items such as electronic communication with banks, outputs required by the state administration, communication with asset or stock bar code readers, connection with the Tax Portal of the Czech Tax Administration for ERS, and communication with special data boxes for publishing orders in the Register of Contracts.



# Seyfor solutions for large customers and public sector

Seyfor is a traditional and reliable partner for large enterprises and the public sector. Our ambition is to develop our position as the preferred partner for solutions that further the continuous development of digital companies in the countries where we operate. In the eGovernment area, Seyfor focuses on supporting the performance of the state institutions' specific agendas.

## eGovernment

Our portfolio of solutions for government institutions includes systems for conducting administrative proceedings and processing electronic files, applications supporting compliance with legislative procedures and maintaining legal registers. Our key segment specialisations comprise customs duties, agriculture, and health care. In customs duties, we offer comprehensive process support and solutions for customs procedure automation. Our long-term customers include the General Directorate of Customs of the Czech Republic, and over the last decade grew to also include customs administrators in Serbia, Montenegro, and Finland. In agriculture, we provide agriculture registers, systems supporting the processing of applications for agriculture subsidies, and monitoring and information systems for the supervisory bodies of the Ministry of Agriculture, primarily in the Czech Republic, with an ambition to gradually penetrate other markets. For instance, we implemented a system for the identification and registration of animals in Azerbaijan. In healthcare, we offer systems for e-prescription of medicines, and newly also medical devices, information systems for health insurance companies, and Access Points – information systems for cross-border information exchange of health insurance and social security information.

TECHNISERV IT currently implements two big systems for eGov in the Czech Republic. Its other systems are in the service and support phase. Systems in the implementation phase are as follows:

- eSeL: eSbírka (eCollection) and eLegislativa (eLegislation), one of the biggest IT projects in modern history, where Asseco is the main supplier and TECHNISERV IT supplies the key part of the eLegislativa solution, providing complete support to all legislative processes in electronic form.
- ISRT: a criminal records information system recording all judicial decisions for individuals and legal entities, which can be connected to similar systems EU-wide, e.g., to the ECRIS module.

The following systems are in the service, development, and support phase: ISVR, the information system of public registers; the administration of the population register (ROB) and of the information register of rights and obligations (RPP).

All of these projects comprise the fundamental building blocks of eGovernment in the Czech Republic and are among TECHNISERV IT's major references.

## Customised software solutions

Seyfor helps public and private companies design, develop, modernise, and maintain software. As part of this strategy, the Company develops tailor-made software solutions and implements commercial products. Our software helps customers increase labour productivity and the rate of digitisation, automation, and in-house process integration. Seyfor then provides the services necessary to maintain and further develop the solution. As a result, our customers achieve greater efficiency and profitability.



### Collaboration with customers

Agile principles of development and close cooperation with customers are at the core of Seyfor's development of customised software solutions. With professional skills employing the latest technology, tools, and development methods, we strive to maximise the added value of our software. Many of our solutions have an impact on society as a whole and affect the competitiveness of businesses.

### Low-code platforms

We believe that in many cases, business process support can be completed very quickly and more efficiently than through conventional development. For this reason, we provide services on the OutSystems, Metada, Simplicité and Tabidoo platforms, the use of which allows us to cover a wide range of clients of all sizes. These platforms are more about modelling than development, and the product is literally created before the client's eyes. The solutions cover a wide variety of areas, such as CRM, application connectivity, risk and incident management, web portals, communications, and financial services. Low-code platforms are particularly suitable for supporting medium- and long-term IT strategies, as they allow users to avoid a wide portfolio of applications.

### Data analytics

Transforming companies into efficient datadriven organisations.

We provide solutions to support management decision-making processes for medium-sized and large businesses. We offer comprehensive services and products for data analytics, from strategic consultations to business requirements analysis, solution proposal, implementation, and training and support. Our solutions comprise all key areas of data analytics: data warehousing and data integration, business intelligence, advanced analytics and data visualisation, reporting portals, selfservice BI, master data management, applications for planning and forecasting, and data science.

### Infor

Infor is a world leader in creating software for deployment at industrial companies, building comprehensive cloud solutions for various segments of industry and efficiently using advanced technologies to provide extensive functionality, quality, user

friendly design and wide integration possibilities. Infor has 17,000 employees and offices in 47 countries worldwide. Infor solutions are used by over 65,000 companies worldwide.

Seyfor is exceptional in its long-term and deep knowledge of Infor ERP solutions, local legislation, and business processes and practices on the client side. We have one of the most stable and experienced Infor LN teams among Infor partners worldwide.

### Infor LN

Infor LN is a comprehensive ERP system designed for medium and large industrial enterprises with discrete production types; it allows for deployment in multi-company, multi-site, multi-currency, and multi-language regime. Infor LN has a long history and is still known on the Czech market under its original name, Baan. Infor LN is one of Infor's flagship products. Our portfolio is dominated by engineering companies, who mostly use Infor LN in the onpremise, licence model.

In the cloud environment, the product is a part of wider software solutions under the name Infor CloudSuite Industrial Enterprise, and industry-specific solutions Infor CloudSuite Automotive, Infor CloudSuite Aerospace and Defense, and Infor CloudSuite High-Tech and Electronics. Cloud-based versions of the solutions use AWS (Amazon Web Services) platform.

Seyfor is virtually the exclusive supplier of Infor LN solutions in the Czech and Slovak markets. Though some components originate abroad, in most cases we are the provider of Czech and Slovak localisations and related services. As for new customers, our current focus is on delivering solutions for engineering, automotive, aerospace and defence segments.

We are also developing our own application Seyfor Mobility for our customers, enabling automation of work with warehousing and production data.

### Infor Visual

Infor Visual is an ERP system designed for small- and medium-sized manufacturing companies with a discrete type of production.

The portfolio is dominated by engineering companies. Infor Visual has unique functionality in production planning and regulation based on



Our key segment specialisations comprise customs duties, agriculture, and health.

the theory of constraints. Customers in the Czech Republic mainly include local companies. We have been localising and implementing Infor Visual software for almost 20 years.

### **Infor OS**

Infor OS is an integration platform for an enterprise information system built on Infor products, with optional use of products from other vendors. It enables integration of individual parts of the information system without any complex programming, and expands the basic ERP functionalities with a wide range of tools, including workflow, DMS, mobile client, web-portal interface, etc.

### **Infor CPQ**

Infor CPQ is a top product and price configuration tool, enabling customers to adapt the required product maximally to their individual needs. Infor CPQ is an ideal tool for anyone offering their products or services to customers online or through authorised distributors who needs an automatic and seamless order transfer to the ERP of the production company.

### **Microsoft Dynamics 365**

Microsoft Dynamics 365 is a global company software by Microsoft including all tools for medium and large company management. Microsoft Dynamics 365 is a combination of CRM and ERP systems and other practical applications in both online and on-premises environments. Microsoft

Dynamics 365 consists of smart applications, each of which covers a specific group of business processes. The new customer-oriented model enables the creation of an information system according to the needs of specific customers. The platform routinely works with Office 365 and allows for integration with third-party solutions.

### **Dynamics 365 for Finance & Supply Chain Management**

Currently, the state-of-the-art Microsoft ERP platform available in an on-premise version and primarily advanced in a progressive online environment, i.e., in cloud. Seyfor uses it to implement robust solutions in the banking sector, in international and large companies with complex individual adjustment requirements. It offers strong vertical solution for professional services provision (project-oriented companies) in both production and retail. The platform is implemented on Microsoft – LCS Portal (Lifecycle Services) modern technologies, thus offering the maximum quality of required adjustments, implementation documentation for any customer changes, and the option for process review.

Thanks to a wide portfolio of Microsoft-certified partner solutions presented on a Microsoft partner portal (AppSource), it is possible to design effective solution for large customers with minimum demands to customer modifications, thus simplifying all subsequent system upgrades.

Microsoft Dynamics Finance & Supply Chain Management is a comprehensive information system for the management of medium and large organisations. By consolidating and standardising key business processes, the system helps increase productivity and competitiveness, providing an overview of all financial and accounting data and information on activities with customers, and simplifying basic HR administration. It also includes marketing support tools and many other functionalities for modern company management.

### **Dynamics 365 Business Central**

The online version of the highly successful Microsoft Dynamics NAV product has become part of the Microsoft Dynamics 365 cloud family under the name Microsoft Dynamics 365 Business Central. The application is also available for on-premise environment, namely for extensive and intensely

customised projects. In the Czech Republic and Slovakia, Seyfor implemented this application for more than 400 customers, becoming one of Microsoft's most significant partners in the region.

Microsoft Dynamics 365 Business Central is a comprehensive localised software ERP solution for medium sized organisation all-in-one, comprising company activities in logistics, finance, production, and HR, if required. It can be speedily implemented, and easily configured and used.

Microsoft Dynamics 365 Business Central attributes help managers to identify new profit opportunities and respond accordingly and quickly. At any moment, the system provides up-to-date information on the company so that business and financial information is always linked to all sales and marketing data. Microsoft Dynamics 365 Business Central helps to understand what the company figures mean, thus helping with business management. It also helps recognise new trends and identify new business opportunities. It is successfully deployed in an international environment.

### **Dynamics 365 for Sales**

Based on the original Microsoft Dynamics CRM product, this application is a tool for efficient business planning and management. It focuses on 360° customer insight, timely detection of business opportunities, bid creation, monitoring and evaluating sales volumes and sales team performance. Dynamics 365 for Sales CRM solutions improve the efficiency of business processes and help reduce operating costs. Customer relationship management provides the organisation with necessary information about each customer and helps automate business processes. CRM through Microsoft Dynamics 365 for Sales results in improving customer experience and increasing loyalty. Microsoft Dynamics 365 for Sales enables comprehensive customer relationship management, provides comprehensive CRM, tools, and functionalities necessary to maintain comprehensive overview from the first contact, through the contractual relationship and business activities, to after-sale services in all fundamental areas including sales, marketing, and services.

## The Dynamics 365 for Customer Service

The Dynamics 365 for Customer Service application focuses on agendas related to seamless and proactive customer service.

## Dynamics 365 for Field Service

This application is designed to manage field services such as maintenance, repairs, etc. It creates an information service for operators and field workers.

## Dynamics 365 for Project Service Automation

This is a supporting tool for creating, planning, and managing projects and maximising the project team's awareness of implementation status and progress.

## Dynamics 365 for Marketing

This is a marketing automation application that enables the creation of graphical email messages and online support for marketing incentives, as well as event management, and the creation and the administration of customer surveys.

## Dynamics 365 Talent

This application supports HR departments and recruitment agencies. It helps to select new employees and enables the complete management of a company's HR agenda. It also links to LinkedIn.

## Seyfor OneCore

The Seyfor OneCore family of products for Microsoft Dynamics 365 Business Central is designed as a comprehensive solution for companies providing financing. We can primarily service the following financial products: financing and operating leases, borrowings, loans, insurance, vehicle fleet management and more. Most importantly, it is our own product prepared as an extension to the Dynamics 365 Business Central system. The Seyfor OneCore product family comprises the following separate applications:

- **OneCore** – a robust core system for large lease and credit institutions covering the entire life cycle of a lease and loan contract with a customer.
- **OneCore Calculation Engine** – a cloud-based service/tool that can calculate an instalment amount, a payment schedule, and other finan-

Our customers achieve greater efficiency and profitability.

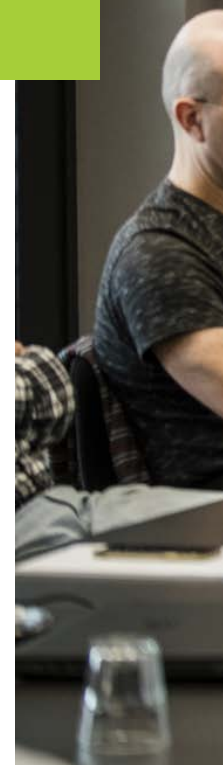
cial indicators for customers through a standardised API.

- **OneCore Business Portal** – a tool for the fast preparation of calculations/offers for FL, OPL and loans. It is our own web application.

## Seyfor Express Apps

Individual Express applications originated from the large Seyfor OneCore system and are meant for customers from the financial services and rental services segment. The applications are, again, built on Dynamics 365 Business Central, in the SaaS model. All applications have passed a complex Microsoft certification and are available on Microsoft Appsource, where customers may purchase them as an add-on to Dynamics 365 Business Central. These are:

- **Loans Express** – an application for companies providing loans.
- **Financial Leasing Express** – an application for companies providing finance leases.
- **Instalment Sales Express** – an application for companies providing 'buy now, pay later' services (instalment sales).
- **Funding Express** – an application covering a wide range of processes associated with credit tranches for bank financing and funding accounts for investment management.
- **Car Rental Express** – an application for companies renting cars of various makes.
- **Rental Express** – an application for companies renting various items.







### **Incadea**

Incadea.dms (Dealer Management system) is a product of our partner Incadea GmbH based on the Microsoft Dynamics NAV (now Business Central) platform and adjusted for the needs of car sales. This solution is international, flexible and can easily be adjusted to the requirements of each customer. Individual modules in the Incadea.dms system are interconnected in order to prevent duplication and reduce error rate, providing the dealership management with comprehensive financial information on their company operations.

### **D3Energy**

An information system for comprehensive customer service in the energy sector. The solution consists of separate modules, which are interconnected in terms of processes, and can thus form one unit in the energy environment. D3Energy can be implemented comprehensively in the proposed scope, or by separate modules: CRM, Pricing, Trading, Billing, Balance, Customer and Partner portals, Business Connector, Reporting.

### **FLEXI IT**

A key billing module of D3Energy focusing on energy traders, alternative suppliers and distributors. FLEXI IT supports processes associated with customer acquisition (CRM Utility), billing, communication with the market operator and subsequent communication with the customer through a web portal. FLEXI IT is a market leader among billing systems supporting the sale of electricity, gas, water, heat, CNG and recently also estations.

### **CRM Leonardo**

A CRM system intended primarily for large enterprises. In line with current trends, it is designed for work with large volumes of data and extensive communication with external systems through API interfaces to transfer business, financial or technical data. Its outputs are structured and optimized to preserve all information while making the displayed data meaningful, clear, and easy to read.

### **MLM Leonardo**

A CRM solution for multi-level marketing, which works with a business strategy based on direct sale, where the sale of products and services is provided by contractual distributors who have further resellers linked to them. Thanks to the process-sophisticated commission CRM system, a network of distributors is created with differently set incentive and remuneration systems. A part of the MLM system is also a CRM solution for field work on Smart devices.

### **Salesforce**

As a partner of this platform, which is the world's no. 1 in CRM, we service dozens of clients worldwide, across industries. This modern cloud-based technology is no longer limited to CRM, meaning that we can also support our customers in such areas as reporting, data analytics, HR management, and application integration. All while placing emphasis on using standard functionalities, within the out-of-the-box approach.

### **Microsoft 365**

M365 platform is now a standard for internal communication and process management. We guide our customers through the cloud transformation, starting with the initial environment analysis, solution design, project migration, and ending with an

adoption campaign, governance model, exit strategy, and tools to help users in using M365 applications. We have managed the migration of large banks, insurance companies, manufacturing companies, and public administration organisations.

The ever-growing trend of cloud environment moves our DMS, workflow, HR app, and Intranet portal solutions from the MS SharePoint on-premises platform into the Microsoft 365 cloud environment which offers expansion of the SharePoint functionalities in file management and information, adding communication tools for team cooperation and other application functionalities.

### **Cooperation support products**

Within Microsoft technologies and others, we are building Intranet portals, process applications, applications for document management and data-sharing with customers, knowledge bases, and other solutions. Our teams serve companies with customers in the lower hundreds, as well as large companies who see this platform as critical in cooperation.

We offer DMS 365, a ready-made solution DMS 365 for processing large numbers of documents such as invoices, contracts, correspondence, and the like. In addition, we also offer Řízená dolumentace 365, an application for managing policies and procedures, standards and similar document libraries, which provides for approval, publishing, revision of, and familiarization with, management documents in organizations.

### **Microsoft Azure**

Large customers transfer to the Microsoft Azure platform for several reasons, the first being the flexibility and scalability of this platform enabling customers to adapt its infrastructure to its changing needs speedily and effectively. Another important factor is the security provided by Microsoft Azure. The platform has a wide range of tools for data management and protection, which is crucial for large organisations with high demands on their data security. Microsoft Azure is also integrated with other tools and services from Microsoft, such as Office 365, which makes work easier and increases employee productivity. These are just some of the factors leading to the growing number of large customers transferring to the Microsoft Azure platform.



We have implemented one of the first large migrations of local datacentres to the MS Azure environment in Central and Eastern Europe. Apart from the technical aspects, we assist customers with analysis, preparation of the ROI, and the entire change-management of such a project, including the adoption campaign, using our experience and unique know-how.

### **Knowee**

Knowee is a modern learning management system (LMS) enabling quick, effective, and online employee learning. The heart of the solution is micro-learning – dividing the learning process into small units and short-term lessons. It runs completely in the MS Teams environment.

Knowee contains courses for working with M365 and cybersecurity. In addition to the courses already included, your own content can be easily downloaded to Knowee using an intuitive editor, including the option to insert videos and other multimedia. It is thus possible to have complete access to corporate learning in MS Teams.

The system contains clear reporting to allow for employee learning assessment. It also monitors which employee has covered which content.

### **Seyfor solutions for infrastructure**

The ICT infrastructure, i.e., the sum of information and communication technologies used by a company to ensure the smooth running of its IT, is one of the most important strategic resources of every business. Its quality is essential for collecting, analysing, and disseminating information across the organisation. The goal of Seyfor solutions is to deliver (or otherwise provide) and consequently maintain ICT infrastructure that is always reliable, accessible, and operable and to facilitate the seamless operation of all important applications.

Today, this does not involve just an on-premises solution. Cloud services are becoming more and more suitable for certain tasks, also allowing for simple scalability of performance while maintaining the above-mentioned basic characteristics of a properly designed ICT infrastructure.

Customers rely on us for projects of building data centres, deploying server technologies and building computer networks. We take pride in being not just a vendor, but a consultant who accompanies the customer throughout the life cycle of IT

infrastructure, i.e., from the analysis of the current state, through planning and implementation, to a long-term support.

Outsourcing contracts and contracts on the provision of IT infrastructure support are an integral part of our long-term cooperation with key customers. Our customers may use consulting teams, a non-stop hotline, permanent remote supervision of their IT operations, and advisers in operations financing.

### **Cybersecurity**

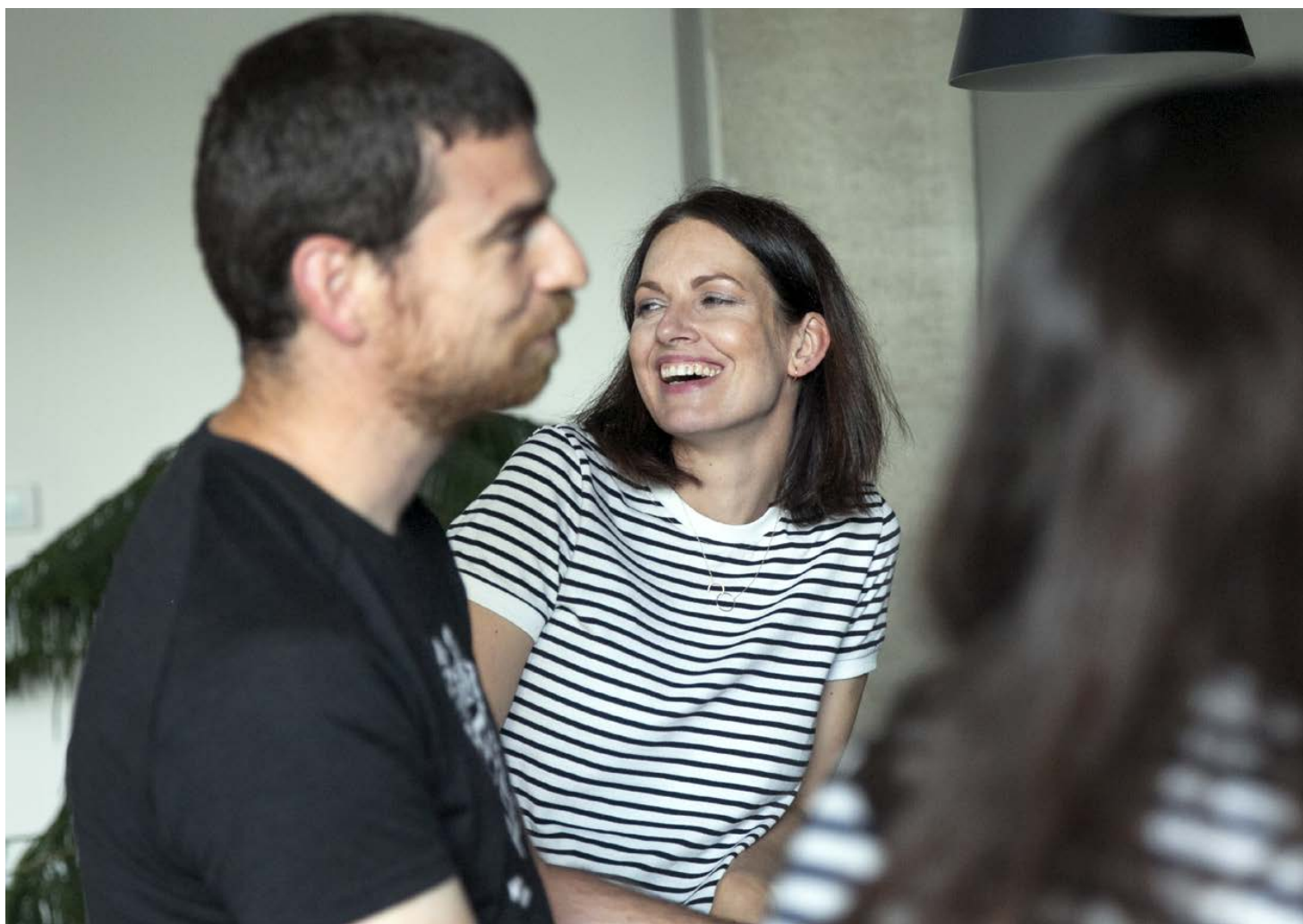
Cybersecurity has become increasingly important in recent years. The Cyber Security Act stipulates the rules for the public sector, but in the near future it will also impose obligations on the private sector. For our customers, we provide consulting services to assess the current state of security, including vulnerability tests in both on-premises and cloud environments, ensuring protection in network security, application security, access and identity management, and endpoint security. In the area of security incident detection, we provide SIEM (Security Information and Event Management) services and regular reporting. Subsequently, we help customers in designing corrective measures and optimising the setup of safety tools and measures.

# Seyfor solutions for HR management

Seyfor has a strong position in the Czech Republic and Slovakia in the supply of payroll and human resources management systems. Vema HR's capabilities cover both the needs of small corporate clients and non-profit organisations, as well as of large corporations and government. Measured in both sales and the number of employees receiving their salaries through IS Vema, we are clear leader on the market.

## Vema Cloud

The Vema V4 Cloud service has been operated by us since 2005. All products from the Vema family are architecturally tailored for both on-premises and cloud operations. From the point of view of product control both solutions are identical, and the customer can decide whether to use the products locally or use the Vema V4 Cloud services.



The Vema V4 Cloud service has nearly 1,700 customers in the Czech Republic and Slovakia. Cloud users come from a wide range of businesses, from the smallest with just a few employees, all the way to the largest with 8,500 employees.

### Vema

The Vema payroll and HR system is suitable for all organisation types and sizes in the Czech Republic and Slovakia, as it supports all valid versions of applicable payroll legislation. The system is currently used by over 7,500 clients, and the typical price ranges from CZK 20,000 to CZK 500 000.

The Vema payroll and HR management system offers a comprehensive solution to support human resource management processes. The system provides its users with a wide range of functionalities for payroll and human resources management, from the process of hiring new employees, through comprehensive employee training agendas, to regular employee evaluation. Everything is supported by several automated functions, such as tracking personnel events, online communication with authorities, and electronic approval within defined processes (workflow).

Great emphasis is placed on high system performance and maximum data security. For this reason, Vema uses its own proprietary database system that, in combination with an appropriately configured security model, meets the highest user requirements.

In addition to the core functionality, Vema delivers additional applications and modules from various areas of human resources management. Examples include attendance systems, benefits management, meal records, business trips, links to the insolvency register, shift planning, and performance records planning. The GDPR module is used to facilitate the fulfilment of requirements stipulated by the General Data Protection Regulation (GDPR). Highly automated interfaces to government systems are a significant part of the Vema systems, including e.g., eNeschopenka (e-sick note) and the sickness insurance register.

All applications of the Vema payroll and HR information system can be obtained for operation on the existing IT infrastructure by purchasing the right of use (license) with regular monthly payments over the entire period of using the products. The second option is to use the Vema Cloud services, in which all Vema products are also available. Many customers also use the outsourced payroll processing service.

The Vema product family expands every year with new modules reflecting current trends as well as the wishes of our customers. In the past fiscal year, these were mainly modules using the Vema web portal, which facilitate the payroll staff's communication with employees, circulation, and confirmation of documents, and significantly reduce the administrative burden associated with issuing certified documents and confirmations.

As part of a continuous product modernisation, emphasis has been placed on the development of a new web platform which will open new possibilities for using the entire family of products.

Great emphasis is placed on high system performance and maximum data security.

# Seyfor POS systems for gastro, retail and services

The world of restaurants, retail and services is changing with the digitisation of processes on the part of end-customers and of entrepreneurs and their supply chains. Retailers and service providers in the hotel, restaurant and catering industry need new tools to remain competitive and provide their customers with modern access to services or shopping. The pandemic has further increased the pressure for small enterprise digitisation. Automation and artificial intelligence working with online information gathered through data analysis enter the process. Market opportunities are also accelerated by legislative changes in the Czech Republic, Poland, Slovenia, Germany, and Slovakia. Seyfor's portfolio currently includes POS solutions for all customer sizes and verticals. The Company is the Czech market leader in POS solutions for SMEs and operates in Poland, Slovakia, Slovakia, Germany, and Slovenia.

## POS SOLUTIONS FOR MEDIUM AND LARGE CORPORATIONS AND CHAINS

### SmartPOS

SmartPOS is a robust and customisable POS system with a unique data replication system that makes it suitable for managing retail or food chains, and franchise retail concepts. The system is designed to be deployed in companies with hundreds of units of centrally controlled establishments while maintaining the full functionality of an offline point of sale, i.e., in the event of an internet connection outage.


The entire SmartPOS system is designed to be decentralised, with each branch containing the option of full-value coordination not only with the cash register, but also with the warehouse. In

addition, SmartPOS allows customer clubs to synchronise earned points and credits, as well as online customer validation.

An ecosystem of applications such as loyalty applications, booking, employee administration, and online orders stems from SmartPOS. In the course of 2019, self-service kiosks were also installed in live operation by customers, along with the linked order delivery systems. The Fruitissimo mobile application, which in addition to identifying customers at branches also allows personalised campaigns and discount vouchers to be sent directly to the customer's mobile phone, ranked high in the Food category in the Apple Store soon after its release.

### Cloud POS systems for SMEs

Cloud POS systems are modern "boxed" versions of POS platforms designed for small- and medium-sized businesses.



Automation is now entering the process and AI is working with information obtained through data analysis.



The systems are provided to clients as a recurring paid service in the SaaS model. Data is replicated to the cloud where it can be further processed to provide users with information about their business through reports and automated recommendations to streamline their business. Big data analysis also enables the provision of information services, marketing and market reports for manufacturers and wholesalers. The systems also facilitate integration with a wide range of third-party products through open APIs, thus moving into the role of a business digitisation platform for SMEs. A major opportunity for these systems is the development of fin-

tech services in connection with the acceptance of various payment instruments, such as credit cards, meal vouchers or closed mobile payment schemes. Their development will allow the self-employed and small and medium-sized businesses access into digitised credit services.

### Dotykačka

Over 11,000 paying clients in the Czech Republic and Poland currently use the Dotykačka solution, and over 75,000 users have already downloaded it on Google Play. The solution was created in 2014, and through a wide range of functions and servic-







The world of restaurants, retail, and services is changing thanks to digitisation.

es for individual verticals today represents a full-fledged POS system for the gastronomy segment, small retailers, and services.

Services are provided on a commitment-free subscription basis with three monthly tariffs, each differing from the others in features, integration options, and support service levels. The Dotykačka POS solution is implemented on the Android platform, either on the supplied hardware or with the option of using one's own device. The system replicates data to the cloud and may also be used offline without a stable internet connection. It offers the benefits of a cloud-based solution where data is stored in the cloud over the internet and POS can be set up centrally from anywhere via remote management. This includes uploading items into the system, managing stock, and adjusting the system from anywhere, as well as securing offline operation in case of an internet connection outage. The product is designed to be unpacked from the box and launched by anybody, without the need for a complex implementation. Users have long appreciated its reliability and ease of use. The Dotykačka application provides a large public API on its remote cloud management where several integrations are implemented, e.g., CCTV, and Uber Eats delivery service, among others.

### Markeeta

Markeeta is a state-of-the-art POS system built on a cloud-based platform and simple Android OS devices, providing entrepreneurs and small businesses with functionality previously reserved for complex and cost-intensive systems for just a fraction of the financial investment.

The Markeeta system was founded on 20 years of experience in the development and implementation of the SmartPOS system. It is characterised by features such as speed, ease of use, intuitive operation, and high data security. Experience with the operations of large chains has facilitated the creation of a fully digitised solution for certain verticals, such as press dealers, where EDI communication automatically retrieves documents, creates sales items (including prices), and suggests orders or remittances (returns of printed materials). Markeeta allows the entrepreneur to obtain a comprehensive overview of the business, including both sales and stock management.

A superstructure was built above the Markeeta system for the full-fledged handling of events such as concerts or festivals in the so-called cashless mode. Customers top up funds onto electronic identifiers (cards, bracelets, etc.), which are used to make cashless payments at all points of sale. The

festival operator thus obtains a detailed overview of the revenues of all locations and can accurately calculate turnover rates.

Markeeta has become one of the most widely used POS systems in the Czech Republic in the first two waves of the introduction of electronic reporting of sales (ERS) with ca. 10,000 active customers.

### **Dotypay**

Dotypay introduces payment solutions at POS terminals running on Android. In the first half of 2020, Dotypay successfully certified the Landi Android terminal for Visa and Mastercard payment cards, and apart from payment functions, also launched integration with the Dotykačka and Markeeta POS systems and the Profi Účtenka application.

Dotypay offers payment solutions within the Group as well as independently and to third parties. Its offer currently comprises the Landi A8 terminal and, in cooperation with Dotykačka and Smart Software, offers both standard sale and lease of the payment terminal. Under the auspices of the Czech Ministry of Industry and Trade and in cooperation with Mastercard and Visa, it offers discounted payment terminals for SMEs in the “Czech Republic pays by card” project. Dotypay is an Independent Sales Organisation (ISO) partner of SIA Central Europe and as such may offer its services on the Czech and Slovak market. In 2020 and 2021, the company plans to build its customer portfolio in the Czech Republic and Slovakia, expand into Poland and Germany, and offer new terminals.

### **Besteron**

Besteron is an internet payment gateway for payments by card or by bank button. It offers a comprehensive payment solution online card payment with the possibility to accept payments from all over the work or online bank transfer from Slovak and Czech banks.

### **Tapeon**

Tapeon is a brand name of POS terminals for outlets, retail networks, self-service kiosks, and e-shops. It operates in the market as an official ISO certified partner of Visa a Mastercard.

## **MULTI-PLATFORM ERS APPLICATIONS FOR MOBILE DEVICES**

### **Profi Účtenka**

Multiplatform POS application for iOS, Android and Windows with 20,000 downloads is available for free from the Apple Store, Google Play and the Microsoft Store.

The application was launched by Seyfor in response to the Act on Electronic Reporting of Sales, which came into effect in the Czech Republic in November 2016. It allows a simple issuance of a receipt and its automatic forwarding (individually or in batches) to the tax administration’s server. It supports printing receipts on WiFi or bluetooth printers as well as sending them via email or social networks. Monetisation is indirect; it is possible to use iDoklad for archiving issued receipts.

The application has basic cash register functionality. It allows users to create returns and work with price lists, discounts, and addresses. The app boasts user-friendly operation and an attractive user interface, both of which make it one of the most popular POS mobile applications in the Czech Republic. Support for the visually impaired was also taken into account during development, with voice-over functions to make reading the application easier.

We serve  
customers  
in **38**  
countries.



**Our solutions are used by companies  
all over the world.**

Australia	Germany	Romania
Austria	Hungary	Serbia
Azerbaijan	India	Singapore
Belgium	Ireland	Slovakia
Bulgaria	Italy	Slovenia
Canada	Japan	South African Republic
Chile	Maldives	Spain
China	Mexico	Sweden
Croatia	Montenegro	Switzerland
Czech Republic	Netherlands	UAE
Finland	New Zealand	United Kingdom
France	Poland	USA
Georgia	Portugal	



# Board of directors



**Martin Cígler**  
**Chairman of the Board &  
Chief Executive Officer**

Martin founded CÍGLER SOFTWARE in January 1990. Under his leadership, the company became one of the most respected and innovative manufacturers of information systems in the Czech Republic and Slovakia. In 2013, he founded the Solitea holding group and has participated in all subsequent acquisitions. Under his leadership, the Company has reached a turnover of almost CZK 2 billion. In June 2020, he led the Czech and Slovak companies to a merger, making Solitea one of the biggest regional software producers. In 2007, Martin was awarded Czech IT Person of the Year. In 2019, he received an award from the Faculty of Information Technologies of Brno Technical University for the development of information technologies in the Czech Republic. In 2020, he received the Manager in the Digital Age award from the Czech Management Association. And in 2021, he was a finalist in the EY Entrepreneur of The Year competition.



**Michal Rybovič**  
**Vice-Chairman**

Michal takes advantage of M&A managerial experience gained as a partner in Sandberg Capital. He participated in Solitea's founding and in all major acquisitions. He is also involved in all decisions that affect the holding group's financial results.



**Petr Franc**  
**Executive Director, Enterprise  
& Public, Member of the Board  
of Directors**

Petr is a manager with more than twenty years of experience in ICT. Since 2002 he has been with Solitea Business Solutions (formerly AQUASOFT). Nowadays, he is responsible for defining and meeting key strategic goals in the preparation of solutions for large enterprises and the public sector.



### **Tomáš Loukota**

**Executive Director, Small Business, Member of the Board of Directors**

Tomáš started his career in technical support, working his way up to the position of sales director and then later executive director. He stood behind the successful market launch of the new Money S5 ERP system and the monetisation of iDoklad. He has been promoting a pro-customer approach in Solitea.



### **Martin Kudrna**

**Executive Director, Medium-sized Business, Member of the Board of Directors**

Martin gained professional experience during almost twenty years outside the Czech Republic, both in Europe and overseas. After returning to his native country, he began to work in the Czech IT business sphere. In Seyfor, he is responsible for the strategic development of the solution segment for medium-sized businesses.



### **Jan Tomíšek**

**Executive Director, Payroll & Human Resources, Member of the Board of Directors**

Jan took advantage of the tech experience he gained at the Department of Computer Science of Brno Technical University, and in 1995 became co-founder and director of Vema Computers and Systems. From 2000, he served as director of the Services Division, and in 2006 was behind Vema's expansion into the cloud world. He has capitalised on his vast experience, and since 2016 has focused on strengthening the Company's position on the Czech and Slovak markets as its CEO.

# **We are ready to find a solution.**

---



# Supervisory board



**Michal Máčel**

**Chairman of the Supervisory Board**

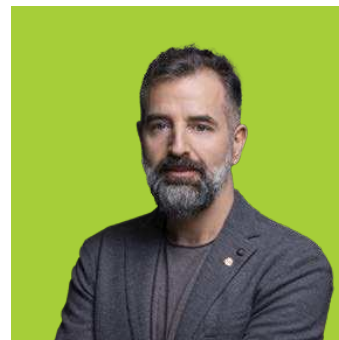
In July 1990, Michal co-founded Vema, which under his leadership became the Czech market leader in personnel/HR information systems.



**Táňa Šuláková**

**Member of the Supervisory Board**

Táňa is a graduate of theatre management at the Theatre Faculty of Janáček Academy of Performing Arts. During her studies she focused on marketing, which she has been engaged in throughout her professional career. She worked for 3 years in the Brno branch of the Ogilvy advertising agency, from which she then moved to Solitea as a marketing specialist and currently leads the marketing content team.



**Milan Smutný**

**Member of the Supervisory Board**

Milan has more than eighteen years of experience in top management positions, including ten years as the finance director of Seznam. Before joining Solitea, he was also involved in the management of software projects, including the payroll and HR system Nugget. Since 2020, he has been in charge of the financial agenda of the entire Seyfor group.

## We are comprehensible the whole world over.

---



# Top management



**Boris Bělousov**  
**Chief Information Officer**

In 1994, Boris founded PVT.net, an internet service provider where he later held the position of product manager. He then served as a member of the executive committee at NIX.CZ, led a technical group in GEMMA Systems, and managed Dynamica (now Solitea Dynamica) until 2018. He has been with Seyfor since 2019, serving as its CIO.



**Miroslav Říha**  
**Internal Services Director**

Miroslav started his career as a head of software development for engineering, and later co-founded today's Byznys Software. There, he created product strategy and headed development, always promoting a pro-user approach. He has been with Seyfor since 2017, focusing, among other things on synergies of the holding's ERP systems.



### **Milan Smutný**

**Group Chief Financial Officer**

Milan has more than eighteen years of experience in top management positions, including ten years as the finance director of Seznam. Before joining Solitea, he was also involved in the management of software projects, including the payroll and HR system Nugget. Since 2020, he has been in charge of the financial agenda of the entire Seyfor group.



### **Daniel Šturm**

**Chief Marketing Officer**

Daniel has 25+ years of experience in the management of B2B and B2C sales and marketing. In the past, he worked at Česká spořitelna, Home Credit, and AAA Auto. At Seyfor, he has launched the rebranding and centralisation of individual sub-brands, finding ways to maximize the strength of the common brand.

# **We have shifted our business.**



# Report of the Board of Directors on the Company's business activities and the state of its assets

The 2022 financial year (1 January 2022 to 31 December 2022) was yet another strong year for the Seyfor group. Organic growth was again supported by acquisition growth: major projects completed during 2022 included the acquisitions of PROVIS, TECHNISERV IT, Vasco (Slovenia), Commander Services (Slovakia, Czech Republic), and during 2023 companies from the gesteem society group (Czech Republic, Slovakia, Netherlands). During 2022, the reverse merger of D3Soft and AW Solutions was also completed as of 1 January 2022.

At the same time, Solitea rebranded itself as Seyfor effective upon entry in the Commercial Register as of 1 December 2022.

The Group generated a turnover of CZK 3.05 billion for 2022, which is a 30% increase compared to 2021. EBITDA grew by 61% to CZK 412.13 million. The comparative base for 2021 is the adjusted 12-month period of the extended 2021 financial year. These excellent results are not only due to the acquisition growth, but also largely to Seyfor's organic growth, increasingly driven by cloud services in line with its strategic concept.

## Human resources

The Seyfor Group companies apply varying solutions to human resource management. Differ-

ences are mainly caused by a company's territory, local legislation, and the applied HR system. As employee and contractor costs comprise the largest part of Seyfor's overall costs, our priority is to be one of the best employers on the market, and thus not only attract new talents, but also to have a lower rate of business than the market average. Judging by the results of an employee satisfaction survey conducted anonymously by an independent agency, we managed to successfully meet this goal. In 2022, our payroll department was successfully integrated under the Finance department. Heightened emphasis is placed on the stabilisation and retention of employees with key know-how, as well as promoting a performance-oriented yet friendly and creative atmosphere. Individual teams are heavily immersed in the products they work on, and through their loyalty to both customers and colleagues naturally contribute to building Seyfor's reputation as a reliable business partner and employer. At the beginning 2022, we abandoned the strictly central management of the HR department. Today, Seyfor's individual divisions have their own HR department, as the individual divisions differ considerably in their products, services, and size of customers served. Nonetheless, the divisions cooperate closely with each other, and some



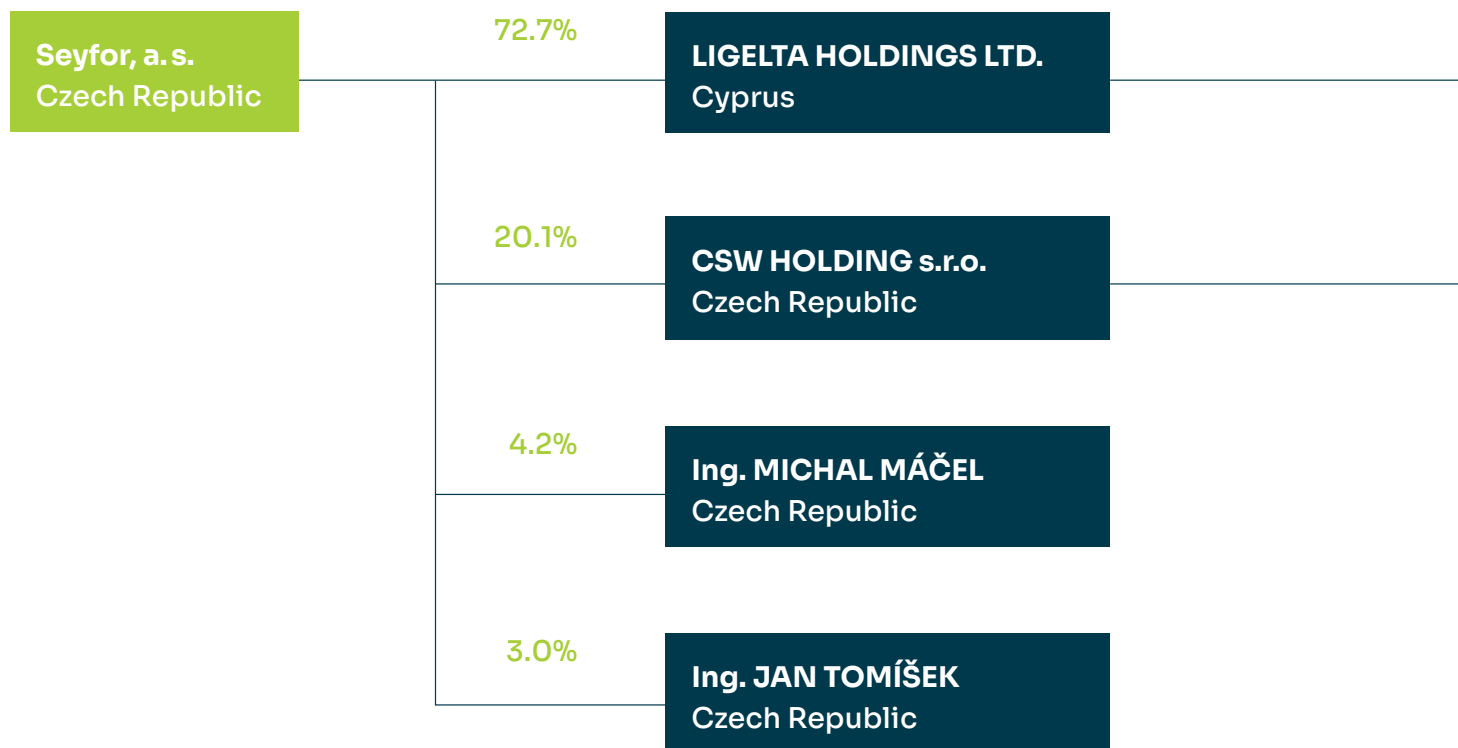
partial agendas continue to be dealt with centrally. The key roles are HR business partners providing support to line managers and covering specific company-wide processes, HR specialists in charge of personnel and payroll agenda, and recruitment specialists focusing on the IT labour market. We continue to develop the Vema HR system, with one of the largest projects being the development of iPON, an application for planning wages.

The Seyfor brand prepares us for the conquest of Europe.



# Seyfor ownership structure

State as of 31 May 2023





100%

**SANDBERG INVESTMENT FUND SICAV PLC**  
Malta

100%

**MARTIN CÍGLER**  
Czech Republic

Seyfor is not a publicly traded company. It is owned by Czech and Slovak individuals, either directly or indirectly.

#### **LIGELTA HOLDINGS LTD**

with its registered office at 1061 Nicosia, Klimentos, 41-43, Klimentos Tower, 2nd floor, Office 24C, Republic of Cyprus, holding a 72.7% stake. LIGELTA HOLDINGS Ltd is fully owned by Sandberg Investment Fund SICAV PLC, with its registered office on Brewery Street, Suite 2, Level 3, TG Complex, Imriehel, Birkirkara, BKR 3000, Republic of Malta. Sandberg Investment Fund SICAV PL is managed by Sandberg Capital, správ. spol., a.s., a Slovak management company with registered office at Dvořákovo nábřeží 8, Bratislava 811 02, Slovakia, with permission from the National Bank of Slovakia to create and manage domestic and for-

eign alternative investment funds. Sandberg Capital's portfolio currently includes investments in IT, agriculture, telecommunications, education, and retail. The value of its assets under management exceeds EUR 340 million.

#### **CSW Holding s.r.o.**

with its registered office at Drobného 555/49, 602 00 Brno, Czech Republic, holding a 20.1% stake. CSW Holding is an investment company fully owned by Martin Cíglér, former owner of CÍGLER SOFTWARE and founder and CEO of Seyfor (for more information, please see the chapter on Seyfor's management). Apart from investing in the IT sector, the holding company also invests in real property via its subsidiary, Office Buildings s.r.o.

# Acquisition history

Acquisitions and other transactions conducted as of 31 December 2022:

## 2013

- **Altus software s. r. o.** (CZ)
- **CÍGLER SOFTWARE, a. s.** (CZ)
  - CÍGLER SOFTWARE, a. s. (SK)
  - CÍGLER SOFTWARE – IPL, s. r. o. (CZ)
  - CÍGLER SOFTWARE West, s. r. o. (CZ)

## 2014

- **AQUASOFT spol. s r.o.** (CZ)
- **Vema, a. s.** (CZ)
  - Vema, s. r. o. (SK)

## 2015

- **JET ERP Betriebsgesellschaft mbH** (AT)
- **J.K.R. spol. s r.o.** (CZ)

## 2016

- **Saop d. o. o.** (SI)
  - Saop d. o. o. (HR)
  - Saop d. o. o. (RS)

## 2017

- **CDL SYSTEM a. s.** (CZ)
  - **CDL SYSTEM, s. r. o.** (SK)

## 2018

- **Allieto, s. r. o.** (CZ)
- **BI Experts, s. r. o.** (CZ)
- **GEMMA Systems, spol. s r.o.** (CZ)
  - GEMMA SYSTEMS, s. r. o. (SK)
- **Dynamica, a. s.** (CZ)

# 2019

- **Billans, d. o. o.**  
(only asset purchases, today part of Saop d. o. o.) (RS)
- **Clever Decision, spol. s r. o.** (CZ)
- **Dotykačka Holding a. s.** (CZ, 58 %)
  - Dotykačka Polska Sp. z o. o. (PL)
  - DotyPOS DE GmbH (DE)
  - Dotypos Analytics s. r. o. (CZ)
  - Smart software s. r. o. (CZ)
- **MIT Informatika, d. o. o.** (SI)
- **WBI, s. r. o.** (SK)
  - **WBI Solutions s. r. o.** (CZ)

# 2020

- **AXIOM PROVIS Int., s. r. o.** (CZ)
  - AXIOM Praha spol. s r. o. (CZ)
  - AXIOM Bratislava, s. r. o. (SK)
  - PROVIS s. r. o. (CZ, 35 %)
- **Opal Informatika, d. o. o.** (SI)

# 2021

- **AW Solutions s. r. o.** (CZ)
- **Skupina D3Soft**
  - D3Soft BIG, SE (CZ)
  - D3Soft Future s. r. o. (CZ)
  - D3Soft s. r. o. (CZ)
  - D3Soft s. r. o. (SK)
- **Prytanis a. s.** (CZ)
- **Powerstream, a. s.** (CZ)
  - **Mainstream Technologies, s. r. o.** (CZ)
- **Pay Solutions, a. s.** (SK, 64 %)
- merger of **MIT Informatika, d. o. o.**, (SI) and **Opal Informatika, d. o. o.**, (SI) into **Saop d. o. o.** (SI)
- sale of **JET ERP Betriebsgesellschaft mbH** (AT)
- **Besteron a. s.** (SK)

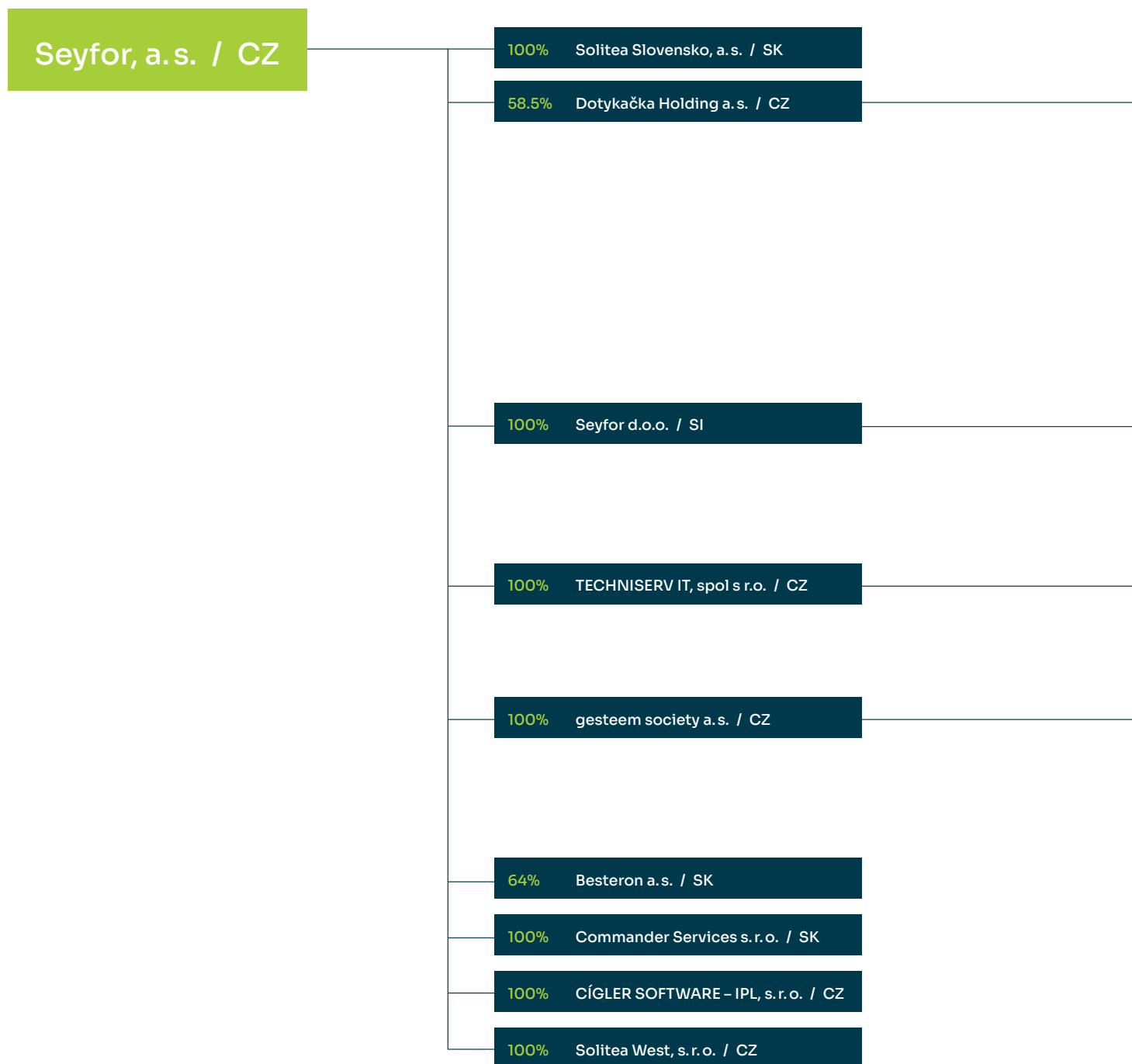
# 2022

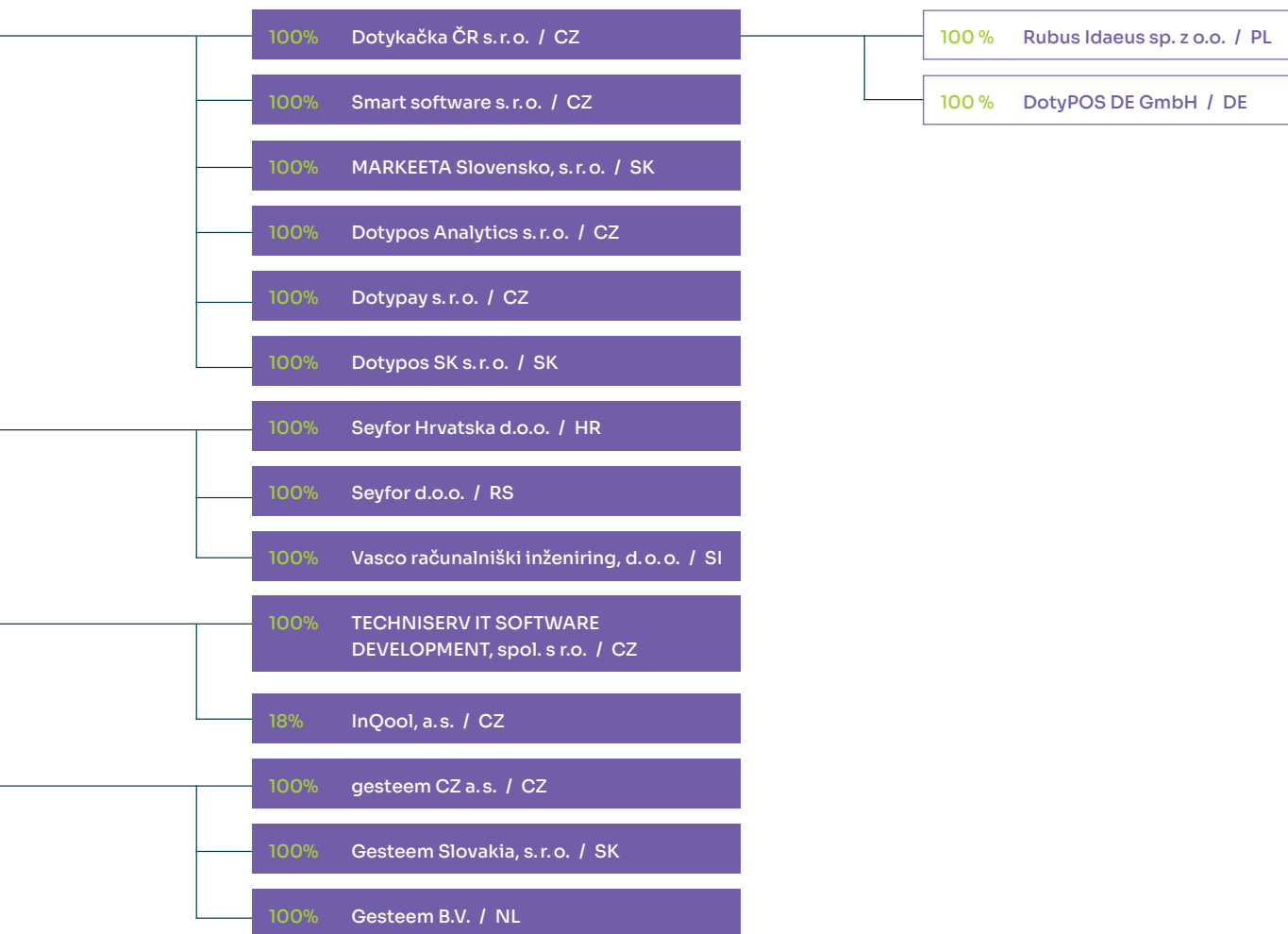
- **PROVIS s. r. o.** (CZ, acquisition of an additional 65 %)
- **TECHNISERV IT, spol. s r. o.** (CZ)
  - **TECHNISERV IT SOFTWARE DEVELOPMENT, spol. s r. o.** (CZ)
  - **InQool, a. s.** (CZ, 18 %)
- **Vasco počítačový inženýring d. o. o.** (SI)
- **Commander Services s. r. o.** (SK)
- merger **D3Soft BIG, SE**, (CZ), **D3Soft Future s. r. o.** (CZ), **D3Soft s. r. o.** (CZ) and **AW Solutions s. r. o.** (CZ) into **Seyfor, a. s.** (CZ)
- sale of **D3Soft s. r. o.** (SK)



# Global structure of Seyfor

State as of 31 May 2023





# Other information

## Other information

The Company complies with all applicable legal requirements of the Czech Republic and internal regulations concerning health and environmental protection and occupational safety.

In the area of labour relations, the Company proceeds in accordance with labour legislation and its internal rules.

The Group complies with all requirements arising from the applicable legislation of the respective countries and the Company's internal rules on health, environment, and occupational safety management.

In the area of labour relations, the Group proceeds in accordance with the locally applicable labour legislation and internal rules of the individual companies and the Group.

The Company does not have any branch or other part of a business establishment abroad.

## Subsequent events

On 26 September 2022, the Company approved the merger by acquisition project of Powerstream, a.s., Mainstream Technologies, s.r.o., Prytanis a.s., and PROVIS s.r.o. The successor company will be Seyfor, a.s. The merger by acquisition will come into effect as of 1 January 2023.

Successor company:

- Seyfor, a.s., corporate ID: 01572377, with its registered office at Drobného 555/49, Brno

Dissolving companies:

- Powerstream, a.s., corporate ID: 28479637, with its registered office at Hvězdova 1734/2c, Nusle, 140 00 Prague 4
- Mainstream Technologies, s.r.o., corporate ID: 27404978, with its registered office at Na strži 2097/63, Krč, 140 00 Prague 4
- Prytanis, a.s., corporate ID: 08942625, with its registered office at Jundrovská 618/31, Komín, 624 00 Brno

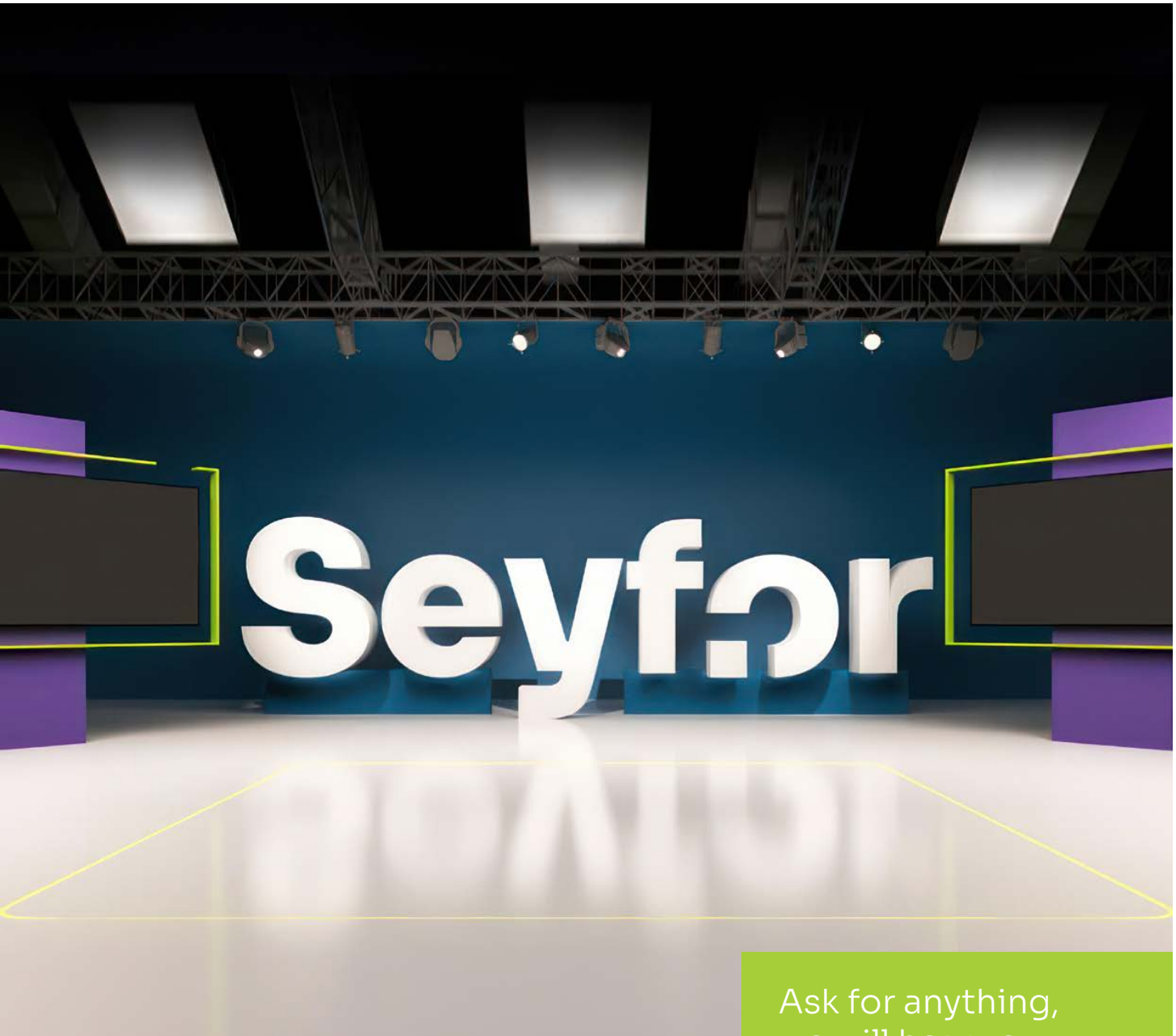
- PROVIS s.r.o., corporate ID: 45195129, with its registered office at Jiráskova 1127, 755 01 Vsetín

On 1 January 2023, Seyfor, a.s. increased its registered capital by CZK 1 million through issuing 1,000 new shares maintaining the ratio between existing owners of the Company. The registered capital was increased as part of the forward merger of Powerstream, Mainstream, Prytanis, and PROVIS from the registered capital of these dissolving companies. The rest of the Group did not acquire their own shares or interests during the reporting period.

On 3 January 2023, the Company became a 100% owner of gesteem society a.s., which owns 100% of Gesteem CZ a.s., Gesteem Slovakia, s.r.o., and Gesteem B.V.

The Company's management has assessed the impact of the military conflict in Ukraine and concluded that no significant risks follow from this conflict for the Company.

The Group's management is not aware of any other events that have occurred since the balance sheet date that would have any material impact on the consolidated or individual financial statements as of 31 December 2022.



Ask for anything,  
we will hear you.

Just sey it,  
we are listening.

**</Charisma vanishes if  
{ your } code \_doesn't run >**

# Financial part

## Content

<b>Consolidated Financial statements</b>	<b>114</b>
<b>Consolidated Balance sheet</b>	<b>114</b>
<b>Consolidated Income statement</b>	<b>118</b>
<b>Consolidated Cash flow statement</b>	<b>120</b>
<b>Consolidated Statement of changes in equity</b>	<b>121</b>
<b>Notes to Consolidated Financial statements</b>	<b>122</b>
<b>Individual Financial statements</b>	<b>146</b>
<b>Balance sheet</b>	<b>146</b>
<b>Income statement</b>	<b>150</b>
<b>Cash flow statement</b>	<b>152</b>
<b>Statement of changes in equity</b>	<b>154</b>
<b>Notes to Financial statements</b>	<b>155</b>
<b>Report on relations between the controlling and controlled entities and between the othe related entities</b>	<b>176</b>



# Consolidated Balance sheet

Consolidated Balance sheet in full format  
as of 31 December 2022 (in thousands of Czech crowns)  
Translated from the Czech original

Name and registr. office  
of the Company: Seyfor, a.s.  
Drobného 555/49, Ponava  
602 00 Brno, Czech Republic  
Identification number: 015 72 377

## ASSETS

Ident.	ASSETS	line	Current period	Prior period
			Net	Net
a	b	c	1	2
	<b>TOTAL ASSETS</b>	001	4,469,385	2,951,642
<b>B.</b>	<b>Fixed assets</b>	003	3,037,491	1,838,651
B.I.	Intangible fixed assets	004	276,097	140,425
B.I.2.	Intellectual property rights	006	107,646	56,392
B.I.2.1.	Software	007	99,164	53,440
B.I.2.2.	Other intellectual property rights	008	8,482	2,952
B.I.3.	Goodwill	009	1,844	77
B.I.4.	Other intangible fixed assets	010	4,186	35
B.I.5.	Advance payments for intangible fixed assets and intangible fixed assets under construction	011	162,421	83,920
B.I.5.1.	Advance payments for intangible fixed assets	012	2,408	1
B.I.5.2.	Intangible fixed assets under construction	013	160,013	83,919
B.II.	Tangible fixed assets	014	190,177	163,011
B.II.1.	Land and buildings	015	17,522	7,165
B.II.1.1.	Land	016	809	1,022
B.II.1.2.	Buildings	017	16,712	6,143
B.II.2.	Plant and equipment	018	128,951	105,491
B.II.3.	Adjustments to acquired fixed assets	019	34,179	37,719
B.II.4.	Other tangible fixed assets	020	4,039	4,752
B.II.4.3.	Other tangible fixed assets	023	4,039	4,752
B.II.5.	Advance payments for tangible fixed assets and tangible fixed assets under construction	024	5,486	7,884
B.II.5.1.	Advance payments for tangible fixed assets	025	82	166
B.II.5.2.	Tangible fixed assets under construction	026	5,404	7,718
B.III.	Long-term investments	027	376,220	83,700
B.III.1.	Equity investments - group undertakings	028	5,177	56,888
B.III.2.	Loans - group undertakings	029	344,759	3,600
B.III.3.	Equity investments - associated companies	030	0	1,380
B.III.5.	Other long-term securities and equity investments	032	1,947	400
B.III.6.	Loans - other	033	23,828	21,432
B.III.7.	Other long-term investments	034	509	0
B.III.7.1.	Other long-term investments	035	509	0
B.IV.	Consolidation difference	037	2,194,997	1,451,515
B.IV.1.	Positive consolidation difference	038	2,198,311	1,455,596
B.IV.2.	Negative consolidation difference	039	-3,314	-4,081

**Consolidated Balance sheet in full format**  
**as of 31 December 2022 (in thousands of Czech crowns)**  
**Translated from the Czech original**

**Name and registr. office**  
**of the Company: Seyfor, a. s.**  
Drobného 555/49, Ponava  
602 00 Brno, Czech Republic  
Identification number: 015 72 377

**ASSETS**

Ident.	ASSETS	line	Current period	Prior period
			Net	Net
a	b	c	1	2
<b>C.</b>	<b>Current assets</b>	042	1,311,603	1,036,592
C.I.	Inventories	043	211,169	112,067
C.I.1.	Raw materials	044	18,570	245
C.I.2.	Work-in-progress and semi-finished products	045	137,579	41,571
C.I.3.	Finished goods and goods for resale	046	54,119	69,646
C.I.3.2.	Goods for resale	048	54,119	69,646
C.I.5.	Advance payments for inventories	050	901	605
C.II.	Receivables	051	562,964	352,346
C.II.1.	Long-term receivables	052	13,566	16,450
C.II.1.1.	Trade receivables	053	5,379	3,583
C.II.1.2.	Receivables - group undertakings	054	0	0
C.II.1.4.	Deferred tax asset	056	4,238	2,618
C.II.1.5.	Receivables - other	057	3,949	10,248
C.II.1.5.2.	Long-term advances paid	059	3,949	3,447
C.II.1.5.4.	Other receivables	061	0	6,801
C.II.2.	Short-term receivables	062	549,398	335,896
C.II.2.1.	Trade receivables	063	477,628	304,250
C.II.2.2.	Receivables - group undertakings	064	0	0
C.II.2.4.	Receivables - other	066	71,770	31,646
C.II.2.4.3.	Tax receivables	069	16,682	11,464
C.II.2.4.4.	Short-term advances paid	070	5,649	8,336
C.II.2.4.5.	Estimated receivables	071	9,819	5,825
C.II.2.4.6.	Other receivables	072	39,621	6,021
C.III.	Short-term financial assets	077	15,071	0
C.III.2.	Other short-term financial assets	079	15,071	0
C.IV.	Cash	080	522,399	572,179
C.IV.1.	Cash in hand	081	2,623	1,732
C.IV.2.	Bank accounts	082	519,776	570,447
<b>D.</b>	<b>Deferrals</b>	083	120,291	76,400
D.1.	Prepaid expenses	084	119,131	75,333
D.2.	Complex prepaid expenses	085	43	0
D.3.	Accrued revenues	086	1,117	1,067

**Consolidated Balance sheet in full format  
as of 31 December 2022 (in thousands of Czech crowns)  
Translated from the Czech original**

**Name and registr. office  
of the Company: Seyfor, a.s.**  
Drobného 555/49, Ponava  
602 00 Brno, Czech Republic  
Identification number: 015 72 377

**LIABILITIES**

Ident.	LIABILITIES	line	Current period	Prior period
a	b	c	3	4
	<b>TOTAL LIABILITIES AND EQUITY</b>	083	4,469,385	2,951,642
A (A.I.-A.VII.)	<b>Equity</b>	084	1,809,293	1,638,685
A.I.	Registered capital	085	814,000	814,000
A.I.1.	Registered capital	086	814,000	834,957
A.I.2.	Own shares/ownership interests (-)	087	0	-20,957
A.II.	Premium and capital contributions	089	391,094	381,701
A.II.1.	Premium	090	6,128	6,128
A.II.2.	Capital contributions	091	384,965	375,573
A.II.2.1.	Other capital contributions	092	414,102	382,097
A.II.2.2.	Revaluation of assets and liabilities (+/-)	093	-24,215	-1,602
A.II.2.3.	Revaluation reserve on transformations (+/-)	094	233	233
A.II.2.4.	Differences resulting from transformations (+/-)	095	-5,155	-5,155
A.III.	Funds from profit	097	20,486	20,787
A.III.1.	Other reserve funds	098	-11,673	4,965
A.III.2.	Statutory and other funds	099	32,159	15,823
A.IV.	Retained earnings (+/-)	101	350,888	71,033
A.IV.1.	Retained profits (+/-)	102	345,417	74,312
A.IV.2.	Other retained earnings (+/-)	103	5,470	-3,279
<b>A.V.1.</b>	<b>Profit (loss) for the current period (+/-)</b>	104	174,949	285,378
<b>A.VII.</b>	<b>Minority equity</b>	107	57,876	65,785
A.VII.1.	Minority registered capital	108	6,763	5,627
A.VII.2.	Minority capital contributions	109	216,148	200,372
A.VII.3.	Minority funds from profit including retained profits and accumulated losses	110	-148,421	-103,118
A.VII.4.	Minority profit (loss) for the current period (+/-)	111	-16,614	-37,096
<b>B. + C.</b>	<b>Liabilities</b>	112	2,319,369	998,541
<b>B.</b>	<b>Provisions</b>	113	82,754	62,417
B.2.	Income tax provision	115	29,961	9,296
B.4.	Other provisions	117	52,793	53,121

**Consolidated Balance sheet in full format**  
**as of 31 December 2022 (in thousands of Czech crowns)**  
**Translated from the Czech original**

**Name and registr. office**  
**of the Company: Seyfor, a. s.**  
Drobného 555/49, Ponava  
602 00 Brno, Czech Republic  
Identification number: 015 72 377

**LIABILITIES**

Ident.	LIABILITIES	line	Current period	Prior period
a	b	c	3	4
<b>C.</b>	<b>Liabilities</b>	118	2,236,615	936,124
C.I.	Long-term liabilities	119	1,452,939	36,592
C.I.2.	Liabilities to credit institutions	123	1,360,322	485
C.I.4.	Trade payables	125	0	2,800
C.I.6.	Liabilities - group undertakings	127	0	0
C.I.7.	Liabilities - associated companies	128	231	3
C.I.8.	Deferred tax liability	129	3,190	2,261
C.I.9.	Liabilities - other	130	89,195	31,043
C.I.9.3.	Other payables	133	89,195	31,043
C.II.	Short-term liabilities	134	783,676	899,533
C.II.2.	Liabilities to credit institutions	134	201,759	1,134
C.II.3.	Short-term advances received	135	51,448	3,616
C.II.4.	Trade payables	136	242,379	165,616
C.II.6.	Liabilities - group undertakings	138	0	283,649
C.II.8.	Liabilities - other	140	288,090	445,518
C.II.8.1.	Liabilities to shareholders/members	141	0	4
C.II.8.2.	Short-term financial liabilities	142	0	80,000
C.II.8.3.	Payables to employees	143	120,224	85,462
C.II.8.4.	Social security and health insurance liabilities	144	50,453	36,253
C.II.8.5.	Tax liabilities and subsidies	145	55,771	40,548
C.II.8.6.	Estimated payables	146	36,148	27,321
C.II.8.7.	Other payables	147	25,494	175,931
<b>D.</b>	<b>Accruals</b>	148	340,723	314,416
D.1.	Accrued expenses	149	16,317	35,482
D.2.	Deferred revenues	150	324,405	278,934

**Consolidated Income statement**  
as of 31 December 2022 (in thousands of Czech crowns)  
Translated from the Czech original

**Name and registr. office**  
**of the Company: Seyfor, a.s.**  
Drobného 555/49, Ponava  
602 00 Brno, Czech Republic  
Identification number: 015 72 377

**INCOME STATEMENT**

Ident.		line	Current period	Prior period
a	b	c	1	2
I.	Revenue from products and services	01	2,589,276	2,835,170
II.	Revenue from goods	02	357,931	365,862
A.	Cost of sales	03	1,242,980	1,193,153
A.1.	Cost of goods sold	04	315,130	255,726
A.2.	Materials and consumables	05	52,484	55,532
A.3.	Services	06	875,366	881,895
B.	Change in inventory of own production (+/-)	07	- 56,635	- 20,741
C.	Own work capitalised (-)	08	- 83,786	- 85,992
D.	Personnel expenses	09	1,425,473	1,693,302
D.1.	Wages and salaries	10	1,064,175	1,283,710
D.2.	Social security, health insurance and other expenses	11	361,299	409,592
D.2.1.	Social security and health insurance expenses	12	321,834	372,006
D.2.2.	Other expenses	13	39,464	37,585
E.	Adjustments relating to operating activities	14	206,867	229,979
E.1.	Adjustments to intangible and tangible fixed assets	15	89,361	101,487
E.1.1.	Depreciation and amortisation of intangible and tangible fixed assets	16	89,361	101,487
E.2.	Adjustments to inventories	18	10,923	10,519
E.3.	Impairment of intangible and tangible fixed assets	19	2,578	4,066
E.4.	Settlement of positive consolidation difference	20	104,771	115,056
E.5.	Settlement of negative consolidation difference	21	- 766	- 1,149
III.	Other operating revenues	22	28,516	29,767
III.1.	Proceeds from disposals of fixed assets	23	16,126	9,867
III.2.	Proceeds from disposals of raw materials	24	31	422
III.3.	Other operating revenues	25	12,359	19,478
F.	Other operating expenses	26	22,064	51,592
F.1.	Net book value of fixed assets sold	27	2,185	5,241
F.2.	Net book value of raw materials sold	28	20	177
F.3.	Taxes and charges	29	1,605	3,314
F.4.	Provisions relating to operating activity and complex prepaid expenses	30	- 6,631	18,547
F.5.	Other operating expenses	31	24,885	24,314
*	<b>Operating profit (loss) (+/-)</b>	32	218,759	169,506

**Consolidated Income statement**  
as of 31 December 2022 (in thousands of Czech crowns)  
Translated from the Czech original

**Name and registr. office**  
**of the Company: Seyfor, a. s.**  
Drobného 555/49, Pohnava  
602 00 Brno, Czech Republic  
Identification number: 015 72 377

**INCOME STATEMENT**

Ident.		line	Current period	Prior period
a	b	c	1	2
IV.	Revenue from long-term investments - equity investments	33	33	168,878
IV.1.	Revenue from equity investments - group undertakings	34	32	168,878
IV.2.	Other revenue from equity investments	35	1	0
G.	Cost of equity investments sold	36	0	11,476
V.	Revenue from other long-term investments	37	0	1,996
V.2.	Other revenue from other long-term investments	39	0	1,996
H.	Expenses related to other long-term investments	40	1	0
VI.	Interest revenue and similar revenue	41	12,296	3,286
VI.1.	Interest revenue and similar revenue - group undertakings	42	11,242	0
VI.2.	Other interest revenue and similar revenue	43	1,054	3,286
I.	Adjustments and provisions relating to financial activity	44	3,240	0
J.	Interest expense and similar expense	45	39,129	18,952
J.1.	Interest expense and similar expense - group undertakings	46	0	17,715
J.2.	Other interest expense and similar expense	47	39,129	1,236
VII.	Other financial revenues	48	65,271	35,923
K.	Other financial expenses	49	30,619	48,273
*	<b>Profit (loss) from financial operations</b>	50	4,611	131,382
**	<b>Profit (loss) before tax (+/-)</b>	51	223,370	300,889
L.	Income tax	52	65,036	52,606
L.1.	Current tax	53	63,857	52,342
L.2.	Deferred tax (+/-)	54	1,179	263
**	<b>Profit (loss) after tax (+/-)</b>	55	158,334	248,283
***	<b>Profit (loss) for the accounting period (+/-)</b>	57	158,334	248,283
	Profit (loss) for the accounting period without minority interests (+/-)	58	174,949	285,378
	Minority interest in profit (loss) for the current period (+/-)	59	- 16,614	- 37,096
*	<b>Net turnover for the accounting period = I. + II. + III. + IV. + V. + VI. + VII.</b>	61	3,053,323	3,440,882



**Consolidated Cash flow statement**  
**for the year ended 31 December 2022 (in thousands of Czech crowns)**  
**Translated from the Czech original**

**Name and registr. office**  
**of the Company: Seyfor, a. s.**  
Drobného 555/49, Ponava  
602 00 Brno, Czech Republic  
Identification number: 015 72 377

**CASH FLOW STATEMENT**

		Current period	Prior period
<b>P.</b>	<b>Cash and cash equivalents, beginning of period</b>	572,179	351,928
<b>Net operating cash flow</b>			
Z:	Accounting profit (loss) from ordinary activities	<b>223,370</b>	<b>300,889</b>
A.1.	Non-cash transactions	<b>413,466</b>	<b>205,600</b>
A.1.1.	Depreciation and amortisation of fixed assets	193,359	215,394
A.1.2.	Change in:	<b>6,871</b>	<b>33,133</b>
A.1.2.2.	provisions and other adjustments	6,871	33,133
A.1.3.	Profit(-) Loss(+) on sale of fixed assets	-13,941	-4,627
A.1.4.	Profit(-) Loss(+) on disposal of subsidiaries	0	-157,402
A.1.5.	Expense and revenue interests accounted for	26,832	15,665
A.1.6.	Other non-cash transactions	200,344	103,436
<b>A.*</b>	<b>Net operating cash flow before taxation and changes in working capital</b>	<b>636,836</b>	<b>506,489</b>
A.2.	Changes in working capital	<b>-218,448</b>	<b>62,220</b>
A.2.1.	Change in receivables from operating activities, estimated receivables and deferrals	-255,469	-112,105
A.2.2.	Change in short-term liabilities from operating activities, estimated payables and accruals	147,045	165,941
A.2.3.	Change in inventories	-110,024	8,385
<b>A.**</b>	<b>Net operating cash flow before taxation</b>	<b>418,387</b>	<b>568,709</b>
A.3.	Interest paid excluding amounts capitalised	-39,129	-18,952
A.4.	Interest received	12,296	3,286
A.5.	Income tax paid on ordinary income and income tax relating to prior periods	-45,061	-53,872
A.6.	Dividends received	0	1,996
<b>A.***</b>	<b>Net operating cash flow</b>	<b>346,494</b>	<b>501,168</b>
<b>Investing activities</b>			
B.1.	Acquisition of fixed assets	<b>-275,673</b>	<b>-263,205</b>
B.1.1.	Acquisition of tangible fixed assets	-85,471	-92,299
B.1.2.	Acquisition of intangible fixed assets	-187,675	-131,754
B.1.3.	Acquisition of long-term investments	-2,528	-39,152
B.2.	Proceeds from sales of fixed assets	<b>16,126</b>	<b>9,867</b>
B.2.1.	Proceeds from sales of tangible and intangible fixed assets	16,126	9,867
B.3.	Advances and loans to related parties	-618,400	84,864
B.4.	Acquisition of subsidiaries, net of cash received	-1,091,248	-350,267
B.5.	Disposal of subsidiaries, net of cash sold	0	152,625
<b>B.***</b>	<b>Net cash flow from investing activities</b>	<b>-1,969,196</b>	<b>-366,116</b>
<b>Financing activities</b>			
C.1.	Change in long-term resp. short-term liabilities from financing	1,560,462	81,619
C.2.	Increase and decrease in equity from cash transactions	<b>12,460</b>	<b>3,580</b>
C.2.3.	Other cash contributions from partners and shareholders	12,460	3,580
<b>C.***</b>	<b>Net cash flow from financing activities</b>	<b>1,572,922</b>	<b>85,199</b>
<b>F.</b>	<b>Net increase or decrease in cash balance</b>	<b>-49,780</b>	<b>220,251</b>
<b>R.</b>	<b>Cash and cash equivalents, end of perio</b>	<b>522,399</b>	<b>572,179</b>

**Consolidated Statement of changes in equity**  
for the year ended 31 December 2022 (in thousands of Czech crowns)

Name and registr. office  
of the Company: Seyfor, a.s.  
Drobného 555/49, Ponava  
602 00 Brno, Czech Republic  
Identification number: 015 72 377

**STATEMENT OF CHANGES IN EQUITY**

	Registered capital	capital contributions and funds from profit	Retained profits	Profit (loss) for the current period	Share of profit (loss) of equity-accounted investees	Total equity attributable to owners of the Company	Non-controlling interests	Total
<b>Balance as of 31/12/2021</b>	<b>814,000</b>	<b>402,488</b>	<b>71,033</b>	<b>285,378</b>	<b>0</b>	<b>1,572,899</b>	<b>65,785</b>	<b>1,638,685</b>
Profit or loss for the period	0	0	0	174,949	0	174,949	-16,614	158,334
Revaluation reserve	0	0	0	0	0	0	0	0
Other comprehensive	0	0	0	0	0	0	0	0
Other comprehensive income for the period	0	0	0	0	0	0	0	0
The effect of new acquisitions	0	0	0	0	0	0	8,705	8,705
Capital contributions	0	12,460	0	0	0	12,460	0	12,460
Other movements	0	0	0	0	0	0	0	0
Transfers to (from) retained earnings	0	0	285,378	-285,378	0	-1	0	-1
Translation reserve Royalties	0	-3,368	-5,523	0	0	-8,890	0	-8,890
Royalties	0	0	0	0	0	0	0	0
<b>Balance as of 31/12/2022</b>	<b>814,000</b>	<b>411,580</b>	<b>350,888</b>	<b>174,949</b>	<b>0</b>	<b>1,751,417</b>	<b>57,876</b>	<b>1,809,293</b>

	Registered capital	capital contributions and funds from profit	Retained profits	Profit (loss) for the current period	Share of profit (loss) of equity-accounted investees	Total equity attributable to owners of the Company	Non-controlling interests	Total
<b>Balance as of 1/7/2020</b>	<b>814,000</b>	<b>394,303</b>	<b>45,519</b>	<b>33,274</b>	<b>-4,790</b>	<b>1,282,306</b>	<b>102,881</b>	<b>1,385,187</b>
Profit or loss for the period	0	0	0	285,378	0	285,378	-37,096	248,283
Revaluation reserve	0	-687	0	0	0	-687	0	-687
Other comprehensive	0	0	0	0	0	0	0	0
Other comprehensive income for the period	0	0	0	0	0	0	0	0
The effect of new acquisitions	0	0	0	0	0	0	0	0
Capital contributions	0	3,580	0	0	0	3,580	0	3,580
Other movements	0	0	0	0	0	0	0	0
Transfers to (from) retained earnings	0	0	28,484	-33,274	4,790	0	0	0
Translation reserve Royalties	0	5,292	-2,970	0	0	2,322	0	2,322
Royalties	0	0	0	0	0	0	0	0
<b>Balance as of 31/12/2021</b>	<b>814,000</b>	<b>402,488</b>	<b>71,033</b>	<b>285,378</b>	<b>0</b>	<b>1,572,899</b>	<b>65,785</b>	<b>1,638,685</b>

# Notes to Consolidated Financial statements

## 1. Description and principal activities

### Establishment and description of the Company

Seyfor, a.s. (“the Company” or “the Parent Company”) was incorporated on 10 April 2013 by being recorded in the Commercial Register maintained by the Municipal Court in Prague, under file number 19061, section B. On 14 May 2014, the Company was deleted and again recorded in the Commercial Register maintained by the Regional Court in Brno under file number 7072, section B.

The principal activities of the Company are:

- manufacturing, trade, and services not specified in appendixes 1 to 3 of the Trade Licensing Act
- own assets administration
- lease of property, residential and non-residential premises

### Ownership structure

The shareholders of the Company as of 31 December 2022 were:

LIGELTA HOLDINGS LTD	72.7 %
CSW Holding s.r.o.	20.1 %
Other	7.2 %

### Registered office

Seyfor, a.s.  
Drobného 555/49  
Brno  
Czech Republic

### Identification number

015 72 377

### Members of the board of directors and supervisory board as of 31 December 2022

Members of the board of directors	Members of the supervisory board
Martin Cígler (chairman)	Michal Máčel (chairman)
Michal Rybovič (vice-chairman)	Táňa Šuláková
Tomáš Loukota	Milan Smutný
Petr Franc	
Martin Kudrna	
Jan Tomíšek	

### Consolidated financial statements

The consolidated financial statements of the Company as of 31 December 2022 have been prepared for the Parent Company and its subsidiaries (“the Group”) – see note 6. The consolidated financial statements have been prepared for the period from 1 January 2022 to 31 December 2022 (“2022”).

### **Changes in the Commercial Register**

In 2022, the following changes were made in the Commercial Register for the Parent Company:

#### **New records:**

##### **Company name:**

- Seyfor, a.s. (recorded on 1 December 2022)

##### **Members of the supervisory board:**

- Táňa Šuláková (recorded on 12 January 2022)

#### **Other facts**

- As a result of the merger by acquisition effected in accordance with the draft terms prepared on 23 May 2022, the assets and liabilities of dissolving companies D3Soft s.r.o. with its registered office at Ocelářská 2969/12, Vítkovice, 703 00 Ostrava, Comp. Id.: 25900595; D3Soft Future s.r.o. with its registered office at Ocelářská 2969/12, Vítkovice, 703 00 Ostrava, Comp. Id.: 27856631; D3Soft BIG, SE with its registered office at Ocelářská 2969/12, Vítkovice, 703 00 Ostrava, Comp. Id.: 02035766, and AW Solutions, s.r.o. with its registered office at Sokolovská 695/115b, Karlín, 186 00 Prague 8, Comp. Id.: 10705546 have passed on to the Company as the successor company (recorded on 1 July 2022).

#### **New deletions:**

##### **Company name:**

- Solitea, a.s. (deleted on 1 January 2022)

##### **Members of the supervisory board:**

- Jana Šufajzlová (deleted on 12 January 2022)

## **2. Manner and method of consolidation**

### **Manner of consolidation**

The consolidated financial statements have been prepared using direct consolidation.

### **Method of consolidation**

The financial statements of the companies included in the consolidated group are consolidated in line with consolidation methods, considering the level of the Parent Company's influence. The financial statements of the companies in which the Parent Company has a controlling influence, and which are material are consolidated using the full consolidation method.

The full consolidation method includes items of the consolidated entities' balance sheets, income statements, cash flow statements, and statements of changes in equity in full, eliminating any material intra-group transactions, their reclassifications and adjustments in the consolidating entity's balance sheet, income statement, cash flow statement and statement of changes in equity.

### **Consolidation process**

Consolidation was carried out on the Parent Company level without creating individual sub-units, and all consolidated entities were included using the full consolidation method. Items in the consolidated entities' financial statements were reclassified and adjusted in accordance with the principles stated in the consolidation rules.

Intra-group transactions relating to the sale of inventories, fixed assets and services within the consolidated group are eliminated from the preparation of the consolidated balance sheet, consolidated income statement and cash flow statement if the amounts are material.

The consolidation difference created in a new acquisition is amortised to the profit and loss account on a straight-line basis over a maximum of 20 years. The consolidation difference is presented in the “Settlement of a positive (negative) consolidation difference” item and debited to expenses or credited to revenues from ordinary activities.

Goodwill results from the difference between the measurement of a business enterprise (or its part) acquired by transfers for consideration or by contributions to a company or by measuring assets and liabilities as part of business corporation transformations except for changes in the legal form, and the sum of individually revalued asset items reduced by transferred debts.

Positive goodwill is amortised as a debit to expenses, while negative goodwill is amortised as a credit to revenues.

The influence of received and paid-out dividends or shares of profit between the Parent Company and controlled and managed companies is eliminated in consolidation.

Items presented in the consolidated financial statements that are or were originally stated in foreign currency translated into Czech crowns (the currency in which the consolidated financial statements are prepared) at the exchange rate official and valid as at the day of preparation of the consolidated financial statements.

Consolidated entities that do not prepare ordinary financial statements as of 31 December 2022 provided the required data in the form of interim financial statements and other information required by the consolidating entity.

### 3. General accounting principles, accounting policies and their changes and deviations

These consolidated financial statements have been prepared in compliance with Act No. 563/1991 Coll., on Accounting, as amended, (“the Act on Accounting”) and Decree of the Czech Ministry of Finance No. 500/2002 Coll., implementing certain provisions of the Act on Accounting, as amended, for business entities using double-entry bookkeeping, (“the Decree”) as amended for 2022.

The consolidated financial statements have been prepared on a going concern basis.

All amounts in these financial statements and the related notes are reported in thousands of Czech crowns (TCZK).

#### a) **Tangible and intangible fixed assets**

Tangible and intangible fixed assets are stated at acquisition cost. Tangible fixed assets costing up to TCZK 20 are not recognised in the balance sheet and are expensed in the year that they are acquired.

The cost of internally produced fixed assets includes direct materials, direct wages and overheads directly related to the creation of the asset until it is put into use.

Assets are depreciated using the following methods over the following periods:

Assets	Method	Period
Buildings	Straight-line	40–50 years
Hardware (servers, projectors, etc.)	Straight-line	3–5 years
Furniture	Straight-line	5 years
Cars (up to TCZK 1,500)	Straight-line	4 years
Cars (over TCZK 1,500)	Straight-line	6 years
Security systems	Straight-line	5 years
Patents and other intangibles (know-how)	Straight-line	6 years
Software	Straight-line	3 years
Adjustments to acquired fixed assets	Straight-line	15 years
Low value tangible fixed assets (TCZK 20–40)	Straight-line	2 years
Low value tangible fixed assets (TCZK 0–60)	Straight-line	2 years

In the income statement, depreciation is presented in “Adjustments relating to operating activities”.

#### b) Long-term investments

Long-term investments comprise equity investments in subsidiaries and associated companies, debt securities that the Group has the intent and ability to hold to maturity, and other long-term securities for which the Group’s intent is not known upon acquisition. Long-term investments also include long-term loans provided to group undertakings and associated companies and other long-term loans granted.

Long-term investments are stated at acquisition cost, which includes expenses directly incurred in connection with the acquisition, such as fees and commissions paid to brokers, advisors, and stock exchanges.

#### c) Inventories

Raw materials are stated at cost, which includes the purchase price of the materials and related customs duties and in-transit storage and freight costs incurred in delivering the materials to the manufacturing facility. Cost is determined using the weighted average method.

Work-in-progress and finished goods inventories are stated at actual cost, which includes direct production costs and, where applicable, allocable indirect production costs. Direct costs include the cost of materials and consumables, and other costs directly incurred in connection with the production process. The cost of work-in-progress and finished goods is determined using standard cost.

Goods for resale are stated at cost, which includes the purchase price of the goods and related customs duties and in-transit storage and freight costs incurred in delivering the goods to the warehouse. Cost is determined using the weighted average method.

#### d) Establishment of adjustments and provisions

##### Tangible fixed assets

The Group establishes adjustments to tangible fixed assets to reduce the net book value of buildings and land to their recoverable amount. In the income statement, the establishment and release of adjustments is presented in “Adjustments relating to operating activities”.

##### Receivables

The Group establishes adjustments for doubtful receivables based on an analysis of the credit status of customers and the ageing structure of receivables. In the income statement, the establishment and release of adjustments is presented in “Adjustments relating to operating activities”.

##### Inventories

Adjustments are established to reduce the cost of inventory to net realisable value.

An adjustment to slow-moving, obsolete, and otherwise impaired inventory is established based on an analysis of inventory turnover and an assessment of each inventory item.

In the income statement, the establishment and release of adjustments is presented in “Adjustments relat-



ing to operating activities”.

### **Provisions**

As at the balance sheet date, a provision for untaken holidays is established based on an analysis of untaken holidays in the past calendar year (i.e., as of 31 December) and average payroll expenses, including social security and health insurance expenses per employee.

If employees are entitled to annual or other annually paid-out bonuses, a provision for employee bonuses is recorded in the full amount of payroll expenses, including social security and health insurance expenses as at the balance sheet date.

An income tax provision is established as the financial statements are prepared before the tax liability is determined. In the subsequent accounting period, the Group releases this provision and records the actual tax liability determined.

In the balance sheet, the income tax provision is reduced by income tax prepayments, and the net receivable (if any) is recorded in tax receivables.

### **e) Foreign currency translation**

Assets and liabilities acquired in foreign currency are measured in CZK based on the exchange rate as at the date of their realisation.

As at the balance sheet date, foreign currency monetary assets and liabilities are translated at the prevailing Czech National Bank official rates. Unrealised foreign exchange gains and losses are recognised in profit or loss in financial expenses or revenues.

### **f) Derivatives**

A derivative is a financial instrument that meets all the following conditions.

- Its fair value changes in response to the change in a specified interest rate, price of a security, commodity price, foreign exchange rate, price index, credit rating or credit index, or other variables (“the underlying asset”).
- It requires a small or no initial net investment compared with other types of contracts based on a similar response to changes in market factors.
- It is settled at a future date, with the period from the trade date to the settlement date exceeding that of a spot transaction.

Derivatives are recognised in the balance sheet at fair value. Positive fair values of derivatives are recognised in assets under “Other receivables”. Negative fair values of derivatives are recognised in liabilities under “Other payables”. The fair value of financial derivatives is the present value of expected cash flows from these transactions.

### **Fair value hedges**

Changes in the fair value of derivatives that are classified as fair value hedges are recorded in financial expenses or revenues together with the relevant change in the fair value of the hedged asset or liability that relates to the hedged risk.

### **Cash flow hedges**

Changes in the fair value of derivatives that are classified as cash flow hedges are recorded in equity under “Revaluation of assets and liabilities” in the balance sheet. The ineffective hedge portion is recognised directly in financial expenses or revenues.

### **Trading derivatives**

Derivatives held for trading are recognised in the balance sheet at fair value. Gains/losses from changes in fair value are recorded in the income statement under “Other financial revenues”/ “Other financial

expenses”.

**g) Leased assets**

Lease payments are expensed on a straight-line basis over the lease term. Where an asset is purchased at the end of the lease, it is recorded at its purchase price.

**h) Recognition of revenues and expenses**

Revenues and expenses are recognised on an accrual basis (i.e., in the period to which they relate in terms of substance and timing).

Expenses lower than TCZK 5 are not accrued and are recognised in the year they were expended.

**i) Income tax**

Income tax for the period comprises current tax and the change in deferred tax.

Current tax comprises an estimate of tax payable calculated based on the taxable income, using the tax rate valid as at the first day of the accounting period, and any adjustments to taxes payable for previous periods.

Deferred tax is based on all temporary differences between the carrying and tax value of assets and liabilities, and other temporary differences (tax losses carried forward, if any), multiplied by the tax rate expected to be valid for the period in which the tax asset/liability is utilised.

A deferred tax asset is recognised only if it is probable that it will be utilised in future accounting periods.

**j) Classification of liabilities**

The Group classifies as short-term any part of long-term liabilities, bank loans and overdrafts that is due within one year of the balance sheet date.

**k) Subsidies / Investment incentives**

A subsidy is recorded at the moment the entitlement to its receipt unquestionably arises. A subsidy received for the payment of expenses is recorded in operating revenues. A subsidy received for the acquisition of fixed assets, including technical improvement and the payment of interest included in the acquisition cost of assets, reduces the acquisition cost or own acquisition expenses.

**l) Use of estimates**

In preparing the financial statements, the Group’s management uses estimates and makes assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income, and expenses recognised in the financial statements. These estimates and assumptions are based on past experience and various other factors deemed appropriate as at the date of preparation of the financial statements and are used where the carrying amounts of assets and liabilities are not readily available from other sources or where uncertainty exists in applying the individual accounting policies. Actual results may differ from the estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised either in the period in which the estimate is revised, providing that the revision relates only to the current accounting period, or in the revision period and future periods, providing the revision affects both the current and future periods.

## 4. Change in the accounting period

In 2021, the management of the Company decided to change the accounting period, to run from 1 January

to 31 December of the same year. The financial statements as of 31 December 2021 have been prepared for a period of 18 months, therefore the figures in the income statement and cash flow statement for 2022 are not comparable with the figures for the previous accounting period.

## 5. Change in accounting policies and procedures

In the period from 1 January 2022 to 31 December 2022, no significant changes were made to accounting policies and procedures.

## 6. Definition of the consolidated group

*Entities included in the consolidated group*

Company name	Registered office	Share in equity	Method of consolidation
<b>Parent company</b>			
Seyfor, a.s.	Drobného 555/49, Ponava, 602 00 Brno	–	–
<b>Controlled and managed companies</b>			
Seyfor Slovensko, a.s.	Plynárenská 7/C, Ružinov, 821 09, Bratislava, Slovakia	100%	full
SAOP Računalništvo d.o.o.	Cesta Goriške fronte 46, 5290 Šempeter pri Gorici, Slovenia	100%	full
SAOP DOO NOVI SAD	Valentina Vodnika 21A, Novi Sad 21 000, Serbia	100%	full
SAOP d.o.o. Zagreb	Puževa ulica 13, Zagreb 100 00, Croatia	100%	full
Techniserv IT, spol. s r.o.	Traťova 574/1, Horní Heršpice, 619 00, Brno	100%	full
Vasco, računalniški inženiring, d.o.o.	Poslovna cona A 21, 4208, Šenčur, Slovenia	100%	full
Commander Services s.r.o.	Žitná 7213/23, Rača, 83106, Bratislava, Slovakia	100%	full
Besteron a.s.	Teslova 20/33, Ružinov, 821 02 Bratislava, Slovakia	64%	full
Prytanis a.s.	Jundrovská 618/31, Komín, 624 00 Brno	100%	full
Powerstream a.s.	Hvězdova 1734/2c, Nusle, 140 00 Praha 4	100%	full
Mainstream Technologies s.r.o.	Na Strži 2097/63, Krč, 140 00 Praha 4	100%	full
Dotykačka Holding a.s.	Plzeňská 3217/16, Smíchov, 150 00 Praha 5	58.50%	full
Dotykačka ČR s.r.o.	Plzeňská 3217/16, Smíchov, 150 00 Praha 5	58.50%	full
RUBUS IDAEUS SP Z O O	Grzybowska 87, 00-844 Warsaw, Poland	58.50%	full
Dotypay s.r.o.	Plzeňská 3217/16, Smíchov, 150 00 Praha 5	58.50%	full
Smart software s.r.o.	Závodu míru 435/40, Stará Role, 360 17 Karlovy Vary	58.50%	full
Markeeta Slovensko, s.r.o.	Plynárenská 7/C 821 09 Bratislava - Ružinov, Slovakia	58.50%	full

The following companies became part of the consolidated group in the current accounting period: Techniserv IT, spol. s r.o. (CZ), Commander Services s.r.o. (CZ), Besteron a.s. (SK), and Vasco, računalniški inženiring, d.o.o. (Slovenia).

As at 1 January 2022, D3Soft s.r.o., D3Soft Future s.r.o., D3Soft BIG, SE, AW Solutions, s.r.o. merged, with Seyfor, a.s. as the successor company.

Seyfor, a.s., holds a 100% stake in its subsidiaries except for Besteron a.s., where it holds 64%, and Dotykačka Holding a.s., Smart software s.r.o., Dotykačka ČR s.r.o., RUBUS IDAEUS Sp. z o.o., MARKEETA

Slovensko, s.r.o., and Dotypay s.r.o., where it holds 58.50%. For this reason, equity of these consolidated entities and their profit/loss were divided into the share attributable to the controlling company and the share of minority shareholders.

#### *Entities not included in the consolidated group and reasons for their non-inclusion*

Based on the parent company's decision, the below-mentioned companies did not enter the consolidated group and consolidation. Their share in the total of the balance sheet, net turnover and equity of the consolidated group was immaterial, and, at the same time, information necessary for consolidation could not be obtained without an undue delay or excessive costs (the companies were considered as a whole in the assessment of materiality).

The following subsidiaries were eliminated from consolidation in the current accounting period:

- CÍGLER SOFTWARE – IPL, s.r.o., l. máje 97/25, Liberec 3, 460 01, Comp. Id. 250 45 041
- Dotypos SK, s.r.o., 28. októbra 7689/2A, Trenčín 911 01, Slovakia, Comp. Id.: 52 528 766
- DotyPOS DE GmbH, Tauentzienstr. 13, 10789 Berlin, Germany, Comp. Id.: DE 321055043
- Solitea West, s.r.o., Drobného 555/49, Ponava, Brno 602 00, Comp. Id. 252 46 241
- P R O V I S s.r.o., Jiráskova 1127, 755 01 Vsetín, Comp. Id. 451 95 129
- Dotypos Analytics s.r.o., Plzeňská 3217/16, Smíchov, 150 00 Prague 5, Comp. Id. 081 55 402
- TECHNISERV IT SOFTWARE DEVELOPMENT, spol. s r.o., Traťová 574/1, Horní Heršpice, Brno 619 00, Comp. Id.: 283 31 982
- InQool, a.s., Svatopetrská 35/7, Komárov, Brno, 617 00, Comp. Id.: 292 22 389

In the financial statements, equity investments in these companies remained recognised in long-term investments at acquisition cost of TCZK 7 124.

## 7. Consolidation difference

The consolidation difference in the gross amount of TCZK 2,636,142 as of 31 December 2022 (TCZK 1,788,656 as of 31 December 2021) arising from the acquisition of all subsidiaries included in the consolidation consists of a positive consolidation difference of TCZK 2,651,462 (TCZK 1,803,976 as at 31 December 2021) and a negative consolidation difference of TCZK 15,320 (TCZK 15,320 as at 31 December 2021). The increase of TCZK 847,486 (gross) consists of the consolidation difference arising from the acquisition of Besteron a.s., Commander Services s.r.o., Techniserv IT, spol. s r.o. and Vasco, računalniški inženiring, d.o.o.

The Group decided to amortise the consolidation difference over a period of 20 years. The amortisation of a positive (or negative) consolidation difference is recognised in “Adjustments relating to operating activities” in the consolidated income statement.

The annual amortisation of the positive consolidation difference amounts to TCZK 104,771 (TCZK 115,056 as of 31 December 2021) and accumulated amortisation amounts to TCZK 453,151 (TCZK 348,380 as of 31 December 2021). The annual amortisation of the negative consolidation difference amounts to TCZK 766 (TCZK 1,149 as of 31 December 2021) and accumulated amortisation amounts to TCZK 12,005 (TCZK 11,239 as of 31 December 2021).

The net amount of the positive consolidation difference is TCZK 2,198,311 (TCZK 1,455,596 as of 31 December 2021) and the net amount of the negative consolidation difference is TCZK 3,314 (TCZK 4,081 as at 31 December 2021).

## 8. Intangible and tangible fixed assets

### a) Intangible fixed assets

	Software	Other intellectual property rights	Intangible fixed assets under construction and advances	Goodwill	Other intangible fixed assets	Total
<b>Acquisition cost</b>						
<b>Opening balance as at 1/1/2022</b>	<b>304,217</b>	<b>6,879</b>	<b>83,921</b>	<b>39,794</b>	<b>331</b>	<b>435,140</b>
Additions	59,907	4,013	85,975	7,174	814	157,883
Disposals	-1,203	-	-4,797	-	-	-6,000
Effect of acquisitions	40,708	3,634	1,101	157	4,250	49,851
Transfers	134	-134	-3,575	-	-	-3,575
Foreign exchange difference	-202	-	-205	-4,865	-	-5,272
<b>Closing balance as at 31/12/2022</b>	<b>403,561</b>	<b>14,392</b>	<b>162,421</b>	<b>42,261</b>	<b>5,395</b>	<b>628,027</b>
<b>Adjustments and accumulated amortisation</b>						
<b>Opening balance as at 1/1/2022</b>	<b>-250,777</b>	<b>-3,927</b>	<b>-</b>	<b>-39,717</b>	<b>-296</b>	<b>-294,717</b>
Amortisation expense	-38,514	-401	1,101	-1,612	31	-39,394
Disposals	1,202	-	-	-	-	1,202
Effect of acquisitions	-16,298	-1,716	-1,101	-	-944	-20,060
Transfers	-134	134	-	-	-	-
Foreign exchange difference	124	-	-	912	-	1,036
<b>Closing balance as at 31/12/2022</b>	<b>-304,397</b>	<b>-5,910</b>	<b>-</b>	<b>-40,417</b>	<b>-1,208</b>	<b>-351,932</b>
<b>Net book value 1/1/2022</b>	<b>53,440</b>	<b>2,952</b>	<b>83,921</b>	<b>77</b>	<b>35</b>	<b>140,425</b>
<b>Net book value 1/12/2022</b>	<b>99,164</b>	<b>8,482</b>	<b>162,421</b>	<b>1,844</b>	<b>4,186</b>	<b>276,097</b>

The main part of intangible assets is internally produced software. In the period under review, the Company incurred expenditures on further software development. The Company continues developing this software.

	Software	Other intellectual property rights	Intangible fixed assets under construction	Goodwill	Other intangible fixed assets	Total
<b>Acquisition cost</b>						
<b>Opening balance as at 1/7/2020</b>	<b>263,075</b>	<b>4,584</b>	<b>17,641</b>	<b>39,694</b>	<b>3,504</b>	<b>328,498</b>
Additions	53,448	4,288	65,785	-	-	123,521
Disposals	-43,861	-30	-1,099	-	-3,173	-48,163
Effect of acquisitions	33,317	-	1,732	100	-	35,149
Transfers	1,961	-1,961	-	-	-	-
Foreign exchange difference	-3,723	-2	-140	-	-	-3,865
<b>Closing balance as at 31/12/2021</b>	<b>304,217</b>	<b>6,879</b>	<b>83,921</b>	<b>39,794</b>	<b>331</b>	<b>435,140</b>
<b>Adjustments and accumulated amortisation</b>						
<b>Opening balance as at 1/7/2020</b>	<b>-224,375</b>	<b>-3,811</b>	<b>-</b>	<b>-39,694</b>	<b>-1,858</b>	<b>-269,738</b>
Amortisation expense	-46,589	-549	-	-13	-29	-47,180
Disposals	43,573	432	-	-	1,591	45,596
Effect of acquisitions	-26,906	-	-	-10	-	-26,916
Transfers	-	-	-	-	-	-
Foreign exchange difference	3,520	1	-	-	-	3,521
<b>Closing balance as at 31/12/2021</b>	<b>-250,777</b>	<b>-3,927</b>	<b>-</b>	<b>-39,717</b>	<b>-296</b>	<b>-294,717</b>
<b>Net book value 1/7/2020</b>	<b>38,700</b>	<b>773</b>	<b>17,641</b>	<b>-</b>	<b>1,646</b>	<b>58,760</b>
<b>Net book value 31/12/2021</b>	<b>53,440</b>	<b>2,952</b>	<b>83,921</b>	<b>77</b>	<b>35</b>	<b>140,425</b>

## b) Tangible fixed assets

	Land and buildings	Machin. and equip.	Other tangible fixed assets	Adjustments to acquired fixed assets	Advance payments and tang. fixed assets under construction	Total
<b>Acquisition cost</b>						
<b>Opening balance as at 1/1/2022</b>	<b>9,015</b>	<b>265,368</b>	<b>12,267</b>	<b>56,113</b>	<b>7,884</b>	<b>350,647</b>
Additions	1,723	50,805	560	-	4,717	57,805
Disposals	-	-30,766	-877	-	-3,929	-35,572
Effect of acquisitions	28,974	44,354	-	-	-	73,327
Transfers	-	4,263	-1,142	-	-3,121	-
Foreign exchange difference	-330	-1,126	-	-	-65	-1,521
<b>Closing balance as at 31/12/2022</b>	<b>39,381</b>	<b>332,898</b>	<b>13,621</b>	<b>56,113</b>	<b>5,486</b>	<b>447,499</b>
<b>Adjustments and accumulated depreciation</b>						
<b>Opening balance as at 1/1/2022</b>	<b>-1,850</b>	<b>-159,877</b>	<b>-7,515</b>	<b>-18,394</b>	<b>-</b>	<b>-187,636</b>
Depreciation expense	-1,103	-44,472	-844	-3,540	-	-49,967
Disposals	-	27,188	714	-	-	27,902
Effect of acquisitions	-19,079	-26,582	-	-	-	-45,661
Transfers	-	-876	876	-	-	-
Foreign exchange difference	174	672	-	-	-	846
<b>Closing balance as at 31/12/2022</b>	<b>-21,859</b>	<b>-203,947</b>	<b>-6,769</b>	<b>-21,934</b>	<b>-</b>	<b>-257,323</b>
<b>Net book value 1/1/2022</b>	<b>7,165</b>	<b>105,491</b>	<b>4,752</b>	<b>37,719</b>	<b>7,884</b>	<b>163,011</b>
<b>Net book value 31/12/2022</b>	<b>17,522</b>	<b>128,951</b>	<b>4,039</b>	<b>34,179</b>	<b>5,486</b>	<b>190,177</b>

In 2022, additions to fixed assets primarily comprised the purchase of cars and IT equipment, and putting assets into use as an effect of new acquisitions.



	Land and buildings	Machin. and equip.	Other tangible fixed assets	Adjustments to acquired fixed assets	Advance payments and tang. fixed assets under construction	Total
<b>Acquisition cost</b>						
<b>Opening balance as at 1/7/2020</b>	<b>14,107</b>	<b>196,729</b>	<b>16,497</b>	<b>56,113</b>	<b>9,378</b>	<b>292,824</b>
Additions	1,010	64,362	9,008	-	7,786	82,166
Disposals	-5,244	-30,555	-13,560	-	-	-49,359
Effect of acquisitions	-	27,804	1,063	-	-	28,867
Transfers	-	9,273	-	-	-9,273	-
Foreign exchange difference	-858	-2,245	-741	-	-7	-3,851
<b>Closing balance as at 31/12/2021</b>	<b>9,015</b>	<b>265,368</b>	<b>12,267</b>	<b>56,113</b>	<b>7,884</b>	<b>350,647</b>
<b>Adjustments and accumulated depreciation</b>						
<b>Opening balance as at 1/7/2020</b>	<b>-1,682</b>	<b>-123,599</b>	<b>-12,824</b>	<b>-13,085</b>	<b>-</b>	<b>-151,190</b>
Depreciation expense	-1,143	-44,299	-3,556	-5,309	-	-54,307
Disposals	867	24,437	9,304	-	-	34,608
Effect of acquisitions	-	-17,767	-967	-	-	-18,734
Foreign exchange difference	108	1,351	528	-	-	1,987
<b>Closing balance as at 31/12/2021</b>	<b>-1,850</b>	<b>-159,877</b>	<b>-7,515</b>	<b>-18,394</b>	<b>-</b>	<b>-187,636</b>
<b>Net book value 1/7/2020</b>	<b>12,425</b>	<b>73,130</b>	<b>3,674</b>	<b>43,028</b>	<b>9,378</b>	<b>141,634</b>
<b>Net book value 31/12/2021</b>	<b>7,165</b>	<b>105,491</b>	<b>4,752</b>	<b>37,719</b>	<b>7,884</b>	<b>163,011</b>

The Company has tangible fixed assets encumbered by a pledge as of the balance sheet date in the amount of TCZK 7,829 (as at 31 December 2021 – TCZK 10,211) in favour of the lending bank and further TCZK 8,773 (as at 31 December 2021 – TCZK 10,400) in favour of the supplier on account of the supplier loan.

## 9. Investments

### Long-term investments

The Group records long-term investments totalling TCZK 376,220 (TCZK 83,700 as of 31 December 2021). These include equity investments in subsidiaries of TCZK 5,177 (TCZK 56,888 as at 31 December 2021), loans and advances to group undertakings of TCZK 344,759 (TCZK 3,600 as at 31 December 2021), equity investments in associated companies of TCZK 0 (TCZK 1,380 as at 31 December 2021), other long-term securities and equity investments of TCZK 1,947 (TCZK 400 as at 31 December 2021), loans and advances – other of TCZK 23,828 (TCZK 21,432 as a 31 December 2021), and other long-term investments of TCZK 509 (TCZK 0 as at 31 December 2021).

### Short-term financial assets

The Group records short-term financial assets of TCZK 15,071 (TCZK 0 as of 31 December 2021), comprising an investment bill with the maturity date on 24 January 2023 and interest rate of 6.9%.

## 10. Inventories

Inventories	as at 31/12/2021	as at 31/12/2022
Raw materials	245	18,570
Goods for resale	69,646	54,119
Work-in-progress	41,571	137,579
Advances provided for inventories	605	901
Total	112,067	211,169

Work-in-progress primarily comprises capitalised expenses relating to customer orders that are still in progress.

As of 31 December 2022, the Group established an adjustment to inventories of TCZK 24,865 (TCZK 13,404 as of 31 December 2021).

## 11. Investment incentives and subsidies

The Group received no investment incentives and subsidies in 2022 and 2021.

## 12. Long-term receivables

The Group's long-term receivables primarily comprise long-term advances provided of TCZK 3,949 (TCZK 3,447 as of 31 December 2021), trade receivables of TCZK 5,379 (TCZK 3,583 as of 31 December 2021) and other receivables of TCZK 0 (TCZK 6,801 as of 31 December 2021).

Other long-term receivables comprise a deferred tax asset.

The Group does not record any long-term receivables with a due date longer than 5 years (TCZK 0 as of 31 December 2021).

## 13. Short-term receivables

Short-term receivables primarily comprise short-term trade receivables of TCZK 477,628 (TCZK 304,250 as of 31 December 2021), of which TCZK 61,922 (TCZK 13,566 as of 31 December 2021) are overdue. An adjustment for doubtful receivables of TCZK 19,573 was established as of 31 December 2022 (TCZK 14,379 as of 31 December 2021).

Short-term receivables further comprise short-term advances provided of TCZK 5,649 (TCZK 8,336 as of 31 December 2021).

Other short-term receivables primarily comprise tax receivables of TCZK 16,682 (TCZK 11,464 as of 31 December 2021) and estimated payables of TCZK 9,819 (TCZK 5,825 as of 31 December 2021).

Other receivables amount to TCKZ 39,621 (TCZK 6,021 as of 31 December 2021) and comprise mainly revaluation of derivatives.

## 14. Deferrals

Deferrals primarily consist of prepaid expenses of TCZK 119,131 (TCZK 75,333 as of 31 December 2021). Prepaid expenses primarily include purchase costs of customer licences, subscription fees, insurance premiums, servicing support and rent.

## 15. Derivatives

As of the balance sheet date, the Group held the following derivatives for trading:

	Fair value at 31/12/2022		Fair value at 1/1/2022	
	Positive	Negative	Positive	Negative
Interest rate contracts	-	-	-	-
Swaps	26,422	54	-	-
Total derivatives for trading	26,422	54	-	-

The interest rate swap contract is covered by collateral of TEUR 2,000.

Positive value of derivatives is presented in Other receivables. Negative value of derivatives is presented in Other payables.

## 16. Equity

Movements in the equity account are presented in the statement of changes in equity.

## 17. Provisions

	Income tax provision	Other provisions	Total
Balance on 1/1/2022	9,296	53,121	62,417
Change	20,665	-328	20,337
Closing balance as of 31/12/2022	29,961	52,793	82,754

	Income tax provision	Other provisions	Total
Balance on 1/7/2020	8,104	41,709	49,813
Change	1,192	11,412	12,604
Closing balance as of 31/12/2021	9,296	53,121	62,417

Other provisions primarily include a provision for bonuses, a pension provision, a provision for untaken holiday and a guarantee provision. In 2022, the income tax provision of TCZK 63,857 (TCZK 52,342 for 2021) was reduced by income tax prepayments of TCZK 33,895 (TCZK 43,046 for 2021). The resulting liability of TCZK 29,961 was recognised in Income tax provision (the resulting liability for 2021 of TCZK 9,296 was recognised in Income tax provisions).

A change in provisions comprises the creation of provisions for the period, their release and use, as well as the effect of acquiring new companies (TCZK 7,042 for 2022, TCZK -3,309 for 2021).

## 18. Long-term liabilities

Long-term liabilities primarily comprise other liabilities of TCZK 89,195 (2021 – TCZK 31,043), which include unpaid parts of the purchase price of long-term investments of TCZK 83,832 (TCZK 22,325 as of 31 December 2021).

Other long-term liabilities primarily comprise deferred tax liabilities of TCZK 3,190 (TCZK 2,261 of 31 December 2021) and liabilities – group undertakings of TCZK 231 (trade payables of TCZK 2,800 as of 31 December 2021).

Long-term liabilities to credit institutions are described in note 20.

The Group does not record any long-term liabilities with a due date longer than 5 years (TCZK 0 as of 31 December 2021).

## 19. Short-term liabilities

Short-term trade payables total TCZK 242,379 (TCZK 165,616 as of 31 December 2021), of which TCZK 26,923 (TCZK 6,636 as of 31 December 2021) is overdue.

Tax liabilities of TCZK 55,771 mainly comprise VAT (TCZK 40,548 as of 31 December 2021).

Liabilities to employees and social security and health insurance liabilities total TCZK 170,676 (TCZK 121,715 as of 31 December 2021).

Liabilities – group undertakings of TCZK 283,649 were paid up in full in 2022.

Short-term borrowings of TCZK 80,000 were paid up in full in 2022.

Other payables amount to TCZK 25,494 (TCZK 175,931 as of 31 December 2021) and primarily comprise short-term payables relating to unpaid parts of the purchase price of investments of TCZK 10,664 (TCZK 170,389 as of 31 December 2021).

Other short-term liabilities primarily comprise short-term advances received of TCZK 51,448 (TCZK 3,616 as of 31 December 2021) and estimated payables of TCZK 36,148 (TCZK 27,321 as of 31 December 2021).

## 20. Liabilities to credit institutions

As of 31 December 2022, the Group records a liability to credit institutions of TCZK 1,562,081 (TCZK 1,619 as of 31 December 2021), while TCZK 201,759 (TCZK 1,134 as of 31 December 2021) comprise a short-term portion due within one year, and TCZK 1,360,322 (TCZK 485 as of 31 December 2021) are due within 5 years.

Interest expense relating to the loans received amounts to TCZK 39,129 for 2022 (2021 – TCZK 1,236).

The loans are secured by:

- The pledge of tangible fixed assets (see note 8b),
- The pledge of receivables,
- The pledge of own shares and shares of significant subsidiaries,
- Guarantee agreements with Seyfor SK and Mainstream.

On 22 December 2021, a framework agreement was concluded for the provision of long-term multi-currency bank financing, with credit facility of TEUR 63,500 and TCZK 165,750, to finance future strategic development and the refinancing of loans. The credit facility was drawn in 2022. The loan is due on 30 September 2026.

## 21. Accruals

Accruals of TCZK 340,723 (TCZK 314,416 as of 31 December 2021) mainly comprise accrued expenses of TCZK 324,405 (TCZK 278,934 as of 31 December 2021) and deferred revenues of TCZK 16,317 (TCZK 35,482 as of 31 December 2021). Deferred revenues comprise revenues from fees for software use, system maintenance fees and fees for services rendered.

## 22. Segment information

An overview of the Group's revenue from the sale of good, products and services from regular business activities (in TCZK).

Revenues	2021	2022
<b>Sale of products and services</b>	<b>2,835,170</b>	<b>2,589,276</b>
Domestic sales	1,862,799	1,680,281
Export	972,371	908,995
<b>Sale of goods</b>	<b>365,862</b>	<b>357,931</b>
Domestic sales	277,026	327,617
Export	88,836	30,313
<b>Total</b>	<b>3,201,032</b>	<b>2,947,206</b>

### Cost of sales

Cost of sales primarily comprise services of TCZK 875,366 (TCZK 881,895 for 2021), and costs of goods sold and materials and consumables of TCZK 367,614 (TCZK 311,258 for 2021).

The major items of services are subcontracts in the total amount of TCK 438,000 (advisory services in the total amount of TCZK 361,902 for 2021). Other significant services comprise rental expenses, facility management and marketing of TCZK 203,754 (TCZK 244,686 for 2021). Other services in the total amount of TCZK 132,895 (TCZK 275,307 for 2021) primarily comprise advisory services, telecommunication services, repair and maintenance expenses and entertainment expenses.

## 24. Other operating revenues and expenses

### a) Other operating revenues

Other operating revenues total TCZK 28,516 (TCZK 29,767 for 2021), of which TCZK 16,126 (TCZK 9,867 for 2021) are proceeds from sale of fixed assets.

### b) Other operating expenses

Other operating expenses total TCZK 22,064 (TCZK 51,592 for 2021), arising mainly from the use of provisions relating to operating activity, sale of fixed assets, and insurance expenses.

## 25. Other financial revenues and expenses

Other financial revenues of TCZK 65,271 (TCZK 35,923 for 2021) primarily comprise foreign exchange gains of TCZK 40,580 (TCZK 32,584 for 2021).



Other financial expenses of TCZK 30 619 (TCZK 48 273 for 2021) primarily comprise foreign exchange losses of TCZK 24 073 (TCZK 41 838 for 2021).

## 26. Fees payable to statutory auditors

	2021	2022
Statutory audit	2,300	2,200
Other assurance services	-	-
Tax advisory	-	-
Other non-audit services	-	-
Total	2,300	2,200

## 27 Employees and members of management, supervisory and administrative bodies

2022	Average FTE number	Wages and salaries	Statutory social security and health insurance	Other social expenses	Total
Employees	1,222	1,038,476	315,380	391,133	1,392,989
Executives*	22	25,699	6,454	331	32,484
Total	1,244	1,064,175	321,834	39,464	1,425,473

\* Wages and salaries of members of management, supervisory and administrative bodies represent the members' remuneration attributable to their function.

2021	Average FTE number	Wages and salaries	Statutory social security and health insurance	Other social expenses	Total
Employees	1,117	1,208,533	357,785	31,768	1,598,009
Executives*	30	75,177	18,582	1,533	95,293
Total	1,147	1,283,710	372,006	37,585	1,693,302

\* Wages and salaries of members of management, supervisory and administrative bodies represent the members' remuneration attributable to their function.

Remuneration to members of management, supervisory and administrative bodies attributable to their function are paid out based on concluded and approved contracts.

The Group has no pension liabilities in respect of members of the above bodies.

## 28. Income tax

### a) Current tax

Current income tax comprises tax for the taxable period ended 31 December 2022 of TCZK 63,857 (TCZK 52,342 for 2021).

### b) Deferred tax

In accordance with the accounting policy described in note 3i), a tax rate of 19% was used to calculate deferred tax (2021–19%). Tax rates valid in the respective countries were used for foreign companies. The Group records a net deferred tax asset of TCZK 1,048. As of 31 December 2021, the Group recognised a deferred tax asset of TCZK 357. Income tax in the income statement comprises the expense relating to a change in deferred tax of TCZK 1,179 (TCZK 263 for 2021).

## 29. Related parties

The following table shows the Group's relations to members of management, supervisory and administrative bodies and other related parties:

in TCZK	Shareholders	Other related parties	Shareholders	Other related parties
	2021	2021	2022	2022
Revenues	–	7 708	–	1 225
Expenses	–	10 397	–	79
Receivables	–	–	–	92
Payables	–	283 649	–	–

The Group provided a loan to the shareholder of the Company and a group company not included in the consolidation in the total amount of TCZK 344,759 (TCZK 3,600 as of 31 December 2021). Interest income on the loans provided amounts to TCZK 11,242 for 2022 (2021 – TCZK 0).

## 30. Leased assets

### a) Finance leases

The Group is committed to payments under finance leases for motor vehicles and IT equipment as follows:

	Total lease payments	Paid as at 31/12	Due within 1 year	Due in 1 to 5 years	Due in subsequent years
2022 Cars	2,987	1,633	154	1,200	–
2022 IT equipment	12,675	3,884	1,389	3,014	4,388
2021 Cars	2,241	–	783	1,458	–
2021 IT equipment	8	3	1	4	–

#### b) **Operating lease**

The Group has concluded leases for real estate and cars. Costs relating to these contracts for 2022 totalled TCZK 94,757 (2021 – TCZK 130,816).

## 31. **Own work capitalised**

The Company recognised TCZK 83,786 (TCZK 59,720 as of 31 December 2021) in Own work capitalised. The item comprises the capitalisation of expenses incurred for intangible fixed assets under construction (new software).

## 32. **Research and development**

The Group incurred research and development expenses of TCZK 62,902 in 2022 (TCZK 134,070 as of 31 December 2021).

## 33. **Contingencies and commitments**

As at 31 December 2022, the Group had a guarantee contract between Solitea Slovensko a.s., Solitea a.s., and Tatra banka a.s., relating to the loan agreement of 22 December 2021, for up to TCZK 165,750 and TEUR 63,500.

The Group was provided with the following guarantees:

- in favour of Rustonka Office Park s.r.o., valid until 31 March 2027 (TCZK 5,805)
- in favour of Raiffeisen Banka A.D, valid until 15 February 2024 (TEUR 2,205)
- in favour of Kancelář zdravotního pojištění, valid until 28 February 2023 (TCZK 4,810)

As of 31 December 2022 or 31 December 2021, the Group had no other material liabilities not recorded in the balance sheet, except for liabilities arising from the contracts mentioned in note 30.

## 34. **Cash flow statement**

For the purposes of the cash flow statement, cash and cash equivalents are defined to include cash in hand, cash in transit, cash at the bank and other financial assets whose valuation can be reliably determined and that can be readily converted to cash. Cash and cash equivalents as at the year-end are as follows:

in TCZK	2021	2022
Cash in hand	1,732	2,623
Bank accounts	570,447	519,776
Cash and cash equivalents	572,179	522,399

The cash flow statement was prepared using the indirect method and is part of the financial statements as a separate statement. Cash flows from operating, investing, or financing activities are reported on a gross basis in the cash flow statement.

## 35. Material subsequent events

On 9 November 2022, the Company approved the draft terms of a merger by acquisition of group companies P R O V I S s.r.o., PRYTANIS a.s., Powerstream, a.s., and Mainstream Technologies, s.r.o., effective 1 January 2023, with Seyfor, a.s. as the successor company.

Successor company:

Seyfor, a.s., Comp. Id.: 01572377, with its registered office at Drobného 555/49, Brno

Dissolving companies:

P R O V I S, Comp. Id.: 45195129, with its registered office at Jiráskova 1127, 755 01 Vsetín

PRYTANIS a.s., Comp. Id.: 08942625, with its registered office at Jundrovská 618/31, Komín, 624 00 Brno

Powerstream, a.s., Comp. Id.: 28479637, with its registered office at Hvězdova 1734/2c, Nusle, 140 00 Prague


Mainstream Technologies, s.r.o., Comp. Id.: 28479637, with its registered office at Na strži 2097/63, Krč, 140 00 Prague

On 1 January 2023, the registered capital was increased by TCZK 1,000 to TCZK 815,000 by subscribing new shares. The ratio of individual owners remained unchanged.

On 3 January 2023, the Company acquired a 100% share in the Gesteem group by acquiring a 100% share in gesteem society a.s.

The Group's management is not aware of any events that have occurred since the balance sheet date that would have any material impact on the financial statements as of 31 December 2022.

In Brno, on 30 June 2023



Martin Cígler  
Chairman of the Board of Directors  
Seyfor, a.s.



**KPMG Česká republika Audit, s. r. o.**

Pobřežní 1a  
186 00 Prague 8  
Czech Republic  
+420 222 123 111  
www.kpmg.cz

This document is an English translation of the Czech auditor's report. Only the Czech version of the report is legally binding.

**Independent Auditor's Report to the Shareholders of Seyfor, a. s.**

**Opinion**

We have audited the accompanying consolidated financial statements of Seyfor, a. s. ("the Company") and its subsidiaries (together "the Group"), prepared in accordance with Czech accounting legislation, which comprise the consolidated balance sheet as of 31 December 2022, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory notes. Information about the Group is set out in Note 1 and 6 to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as of 31 December 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Czech accounting legislation.

**Basis for Opinion**

We conducted our audit in accordance with the Act on Auditors, and Auditing Standards of the Chamber of Auditors of the Czech Republic, consisting of International Standards on Auditing (ISAs), which may be supplemented and amended by relevant application guidelines. Our responsibilities under those regulations are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG Česká republika Audit, s.r.o., a Czech limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Recorded in the Commercial Register kept by the Municipal Court in Prague, Section C, Insert No. 24185

Identification No. 49619187  
VAT No. CZ699001996  
ID data box: 8h3gtra



### **Other Information**

In accordance with Section 2(b) of the Act on Auditors, other information is defined as information included in the consolidated annual report other than the separate and the consolidated financial statements and our auditor's report. The statutory body is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate and the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable laws and regulations, in particular, whether the other information complies with laws and regulations in terms of formal requirements and the procedure for preparing the other information in the context of materiality, i.e., whether any non-compliance with those requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- the other information describing matters that are also presented in the separate and the consolidated financial statements is, in all material respects, consistent with the separate and the consolidated financial statements; and
- the other information has been prepared in accordance with applicable laws and regulations.

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

### **Responsibilities of the Statutory Body and Supervisory Board for the Consolidated Financial Statements**

The statutory body is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Czech accounting legislation and for such internal control as the statutory body determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the statutory body is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the statutory body either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an





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

As part of an audit in accordance with the above regulations, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory body.
- Conclude on the appropriateness of the statutory body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



### Statutory Auditor Responsible for the Engagement

Jana Fryaufová is the statutory auditor responsible for the audit of the consolidated financial statements of Seyfor, a.s. as of 31 December 2022, based on which this independent auditor's report has been prepared.

Brno

30 June 2023

*KPMG Česká republika Audit, s.r.o.*  
KPMG Česká republika Audit, s. r. o.  
Registration number 71

*Fryaufová Jana*  
Ing. Jana Fryaufová  
Director  
Registration number 2144

# Individual Financial statements

## Balance sheet in full format

as at 31 December 2022 (in thousands of Czech crowns)

Translated from the Czech original

Name and registr. office  
of the Company: Seyfor, a.s.  
Drobného 555/49, Ponava  
602 00 Brno, Czech Republic  
Identification number: 015 72 377

## ASSETS

Ident.	ASSETS	line	Current period			Prior period
			Gross	Adjust.	Net	Net
a	b	c	1	2	3	4
	<b>TOTAL ASSETS</b>	<b>1</b>	<b>3,626,585</b>	<b>-444,968</b>	<b>3,181,617</b>	<b>1,990,425</b>
<b>B.</b>	<b>Fixed assets</b>	<b>2</b>	<b>2,910,741</b>	<b>-439,027</b>	<b>2,471,714</b>	<b>1,176,839</b>
B.I.	Intangible fixed assets	3	321,410	-171,373	150,037	87,448
B.I.1.	Development	4	257	-257	0	0
B.I.2.	Intellectual property rights	5	180,237	-171,073	9,164	10,461
B.I.2.1.	Software	6	168,798	-165,791	3,007	7,509
B.I.2.2.	Other intellectual property rights	7	11,439	-5,282	6,157	2,952
B.I.3.	Goodwill	8	100	-43	57	77
B.I.4.	Other intangible fixed assets	9	0	0	0	747
B.I.5.	Advance payments for intangible fixed assets and intangible fixed assets under construction	10	140,816	0	140,816	76,163
B.I.5.2.	Intangible fixed assets under construction	11	140,816	0	140,816	76,163
B.II.	Tangible fixed assets	12	222,347	-137,654	84,693	88,900
B.II.1.	Land and buildings	13	1,872	-835	1,037	1,327
B.II.1.2.	Buildings	14	1,872	-835	1,037	1,327
B.II.2.	Plant and equipment	15	208,734	-131,693	77,041	77,195
B.II.3.	Adjustments to acquired fixed assets	16	3,097	-3,084	13	19
B.II.4.	Other tangible fixed assets	17	6,052	-2,042	4,010	4,563
B.II.4.3.	Other tangible fixed assets	18	6,052	-2,042	4,010	4,563
B.II.5.	Advance payments for tangible fixed assets and tangible fixed assets under construction	19	2,592	0	2,592	5,796
B.II.5.1.	Advance payments for tangible fixed assets	20	0	0	0	249
B.II.5.2.	Tangible fixed assets under construction	21	2,592	0	2,592	5,547
B.III.	Long-term investments	22	2,366,984	-130,000	2,236,984	1,000,491
B.III.1.	Equity investments - group undertakings	23	2,037,824	-130,000	1,907,824	998,711
B.III.2.	Loans - group undertakings	24	328,760	0	328,760	0
B.III.3.	Equity investments - associated companies	25	0	0	0	1,380
B.III.7.	Other long-term investments	26	400	0	400	400
B.III.7.1.	Other long-term investments	27	400	0	400	400

## Balance sheet in full format

as at 31 December 2022 (in thousands of Czech crowns)

Translated from the Czech original

Name and registr. office  
of the Company: Seyfor, a. s.  
Drobného 555/49, Ponava  
602 00 Brno, Czech Republic  
Identification number: 015 72 377

### ASSETS

Ident.	ASSETS	line	Current period			Prior period
			Gross	Adjust.	Net	Net
a	b	c	1	2	3	4
<b>C.</b>	<b>Current assets</b>	<b>28</b>	<b>661,194</b>	<b>-5,941</b>	<b>655,253</b>	<b>759,957</b>
C.I.	Inventories	29	97,805	-236	97,569	50,536
C.I.1.	Raw materials	30	202	-76	126	166
C.I.2.	Work-in-progress and semi-finished products	31	84,913	0	84,913	38,875
C.I.3.	Finished goods and goods for resale	32	12,690	-160	12,530	11,495
C.I.3.2.	Goods for resale	33	12,690	-160	12,530	11,495
C.II.	Receivables	34	394,978	-5,705	389,273	382,521
C.II.1.	Long-term receivables	35	2,564	0	2,564	4,177
C.II.1.4.	Deferred tax asset	36	2,564	0	2,564	2,617
C.II.1.5.	Receivables - other	37	0	0	0	1,560
C.II.1.5.2.	Long-term advances paid	38	0	0	0	1,418
C.II.1.5.4.	Other receivables	39	0	0	0	142
C.II.2.	Short-term receivables	40	392,414	-5,705	386,709	378,344
C.II.2.1.	Trade receivables	41	205,146	-5,705	199,441	155,435
C.II.2.2.	Receivables - group undertakings	42	1,565	0	1,565	3,047
C.II.2.4.	Receivables - other	43	185,703	0	185,703	219,862
C.II.2.4.3.	Tax receivables	44	1,080	0	1,080	2,758
C.II.2.4.4.	Short-term advances paid	45	4,725	0	4,725	4,991
C.II.2.4.5.	Estimated receivables	46	9,804	0	9,804	12,531
C.II.2.4.6.	Other receivables	47	170,094	0	170,094	199,582
C.IV.	Cash	48	168,411	0	168,411	326,900
C.IV.1.	Cash in hand	49	192	0	192	680
C.IV.2.	Bank accounts	50	168,219	0	168,219	326,220
<b>D.</b>	<b>Deferrals</b>	<b>51</b>	<b>54,650</b>	<b>0</b>	<b>54,650</b>	<b>53,629</b>
D.1.	Prepaid expenses	52	54,650	0	54,650	52,562
D.3.	Accrued revenues	53	0	0	0	1,067

## Balance sheet in full format

as at 31 December 2022 (in thousands of Czech crowns)

Translated from the Czech original

Name and registr. office  
of the Company: Seyfor, a.s.  
Drobného 555/49, Ponava  
602 00 Brno, Czech Republic  
Identification number: 015 72 377

### LIABILITIES

Ident.	LIABILITIES	line	Current period	Prior period
a	b	c	5	6
	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>54</b>	<b>3,181,617</b>	<b>1,990,425</b>
<b>A.</b>	<b>Equity</b>	<b>55</b>	<b>957,386</b>	<b>836,367</b>
A.I.	Registered capital	56	814,000	814,000
A.I.1.	Registered capital	57	814,000	814,000
A.II.	Premium and capital contributions	58	-1,090,899	-1,066,594
A.II.1.	Premium	59	6,128	6,128
A.II.2.	Capital contributions	60	-1,097,027	-1,072,722
A.II.2.1.	Other capital contributions	61	380,076	380,076
A.II.2.2.	Revaluation of assets and liabilities (+/-)	62	- 52,353	- 28,048
A.II.2.4.	Differences resulting from transformations (+/-)	63	-1,424,750	-1,424,750
A.III.	Funds from profit	64	15,342	15,342
A.III.1.	Other reserve funds	65	416	416
A.III.2.	Statutory and other funds	66	14,926	14,926
A.IV.	Retained profits or accumulated losses (+/-)	67	1,073,619	1,073,619
A.IV.1.	Retained profits or accumulated losses (+/-)	68	1,073,619	1,073,619
A.V.	Profit (loss) for the current period (+/-)	69	145,324	0
<b>B. + C.</b>	<b>Liabilities</b>	<b>70</b>	<b>2,004,184</b>	<b>908,554</b>
<b>B.</b>	<b>Provisions</b>	<b>71</b>	<b>41,277</b>	<b>14,230</b>
B.1.	Provision for pensions and other similar payables	72	0	370
B.2.	Income tax provision	73	26,103	3,074
B.4.	Other provisions	74	15,174	10,786

## Balance sheet in full format

as at 31 December 2022 (in thousands of Czech crowns)

Translated from the Czech original

Name and registr. office  
of the Company: Seyfor, a. s.  
Drobného 555/49, Ponava  
602 00 Brno, Czech Republic  
Identification number: 015 72 377

### Liabilities

Ident.	LIABILITIES	line	Current period	Prior period
a	b	c	5	6
<b>C.</b>	<b>Liabilities</b>	<b>75</b>	<b>1,962,907</b>	<b>894,324</b>
C.I.	Long-term liabilities	76	1,371,811	71,218
C.I.2.	Liabilities to credit institutions	77	1,360,322	294
C.I.4.	Trade payables	78	0	2,800
C.I.6.	Liabilities - group undertakings	79	0	47,234
C.I.8.	Deferred tax liability	80	0	24
C.I.9.	Liabilities - other	81	11,489	20,866
C.I.9.3.	Other payables	82	11,489	20,866
C.II.	Short-term liabilities	83	591,096	823,106
C.II.2.	Short-term financial liabilities	84	201,660	714
C.II.3.	Short-term advances received	85	49,500	1,884
C.II.4.	Trade payables	86	82,032	87,138
C.II.6.	Liabilities - group undertakings	87	76,044	343,879
C.II.8.	Liabilities - other	88	181,860	389,491
C.II.8.2.	Short-term financial liabilities	89	0	80,000
C.II.8.3.	Payables to employees	90	67,213	49,166
C.II.8.4.	Social security and health insurance liabilities	91	34,931	25,165
C.II.8.5.	Tax liabilities and subsidies	92	37,539	24,510
C.II.8.6.	Estimated payables	93	31,514	24,300
C.II.8.7.	Other payables	94	10,663	186,350
<b>D.</b>	<b>Accruals</b>	<b>95</b>	<b>220,047</b>	<b>245,504</b>
D.1.	Accrued expenses	96	6,638	40,374
D.2.	Deferred revenues	97	213,409	205,130



## Income statement

classification by nature for the year ended 31 December 2022

(in thousands of Czech crowns)

Translated from the Czech original

Name and registr. office  
of the Company: Seyfor, a.s.  
Drobného 555/49, Ponava  
602 00 Brno, Czech Republic  
Identification number: 015 72 377

Ident.		line	Current period	Prior period
a	b	c	1	2
I.	Revenue from products and services	1	1,421,837	1,679,867
II.	Revenue from goods	2	153,201	253,973
A.	Cost of sales	3	591,654	704,205
A.1.	Cost of goods sold	4	101,553	176,701
A.2.	Materials and consumables	5	27,872	34,280
A.3.	Services	6	462,229	493,224
B.	Change in inventory of own production (+/-)	7	-43,423	-20,231
C.	Own work capitalised (-)	8	-61,808	-59,720
D.	Personnel expenses	9	860,002	1,057,794
D.1.	Wages and salaries	10	626,909	779,356
D.2.	Social security, health insurance and other expenses	11	233,093	278,438
D.2.1.	Social security and health insurance expenses	12	208,678	254,101
D.2.2.	Other expenses	13	24,415	24,337
E.	Adjustments relating to operating activities	14	35,061	41,587
E.1.	Adjustments to intangible and tangible fixed assets	15	35,851	40,932
E.1.1.	Depreciation and amortisation of intangible and tangible fixed assets	16	35,851	40,932
E.3.	Adjustments to receivables	17	-790	655
III.	Other operating revenues	18	9,260	16,055
III.1.	Proceeds from disposals of fixed assets	19	4,654	6,826
III.2.	Proceeds from disposals of raw materials	20	20	423
III.3.	Miscellaneous operating revenues	21	4,586	8,806
F.	Other operating expenses	22	14,735	16,304
F.1.	Net book value of fixed assets sold	23	1,287	4,944
F.2.	Net book value of raw materials sold	24	20	177
F.3.	Taxes and charges	25	1,082	2,275
F.4.	Provisions relating to operating activity and complex prepaid expenses	26	4,018	-1,616
F.5.	Miscellaneous operating expenses	27	8,328	10,524
*	<b>Operating profit (loss) (+/-)</b>	<b>28</b>	<b>188,077</b>	<b>209,956</b>

## Income statement

classification by nature for the year ended 31 December 2022

(in thousands of Czech crowns)

Translated from the Czech original

Name and registr. office  
of the Company: Seyfor, a. s.  
Drobného 555/49, Pohnava  
602 00 Brno, Czech Republic  
Identification number: 015 72 377

Ident.		line	Current period	Prior period
a	b	c	1	2
IV.	Revenue from long-term investments - equity investments	29	32	168,878
IV.1.	Revenue from equity investments - group undertakings	30	32	168,878
G.	Cost of equity investments sold	31	2,106	31,736
V.	Revenue from other long-term investments	32	0	1,995
V.1.	Revenue from other long-term investments - group undertakings	33	0	1,995
VI.	Interest revenue and similar revenue	34	13,708	2,863
VI.1.	Interest revenue and similar revenue - group undertakings	35	13,466	10
VI.2.	Other interest revenue and similar revenue	36	242	2,853
I.	Adjustments and provisions relating to financial activity	37	15,000	115,000
J.	Interest expense and similar expense	38	42,722	21,965
J.1.	Interest expense and similar expense - group undertakings	39	2,226	21,401
J.2.	Other interest expense and similar expense	40	40,496	564
VII.	Other financial revenues	41	62,572	32,592
K.	Other financial expenses	42	20,461	36,995
*	<b>Profit (loss) from financial operations</b>	<b>43</b>	<b>-3,977</b>	<b>632</b>
**	<b>Profit (loss) before tax (+/-)</b>	<b>44</b>	<b>184,100</b>	<b>210,588</b>
L.	Income tax	45	38,776	18,796
L.1.	Current tax	46	38,747	21,022
L.2.	Deferred tax (+/-)	47	29	-2,226
**	<b>Profit (loss) after tax (+/-)</b>	<b>48</b>	<b>145,324</b>	<b>191,792</b>
***	<b>Profit (loss) for the accounting period (+/-)</b>	<b>49</b>	<b>145,324</b>	<b>191,792</b>
*	<b>Net turnover for the accounting period = I. + II. + III. + IV. + V. + VI. + VII.</b>	<b>50</b>	<b>1,660,610</b>	<b>2,156,223</b>

## Cash flow statement

for the year ended 31 December 2022 (in thousands of Czech crowns)

Translated from the Czech original

Name and registr. office  
of the Company: Seyfor, a. s.  
Drobného 555/49, Ponava  
602 00 Brno, Czech Republic  
Identification number: 015 72 377

### CASH FLOW STATEMENT

		Current period	Prior period
<b>P.</b>	<b>Cash and cash equivalents, beginning of period</b>	<b>303,048</b>	<b>148,289</b>
	Merger impact	23,852	0
<b>P.</b>	<b>Cash and cash equivalents, beginning of period</b>	<b>326,900</b>	<b>148,289</b>
<b>Net operating cash flow</b>			
Z:	Operating profit (loss) before tax	188,077	209,956
A.1.	Non-cash transactions	36,552	36,316
A.1.1.	Depreciation and amortisation of fixed assets	35,825	40,622
A.1.2.	Change in:	3,254	-696
A.1.2.1.	goodwill and adjustments to acquired assets	26	7
A.1.2.2.	provisions and adjustments relating to operating activity	3,228	-703
A.1.3.	Profit(-) Loss(+) on sale of fixed assets	-3,367	-1,882
A.1.4.	Other non-cash transactions	840	-1,728
<b>A*.</b>	<b>Net operating cash flow before taxation and changes in working capital</b>	<b>224,629</b>	<b>246,272</b>
A.2.	Changes in working capital	-260,442	107,465
A.2.1.	Change in receivables from operating activities, estimated receivables and deferrals	74,566	31,984
A.2.2.	Change in short-term liabilities from operating activities, estimated payables and accruals	-287,975	95,792
A.2.3.	Change in inventories	-47,033	-20,311
<b>A.**</b>	<b>Net operating cash flow before taxation</b>	<b>-35,813</b>	<b>353,737</b>
A.3.	Interest paid excluding amounts capitalised	-40,496	-869
A.4.	Interest received	13,708	2,863
A.5.	Income tax paid on ordinary income and income tax relating to prior periods	-15,718	-20,619
A.6.	Other financial receipts and disbursement	15,745	-4,998
A.7.	Dividends received	0	1,995
<b>A.***</b>	<b>Net operating cash flow</b>	<b>-62,574</b>	<b>332,109</b>
<b>Investing activities</b>			

## Cash flow statement

for the year ended 31 December 2022 (in thousands of Czech crowns)

Translated from the Czech original

Name and registr. office  
of the Company: Seyfor, a. s.  
Drobného 555/49, Pohnava  
602 00 Brno, Czech Republic  
Identification number: 015 72 377

### CASH FLOW STATEMENT

		Current period	Prior period
B.1.	Acquisition of fixed assets	-927,051	-561,535
B.1.1.	Acquisition of tangible fixed assets	-27,369	-55,499
B.1.2.	Acquisition of intangible fixed assets	-68,266	-68,944
B.1.3.	Acquisition of long-term investments	-831,416	-437,092
B.2.	Proceeds from sales of fixed assets	4,686	175,704
B.2.1.	Proceeds from sales of tangible and intangible fixed assets	4,654	6,826
B.2.2.	Proceeds from sale of long-term investments	32	168,878
B.3.	Advances and loans to related parties	-327,278	0
<b>B.***</b>	<b>Net cash flow from investing activities</b>	<b>-1,249,643</b>	<b>-385,831</b>
<b>Financing activities</b>			
C.1.	Change in long-term resp. short-term liabilities from financing	1,153,728	208,480
C.2.	Increase and decrease in equity from cash transactions	0	1
C.2.1.	Subscription of shares and investments	0	1
<b>C.***</b>	<b>Net cash flow from financing activities</b>	<b>1,153,728</b>	<b>208,481</b>
<b>F.</b>	<b>Net increase or decrease in cash balance</b>	<b>-158,489</b>	<b>154,759</b>
<b>R.</b>	<b>Cash and cash equivalents, end of period</b>	<b>168,411</b>	<b>303,048</b>

**Statement of changes in equity**  
for the year ended 31 December 2022 (in thousands of Czech crowns)

Name and registr. office  
of the Company: Seyfor, a.s.  
Drobného 555/49, Ponava  
602 00 Brno, Czech Republic  
Identification number: 015 72 377

**STATEMENT OF CHANGES IN EQUITY**

	Registered capital	Premium	Other capital contributions	Revaluation of assets and liabilities	Differences resulting from transformations	Other reserve funds	Statutory and other funds	Retained profits or accumulated losses (+/-)	Other retained earnings	Profit (loss) for the current period	Total
<b>Balance as of 1.1.2022</b>	<b>814,000</b>	<b>6,128</b>	<b>380,076</b>	<b>-28,048</b>	<b>-1,424,750</b>	<b>416</b>	<b>14,926</b>	<b>1,073,619</b>	<b>-</b>	<b>-</b>	<b>836,367</b>
Change in revaluation	-	-	-	-24,305	-	-	-	-	-	-	-24,305
Profit (loss) for the current period	-	-	-	-	-	-	-	-	-	145,324	145,324
<b>Balance as of 31.12.2022</b>	<b>814,000</b>	<b>6,128</b>	<b>380,076</b>	<b>-52,353</b>	<b>-1,424,750</b>	<b>416</b>	<b>14,926</b>	<b>1,073,619</b>	<b>-</b>	<b>145,324</b>	<b>957,386</b>

**STATEMENT OF CHANGES IN EQUITY**

	Registered capital	Premium	Other capital contributions	Revaluation of assets and liabilities	Differences resulting from transformations	Other reserve funds	Statutory and other funds	Retained profits or accumulated losses (+/-)	Other retained earnings	Profit (loss) for the current period	Total
<b>Balance as of 1.7.2020</b>	<b>814,000</b>	<b>6,128</b>	<b>380,076</b>	<b>-648</b>	<b>-1,266,329</b>	<b>369</b>	<b>8,426</b>	<b>853,904</b>	<b>-3,025</b>	<b>-</b>	<b>792,901</b>
Change in revaluation	-	-	-	-27,401	-	-	-	-	-	-	-27,401
Rounding	-	-	1	-	-	-	-	-2	-	-	-1
Profit (loss) for the current period	-	-	-	-	-	-	-	-	-	191,792	191,792
<b>Balance as of 31.12.2021</b>	<b>814,000</b>	<b>6,128</b>	<b>380,077</b>	<b>-28,049</b>	<b>-1,266,329</b>	<b>369</b>	<b>8,426</b>	<b>853,902</b>	<b>-3,025</b>	<b>191,792</b>	<b>957,291</b>
Merger impact	-	-	-1	1	-158,421	47	6,500	219,717	3,025	-191,792	-120,924
<b>Balance as of 31.12.2021</b>	<b>814,000</b>	<b>6,128</b>	<b>380,076</b>	<b>-28,048</b>	<b>-1,424,750</b>	<b>416</b>	<b>14,926</b>	<b>1,073,619</b>	<b>-</b>	<b>-</b>	<b>836,367</b>

# Notes to Financial statements

## 1. Description and principal activities

### Establishment and description of the Company

Seyfor, a.s. (previously Solitea, a.s.; hereinafter the “Company”) is a joint stock company with its registered office in Brno, Drobného 555/49, Czech Republic, identification number: 015 72 377. The Company is registered in the Commercial Register of the Regional Court in Brno under file number 7072, section B.

On 1 December 2022, the name of the Company changed from Solitea, a.s. to Seyfor, a.s.

### The principal activities of the Company include:

Manufacturing, trade and services not specified in appendixes 1 to 3 of the Trade Licensing Act, and within them the following fields of activities:

- a) Provision of software, information technology consulting, data processing, hosting and related activities and web portals
- b) Guidance and consulting activities, production of expert studies and opinions
- c) Publishing, printing, binding, and copying
- d) Manufacture, reproduction, distribution, sale, rental of audio and audio-visual recordings, and manufacture of blank data and recording carriers
- e) Extra-curricular education, including organisation of courses, training, and instructor services
- f) Advertising, marketing, media representation
- g) Translation and interpreting
- h) Operation of cultural, educational and entertainment facilities, organisation of cultural productions, events, exhibitions, fairs, festivals, sales, and similar events
- i) Intermediation in trade and services
- j) Purchase, sale, management, and maintenance of real estate
- k) Leasing and loaning of movables
- l) Administrative services and services of an organisational and economic nature
- m) Wholesale and retail trade
- n) Testing, measurement, analysis, and inspections
- o) Research and development in the field of natural and technical sciences or social sciences
- p) Operation of a travel agency and guide services in the field of tourism

### Ownership structure

As of 31 December 2022, shareholders of the Company with shares exceeding 20% were:

#### LIGELTA HOLDINGS LTD

with its registered office at Kyriakou Matsi, 16, EAGLE HOUSE, 8th floor, Agioi Omologites, 1082, Nicosia, Republic of Cyprus, holding a 72.7% share.

#### CSW Holding s.r.o.

with its registered office at Brno, Drobného 555/49, 602 00, Czech Republic, holding a 20.1% share.



## Changes in the Commercial Register

The following changes were recorded in the Commercial Register in 2022:

- On 1 July 2022, the merger by acquisition as of 1 January 2022 was recorded based on a merger project prepared on 23 May 2022.
- On 21 September 2021, Jana Šufajzlová was removed as a member of the supervisory board and Táňa Šuláková was appointed a new member of the board. The change was recorded in the Commercial Register on 12 January 2022.
- On 30 September 2022, a change in principal business activities was recorded.
- On 1 December 2022, a change in the Company name from Solitea, a.s. to Seyfor, a.s. was recorded.

## Members of the board of directors and supervisory board as of 31 December 2022

### *Members of the board of directors*

Martin Cígler (chairman)

Michal Rybovič (vice-chairman)

Tomáš Loukota (member)

Petr Franc (member)

Martin Kudrna (member)

Jan Tomíšek (member)

### *Members of the supervisory board*

Michal Máčel (chairman)

Milan Smutný (member)

Táňa Šuláková (member)

The Company does not prepare an annual report as the information shall be included in the consolidated annual report.

The Company also prepares consolidated financial statements in accordance with Czech Accounting Standards. The consolidated financial statements are available at the consolidating entity's registered office.

The Company is the parent of Seyfor, and these financial statements have been prepared as unconsolidated. The consolidated financial statements of the widest group of entities to which the Company as a consolidated entity belongs are prepared by LIGELTA HOLDINGS, LTD, with its registered office in the Republic of Cyprus. The consolidated financial statements are available at the consolidating entity's registered office.

## 2. General accounting principles, accounting policies and their changes and deviations

These separate financial statements have been prepared in compliance with Act No. 563/1991 Coll., on Accounting, as amended, ("the Act on Accounting") and Decree of the Czech Ministry of Finance No. 500/2002 Coll., implementing certain provisions of the Act on Accounting, as amended, for business entities using double-entry bookkeeping, ("the Decree") as amended for 2022.

The financial statements have been prepared on a going concern basis.

### a) **Tangible and intangible fixed assets**

Tangible and intangible fixed assets are stated at acquisition cost. Tangible fixed assets costing up to TCZK 20 and intangible fixed assets costing up to TCZK 20 are not recognised in the balance sheet and are expensed

in the year that they are acquired.

The cost of internally produced fixed assets includes direct materials, direct wages and overheads directly related to the creation of the asset until it is put into use.

Depreciation and amortisation of assets commences in the month following the month the assets are put into operation. Depreciation and amortisation are recorded monthly, including low-value assets.

Assets are depreciated using the following methods over the following periods:

Assets	Method	Period
Buildings	Straight-line	40–50 years
Hardware (servers, projectors, etc.) (up to MCZK 1–3 years; over 1 MCZK – 5 years)	Straight-line	3–5 years
Furniture	Straight-line	5 years
Cars (up to TCZK 1 500)	Straight-line	5 years
Cars (over TCZK 1 500)	Straight-line	6 years
Security systems	Straight-line	5 years
Patents and other intangibles (know-how)	Straight-line	6 years
Software	Straight-line	3 years
Adjustments to acquired fixed assets	Straight-line	15 years
Low value tangible fixed assets (TCZK 20–40)	Straight-line	2 years
Low value tangible fixed assets (TCZK 0–60)	Straight-line	2 years

In the income statement, depreciation is presented in the depreciation and amortisation of intangible and tangible fixed assets.

Improvement costs increase the acquisition cost of fixed assets. Repairs and maintenance are expensed.

#### b) Long-term investments

Long-term investments comprise equity investments in subsidiaries and associated companies, debt securities that the Company has the intent and ability to hold to maturity, and other long-term securities for which the Company's intent is not known upon acquisition. Long-term investments also include long-term loans provided to group undertakings and associated companies and other long-term loans granted. Long-term investments are stated at acquisition cost, which includes expenses directly incurred in connection with the acquisition, such as fees and commissions paid to brokers, advisors, and stock exchanges. As of the balance sheet date, investments in subsidiaries and associates were recognised at acquisition cost, and if a particular investment has been impaired, an adjustment has been established.

Investments in subsidiaries denominated in foreign currency are translated to CZK based on the current exchange rate published by the CNB as of the day of the financial statements, and the appropriate exchange rate difference is recognised in equity as revaluation of assets and liabilities.

#### c) Cash

Cash comprises fee stamps, cash in hand and cash at the bank. A cash pool system has been introduced within the Seyfor group to utilise the disposable cash of individual group companies. Due to the nature of the system, cash deposited/utilised under the system as of the reporting date is recorded in "Short-term receivables – group undertakings"/"Short-term liabilities – group undertakings" in the balance sheet, with any change in the respective cash balance recorded in "Advances and loans to related parties" or in "Change in long-term or short-term liabilities from financing" in the cash flow statement.

#### d) Foreign currency translation

The Company applies the Czech National Bank official rate to foreign currency transactions.

Assets and liabilities acquired in foreign currency are measured in CZK based on the exchange rate as of the date of their realisation.

As of the balance sheet date, foreign currency monetary assets and liabilities are translated at the pre-

vailing Czech National Bank official rates. Realised and unrealised foreign exchange gains and losses are recognised in profit or loss in financial expenses or revenues.

#### e) **Recognition of revenues and expenses**

Revenues and expenses are recognised on an accrual basis, i.e., in the period to which they relate in terms of substance and timing.

Expenses lower than TCZK 5 are not accrued and are recognised in the period they were actually expended.

The Company recognises revenues on an accrual basis for the period they belong to on daily/monthly basis if applicable and relevant.

The Company recognises revenues on an accrual basis for the period they belong to with at least monthly accuracy; with daily accuracy if applicable (especially for recognition on an accrual basis of the iDoklad product).

Suppliers' bonuses for licenses sold are recognised in the period in which the bonus is paid to the supplier. In the income statement, the bonuses are reported as other operating revenues.

#### f) **Income tax**

Income tax for the period comprises current tax and the change in deferred tax.

Current tax comprises an estimate of tax payable calculated based on the taxable income, using the tax rate valid as of the first day of the accounting period, and any adjustments to taxes payable for previous periods.

Deferred tax is based on all temporary differences between the carrying and tax value of assets and liabilities, and other temporary differences (tax losses carried forward, if any), multiplied by the tax rate expected to be valid for the period in which the tax asset/liability is utilised.

A deferred tax asset is recognised only if it is probable that it will be utilised in future accounting periods.

#### g) **Subsequent events**

The effects of events which occurred between the balance sheet date and the date of preparation of the financial statements, are recognised in the financial statements in the case that these events provide further evidence of conditions that existed as of the balance sheet date.

Where significant events occur subsequent to the balance sheet date but prior to the preparation of the financial statements, which are indicative of conditions that arose subsequent to the balance sheet date, the effects of these events are quantified and disclosed, but are not themselves recognised in the financial statements.

#### h) **Classification of liabilities**

The Company classifies as short-term any part of long-term liabilities, bank loans and overdrafts that is due within one year of the balance sheet date.

#### i) **Establishment of adjustments**

##### **Receivables**

The Company establishes adjustments for doubtful receivables based on an analysis of the credit status of customers and the ageing structure of receivables. In the income statement, the establishment and release of adjustments is presented in "Adjustments to receivables".

##### **Inventories**

Adjustments are established to reduce the cost of inventory to net realisable value.

An adjustment to slow-moving, obsolete, and otherwise impaired inventory is established based on an analysis of inventory turnover and an assessment of each inventory item.

In the income statement, the establishment and release of adjustments is presented in "Adjustments to

inventories”.

#### **j) Inventories**

Raw materials are stated at cost, which includes the purchase price of the goods and related customs duties and in-transit storage and freight costs incurred in delivering the goods to the production site. Cost is determined using the first-in, first-out method.

Work-in-progress and finished goods inventories are stated at actual cost (based on a production cost estimate), which includes direct production costs and, where applicable, allocable indirect production costs. Direct costs include the cost of materials and consumables, and other costs directly incurred in connection with the production process. The cost of work-in-progress and finished goods is determined using standard cost.

Goods for resale are stated at acquisition cost, which includes the purchase price of the goods and related customs duties and in-transit storage and freight costs incurred in delivering the goods to the warehouse. Cost of goods for resale is determined using the first-in, first-out method and cost of some specific goods is determined using the arithmetic mean.

#### **k) Provisions**

The Company establishes a provision for untaken holidays, a provision for bonuses, and an income tax provision, or if appropriate a provision for other expected risks, which have been substantially quantified as of the reporting date.

As of the balance sheet date, a provision for untaken holidays is established based on an analysis of untaken holidays in the accounting period and average payroll expenses, including social security and health insurance expenses per employee.

An income tax provision is established as the financial statements are prepared before the tax liability is determined. In the subsequent accounting period, the Company releases this provision and records the actual tax liability determined.

In the balance sheet, the income tax provision is reduced by income tax prepayments, and the net receivable (if any) is recorded in tax receivables.

Furthermore, the Company establishes a provision for outstanding bonuses.

#### **l) Research and development**

Research costs are incurred for the purpose of acquiring new technical knowledge which may lead to improved products or processes in the future but for which economic viability has not been established. Research costs are charged to the income statement in the period in which they are incurred.

Development costs are incurred to convert new technical knowledge or methods into new or substantially improved products or production processes. These costs are recorded in intangible assets under construction. After having finalised the development phase, they are capitalised and amortised as internally produced intangible assets. Development costs that do not meet these criteria are expensed in the year in which they are incurred.

#### **m) Leased assets**

Lease payments are expensed on a straight-line basis over the lease term. Where an asset is purchased at the end of the lease, it is recorded at its purchase price.

#### **n) Derivatives**

A derivative is a financial instrument that meets all of the following conditions.

- Its fair value changes in response to the change in a specified interest rate, price of a security, commodity price, foreign exchange rate, price index, credit rating or credit index, or other variable (“the underlying asset”).
- It requires a small or no initial net investment compared with other types of contracts based on a sim-

- similar response to changes in market factors, and
- it is settled at a future date, with the period from the trade date to the settlement date exceeding that of a spot transaction.

Derivatives are recognised in the balance sheet at fair value. Positive fair values of derivatives are recognised in assets under “Other receivables”. Negative fair values of derivatives are recognised in liabilities under “Other payables”. The fair value of financial derivatives is the present value of expected cash flows from these transactions.

#### Trading derivatives

Derivatives held for trading are recognised in the balance sheet at fair value. Gains/losses from changes in fair value are recorded in the income statement under “Other financial revenues”/“Other financial expenses”.

### o) **Data comparability**

As of 1 January 2022, Solitea, a.s. (now Seyfor, a.s.) merged with the below listed subsidiaries. Solitea, a.s. (now Seyfor, a.s.) became the successor company.

Prior period information in the balance sheet were taken over from the opening balance sheet as of 1 January 2022.

Information from the income statement were taken over from the separate financial statements of Solitea, a.s. (now Seyfor, a.s.) for the prior extended accounting period of 18 months ended 31 December 2021. The recognised figures are thus not comparable with the prior period.

#### Successor company:

Solitea a.s. (now Seyfor, a.s.), identification number 01572377; registered office at Drobného 555/49, Brno.

#### Dissolving companies:

D3Soft, Comp. Id.: 259 00 595, with its registered office at Ocelářská 2969/12, Vítkovice, Ostrava

D3Soft Future, Comp. Id.: 278 00 595, with its registered office at Ocelářská 2969/12, Vítkovice, Ostrava

D3Soft BIG, SE, Comp. Id.: 020 00 595, with its registered office at Ocelářská 2969/12, Vítkovice, Ostrava

AW Solutions, Comp. Id.: 107 05 546, with its registered office at Sokolská 695/115b, Karlín, Prague 8.

### 3. Intangible and tangible fixed assets

#### a) Intangible fixed assets

	Develop- ment	Software	Other intellectual property rights	Other intangible fixed assets	Goodwill	Intangible fixed assets under construction	Total 2022	Total 2021
<b>Acquisition cost</b>								
Opening balance 31/12/2021	257	139,822	7,899	1,493	0	76,163	225,634	0
Effect of merger	0	28,496	0	0	100	0	28,596	0
Opening balance 1/1/2022	257	168,318	7,899	1,493	100	76,163	254,230	156,721
Additions	0	73	3,540	0	0	64,653	68,266	68,944
Disposals	0	-1,086	0	0	0	0	-1,086	-31
Transfers	0	1,493	0	-1,493	0	0	0	0
<b>Closing balance</b>	<b>257</b>	<b>168,798</b>	<b>11,439</b>	<b>0</b>	<b>100</b>	<b>140,816</b>	<b>321,410</b>	<b>225,634</b>
<b>Accumulated amortisation</b>								
Opening balance 31/12/2021	257	133,701	4,947	746	0	0	139,651	0
Effect of merger	0	27,108	0	0	23	0	27,131	0
Opening balance 1/1/2022	257	160,809	4,947	746	23	0	166,782	133,916
Amortisation expense	0	5,322	335	0	20	0	5,677	5,765
Disposals	0	-1,086	0	0	0	0	-1,086	-30
Transfers	0	746	0	-746	0	0	0	0
<b>Closing balance</b>	<b>257</b>	<b>165,791</b>	<b>5,282</b>	<b>0</b>	<b>43</b>	<b>0</b>	<b>171,373</b>	<b>139,651</b>
Net book value 1/1/2022	0	7,509	2,952	747	77	76,163	87,448	22,805
Net book value 31/12/2022	0	3,007	6,157	0	57	140,816	150,037	85,983

The Company does not own any assets not stated in the balance sheet.

The Company did not acquire any assets free of charge.

The Company did not include interest in the measurement of fixed intangible assets. The main part of intangible assets is internally produced software. In the accounting period concerned, the Company incurred expenses on the development of further software of TCZK 64,653 (in the period from 1 July 2020 to 31 December 2021 – TCZK 60,504), which were capitalised as fixed assets under construction. The Company continues developing this software.

## b) Tangible fixed assets

	Buildings	Plant and equipment	Other tangible fixed assets	Adjustments to acquired fixed assets	Tangible fixed assets under construction	Advance payments for tangible fixed assets	Total 2022	Total 2021
<b>Acquisition cost</b>								
Opening balance 31/12/2021	1,872	191,146	6,634	3,097	5,547	83	208,379	0
Effect of merger	0	11,868	0	0	0	166	12,034	0
Opening balance 1/1/2022	1,872	203,014	6,634	3,097	5,547	249	220,413	173,651
Additions	0	26,809	560	0	0	0	27,369	55,499
Disposals	0	-25,435	0	0	0	0	-25,435	-20,771
Transfers	0	4,346	-1,142	0	-2,955	-249	0	0
Closing balance	1,872	208,734	6,052	3,097	2,592	0	222,347	208,379
<b>Accumulated depreciation</b>								
Opening balance 31/12/2021	545	115,123	2,071	3,078	0	0	120,817	0
Effect of merger	0	10,696	0	0	0	0	10,696	0
Opening balance 1/1/2022	545	125,819	2,071	3,078	0	0	131,513	101,304
Depreciation expense	290	29,031	847	6	0	0	30,174	34,864
Disposals	0	-24,033	0	0	0	0	-24,033	-15,351
Transfers	0	876	-876	0	0	0	0	0
Closing balance	835	131,693	2,042	3,084	0	0	137,654	120,817
Net book value 1/1/2022	1,327	77,195	4,563	19	5,547	249	88,900	72,347
Net book value 31/12/2022	1,037	77,041	4,010	13	2,592	0	84,693	87,562

The Company did not acquire any assets free of charge.

As of the reporting date, the Company has pledged tangible fixed assets of TCZK 7,829 (as of 31 December 2021 – TCZK 10,211) in favour of the lending bank and TCZK 8,773 (as of 31 December 2021 – TCZK 10,400) in favour of a supplier in respect of a supplier loan.

The Company did not include interest in the measurement of fixed tangible assets.

The Company recognises furniture purchased for the Rustonka and Automedia premises as accruals. This purchase has been accrued for lease – i.e., the period of the lease. Asset records and its monitoring are kept on account No. 381. Release into expenses is carried out monthly through account No. 501.



## 4. Investments

### a) Long-term investments

Changes in long-term investments:

	Equity investments – group undertakings	Loans – group undertakings	Equity investments – associated companies	Other long-term securities and equity investments	Total 2022
Balance on 31/12/2021	1,275,887	-	1,380	400	1,277,667
Effect of merger	-162,176	-	-	-	-162,176
Balance on 1/1/2022	1,113,711	-	1,380	400	1,115,491
Additions	949,141	328,760	-	-	1,277,901
Disposals	-2,104	-	-	-	-2,104
Revaluation	-24,304	-	-	-	-24,304
Transfers	1,380	-	-1,380	-	-
Balance on 31/12/2022	2,037,824	328,760	-	400	2,366,984

An addition to long-term investments in 2022 is the purchase of a 100% share in TECHNISERV IT, spol. s r.o. and Commander services s.r.o., and the purchase of the remaining part of the business share in P R O V I S s.r.o. totalling TCZK 424,712 (with the Company thus acquiring 100% in the company). The additions also include contributions outside the registered capital in Besteron a.s., SAOP d.o.o., and Dotykačka Holding, a.s. of TCZK 501,505.

The disposals of long-term investments in 2022 include the sale of the equity investments in D3Soft SK. Revenue from the sale of the equity investment of TCZK 32 is recognised in revenue from equity investments – group undertakings. The related costs of TCZK 2,104 are recognised in cost of equity investments sold.

As of the reporting date, the Company increased the adjustment to the financial investment in the Dotykačka group by TCZK 15,000 (2021 – an adjustment of TCZK 115,000 was established).

In 2022, the Company did not have any revenue from equity investments (as of 31 December 2021 – TCZK 1,995).

	Equity investments – group undertakings	Equity investments – associated companies	Other long-term securities and equity investments	Total 2021
Balance on 1/7/2020	750,628	1,380	400	752,408
Additions	581,122	-	-	581,122
Disposals	-31,141	-	-	-31,141
Revaluation	-24,722	-	-	-24,722
Transfers	-	-	-	-
Balance on 31/12/2021	1,275,887	1,380	400	1,277,667

Controlled and controlling entities and associates as of 31 December 2022 (in TCZK):

	Interest	Total assets	Equity	Profit (+) loss (-) for 2022	Carrying amount
Saop d. o. o.	100%	889,667	253,966	103,865	754,255
Seyfor Slovensko, a. s.	100%	270,376	60,518	27,077	30,105
Dotykačka Holding, a. s.	58.5%	598,587	505,870	-704	429,697
Powerstream, a. s.	100%	44,025	43,923	-3,893	304,269
PRYTANIS a. s.	100%	14,531	8,111	994	27,493
Besteron a. s.	64%	26,165	21,535	-13,577	66,896
TECHNISERV IT, spol. s r.o.	100%	222,533	74,237	11,159	144,721
Commander Services s. r. o.	100%	124,040	98,540	21,099	275,991
Total	-	-	-	-	2,033,427

The data has been taken over from unaudited financial statements.

The reported values relate to significant companies from the group. In addition to the above-mentioned equity investments, the Company also holds equity investments in Solitea West, s.r.o., CÍGLER SOFTWARE – IPL, s.r.o., and P R O V I S s.r.o. The value of their assets is negligible.

Long-term investments include acquired securities of TCZK 400 (1 January 2022 – TCZK 400).

Registered offices of subsidiaries:

Saop d. o. o. Cesta Goriške fronte 46, Šempeter pri Gorici Slovenia	Dotykačka Holding, a. s. Plzeňská 3217/16 150 00 Prague 5 - Smíchov Czech Republic	Besteron a. s. Teslova 20 821 02 Bratislava - Ružinov Slovakia
Solitea West, s. r. o. Drobného 555/49 602 00 Brno Czech Republic	Powerstream, a. s. Hvězdova 1734/2C 140 00 Prague 4 - Nusle Czech Republic	TECHNISERV IT, spol. s r.o. Traťová 574/1 619 00 Brno - Horní Heršpice Czech Republic
Seyfor Slovensko, a. s. Plynárenská 7/C 721 09 Bratislava Slovakia	PRYTANIS a. s. Jundrovská 618/31 624 00 Brno - Komín Czech Republic	Commander Services s. r. o. Žitná 23 831 06 Bratislava Slovakia
CÍGLER SOFTWARE – IPL, s. r. o. 1. máje 97/25 Liberec III - Jeřáb 460 07 Liberec Czech Republic	P R O V I S s. r. o. Jiráskova 1127 775 01 Vsetín Czech Republic	

Controlled and controlling entities and associates as of 31 December 2021 (in TCZK):

	Interest	Total assets	Equity	Profit (+) loss (-) for 2021	Carrying amount
Saop d. o. o.	100%	195,101	134,194	33,785	280,354
Seyfor Slovensko, a. s.	100%	302,712	40,481	13,069	31,035
Dotykačka Holding, a. s.	58.5%	479,028	476,573	-1,751	412,157
D3Soft BIG.SE	100%	14,940	11,036	7,198	
D3Soft Future s. r. o.	100%	11,368	6,362	257	2,104
AW Solutions, s. r. o.	100%	25,734	19,086	1,365	
D3Soft s. r. o.	100%	14,216	7,616	1,915	
Powerstream, a. s.	100%	47,841	47,816	-72	304,003
PRYTANIS a. s.	100%	13,177	7,290	-654	27,493
Besteron a. s.	64%	7,251	5,013	-1,066	56,167
Total	-	-	-	-	1,113,313

#### b) Short-term investments

As of 31 December 2022, and as of 1 January 2022, the Company does not recognise any short-term investments.

## 5. Receivables and liabilities

- a) Short-term trade receivables total TCZK 205,146 (as of 1 January 2022 – TCZK 161,930), of which TCZK 39,418 (as of 1 January 2022 – TCZK 35,503) is overdue. As of 31 December 2022, the Company established adjustments to receivables of TCZK 5,705 (as of 1 January 2022 – TCZK 6,495). Other receivables of TCZK 170,094 (as of 1 January 2022 – TCZK 199,582) mainly comprise short-term receivables from the sale of ownership interests between the Company and its subsidiary Seyfor Slovensko, a. s. before the merger of the former subsidiaries AXIOM Slovakia s. r. o., WBI, s. r. o., Solitea CDL, s. r. o., and Solitea Gemma, s. r. o. as of 1 July 2020.
- b) Short-term trade payables total TCZK 82,032 (as of 1 January 2022 – TCZK 87,138), of which TCZK 5,726 (as of 1 January 2022 – TCZK 8,984) consist of overdue liabilities. Related party receivables / payables are listed in note 16.
- c) The Company reports other short-term payables of TCZK 10,663 (as of 1 January 2022 – TCZK 186,350), which comprise interest-free payables due within one year, primarily unpaid portions of the purchase price of long-term investments pursuant to share sale and purchase agreements in PRYTANIS a. s. The payables arising from the acquisition of shares in Powerstream, a. s. and Solitea WBI, s. r. o. were paid in 2022.
- d) Other long-term liabilities comprise the liabilities to former owners of newly acquired companies with maturity extending one year. As of the reporting date, these other long-term liabilities totalled TCZK 11,489 (as of 1 January 2022 – TCZK 20,866).
- e) Short-term advances received of TCZK 49,500 (as of 1 January 2022 – TCZK 1,884) received consist of advances received from customers under agreed contractual terms.
- f) Tax liabilities and subsidies total TCZK 37,931 (as of 1 January 2022 – TCZK 24,510) and primarily include personal income tax prepayments and a liability arising from VAT.
- g) Short-term financial liabilities comprised loans from unrelated parties of TCZK 80,000 as of 1 January 2022. These loans were fully repaid as of 31 January 2022.
- h) Estimated payables comprise TCZK 31,514 (as of 1 January 2022 – TCZK 24,300) and primarily include estimates of employee remuneration and estimates of unbilled energy and services.

- i) Deferrals mainly include prepaid expenses, comprising deferred licences and expenses connected with the lease of office premises of TCZK 54,650 (as of 1 January 2022 – TCZK 52,562).
- j) Accruals include accrued expenses, comprising accrued discount on the rent for office premises of TCZK 6,638. As of 1 January 2022, outstanding interest on loans was also recognised under accrued expenses. In 2022, the outstanding interest on loans is recognised together with the nominal value of loans in liabilities between controlled and controlling entities (as of 31 December 2021 – TCZK 40,374).
- k) Deferred revenues comprise revenues connected with the updates of the provided software and services to be implemented in 2023 of TCZK 213,408 (as of 1 January 2022 – TCZK 205,130).

## 6. Liabilities to credit institutions

2022	Due date	Payment schedule	Interest rate	Balance on 31/12/2022	Due within 1 year	Due in 1 to 5 years	Due in more than 5 years
Tatra banka CZK loan	30. 9. 2026	Quarterly	9.95% p.a.	86,008	10,751	75,257	–
Tatra banka EUR loan	30. 9. 2026	Quarterly	4.602% p.a.	851,102	106,388	744,714	–
Raiffeisenbank CZK loan	30. 9. 2026	Quarterly	9.95% p.a.	57,339	7,167	50,172	–
Raiffeisenbank EUR loan	30. 9. 2026	Quarterly	4.602% p.a.	567,401	77,354	490,047	–
Total	–	–	–	1,561,850	201,660	1,360,190	–

The syndicated loans listed in the table are secured by:

- The pledge of tangible fixed assets (see note 3b)
- The pledge of receivables
- The pledge of own shares and shares of significant subsidiaries
- Guarantee agreements with Seyfor SK and Mainstream.

## 7. Registered capital

In 2022 and as of 1 January 2022, the Company's registered capital comprised:

- fourteen ordinary registered shares in book-entered form at a nominal value of CZK 100,000 per share (in words: one hundred thousand Czech crowns);
- one ordinary registered share in book-entered form at a nominal value of CZK 99,424,809 (in words: ninety-nine million four hundred and twenty-four thousand eight hundred and nine Czech crowns);
- eight registered shares in book-entered form at a nominal value of CZK 28,000,000 per share (in words: twenty-eight million Czech crowns);
- eight registered shares in book-entered form at a nominal value of CZK 5,600,000 per share (in words: five million six hundred thousand Czech crowns);
- one registered share in book-entered form at a nominal value of CZK 5,575,191 (in words: five million five hundred and seventy-five thousand one hundred and ninety-one Czech crowns);
- one registered share in book-entered form at a nominal value of CZK 170,180,000 per share (in words: one hundred and seventy million one hundred and eighty thousand Czech crowns);
- one registered share in book-entered form at a nominal value of CZK 40,700,000 (in words: forty million seven hundred thousand Czech crowns);
- one registered share in book-entered form at a nominal value of CZK 2,442,000 (in words: two million four hundred and forty-two thousand Czech crowns);

- one ordinary registered share in book-entered form at a nominal value of CZK 3,256,000 (in words: three million two hundred and fifty-six thousand Czech crowns);
- 273 registered shares in book-entered form at a nominal value of CZK 814,000 per share (in words: eight hundred and fourteen thousand Czech crowns);
- in the form of participating securities not accepted for trading on the European regulated stock market or on a foreign market similar to a regulated market under special regulations.

## 8. Equity

The statement of changes in equity is an independent part of the financial statements.

In 2022 and 2021, no contributions were made outside registered capital and the capital contributions did not change.

No decision about the distribution of the result of operations has been made as of the date of preparation of these financial statements.

## 9. Provisions

	Provision for untaken holidays	Other provisions	Income tax provision	Total
Balance on 31/12/2021	7.792	2.329	–	10.121
Effect of merger	943	92	3.074	4.109
Balance on 1/1/2022	8.735	2.421	3.074	14.230
Additions	7.663	7.511	37.000	52.174
Utilisation / Release	–8.735	–2.421	–3.074	–14.230
Balance on 31/12/2022	7.663	7.511	37.000	52.174
Income tax prepayments, including overpaid tax	–	–	–10.897	–10.897
Balance of provisions less income tax prepayments (as of 31 December 2022: net provision)	7.663	7.511	26.103	41.277

As of 31 December 2022, the income tax provision of TCZK 37,000 was reduced by income tax prepayments and overpaid income tax of TCZK 10,897, and the net liability of TCZK 26,103 was recorded in Income tax provision.

As of 1 January 2022, the income tax provision of TCZK 25,801 was reduced by income tax prepayments and overpaid income tax of TCZK 22,727 and the net liability of TCZK 3,074 was recorded in Income tax provision.

## 10. Derivatives

As of the balance sheet date, the Company held the following derivatives for trading:

	Fair value on 31/12/2022		Fair value on 1/1/2022	
	Positive	Negative	Positive	Negative
Interest rate contracts	-	-	-	-
Swaps	26,422	54	-	-
Total derivatives for trading	26,422	54	-	-

The interest rate swap contract is covered by collateral of TEUR 2,000.

## 11. Employees and members of management, supervisory and administrative bodies

	Average FTE number		Personnel expenses*	
	2022	2021	2022	2021
Employees	774	643	860,002	1,057,794
Total	774	643	860,002	1,057,794

\* Employee personnel expenses comprise salaries and bonuses of the members of the board of directors as well. In 2022 and 2021, members of supervisory bodies received no remuneration relating to their function.

## 12. Segment information

		Domestic sales	Foreign sales	Total
Sale of products and services	2022	1,130,201	291,636	1,421,837
Goods sold	2022	153,201	-	153,201
Total	2022	1,283,402	291,636	1,575,038

		Domestic sales	Foreign sales	Total
Sale of products and services	2021	1,424,504	255,363	1,679,867
Goods sold	2021	211,892	42,081	253,973
Total	2021	1,636,396	297,444	1,933,840

## 13. Services

	2022	2021
Repairs and maintenance	6,867	6,320
Travel expenses	5,607	3,060
Entertainment expenses	5,746	1,529
Rental expense and facility management	51,967	73,229
Marketing services	36,077	46,941
Telecommunications services	6,132	8,540
Advisory, audit and accounting services	20,993	16,550
Sub-supplies	147,208	148,930
Consultants	118,966	100,017
Licences	42,123	39,760
Other	20,543	48,348
Total	462,229	493,224

## 14. Leased assets

### Office lease

The Company leases offices in several towns across the Czech Republic, with the largest offices in Prague and Brno. The total cost of office lease amounted to TCZK 43,412 (2021 – TCZK 62,648) and lease-related services totalled 7,127 in 2022 (2021 – TCZK 6,010). The office lease is usually for 5 years with the possibility of extension for another five years.

The Company also uses car and office equipment leases totalling TCZK 1,428 in 2022 (2021 – TCZK 1,192).

## 15. Income tax

### a) Current tax

Current income tax comprises the tax estimate of TCZK 37,000 (2021 – TCZK 20,300) and an adjustment to the tax estimate for prior periods of TCZK 1,747 (2021 – TCZK 722).

### b) Deferred tax

	Assets		Payables		Net	
	2022	1/1/2022	2022	1/1/2022	2022	1/1/2022
Tangible fixed assets	–	–	–1,759	–665	–1,759	–665
Provisions and adjustments	4,323	3,282	–	–	4,323	3,282
Deferred tax asset/(liability)	4,323	3,282	–1,759	–665	2,564	2,617

In accordance with the accounting policy described in note 2f), a tax rate of 19% was used to calculate deferred tax (as of 1 January 2022 – 19%).



## 16. Related party transactions

### Transactions with related parties

	Volume of mutual transactions		Receivables/Payables at	
	2022	2021	31. 12. 2022	1. 1. 2022
<b>Sale of goods and services</b>				
Shareholders of the Company	-	-	-	-
Other group entities	41,168	34,926	6,606	3,655
<b>Purchase of goods and services</b>				
Shareholders of the Company	-	-	-	-
Other group entities	39,819	40,957	1,646	2,866
<b>Loans provided</b>				
Shareholders of the Company	-	-	324,392	-
Other group entities	13,466	10	-	3,047
<b>Loans received</b>				
Shareholders of the Company	-	-	-	-
Other group entities	2,226	21,401	76,044	391,113

Receivables and payables relating to the sale and purchase of goods and services are included in trade receivables and payables described in note 5.

The Company generally provides services to controlled entities.

The Company receives services from related parties in the ordinary course of business.

In 2022, the Company did not receive any shares in profit from controlled entities (in 2021 – TCZK 1,995).

Loans provided are recognised in long-term investments and comprise loans provided to Besteron and Ligelta. A change in the provided loans is recorded under Advances and loans to related parties in the cash flow statement.

Loans received are recognised in short-term liabilities and comprise loans received from SAOP d.o.o. and Seyfor SK.

The Company and its subsidiaries lease office premises in Prague in the Rustonka building. The lease has been concluded for a period of 84 months. The contracting parties agreed on a rent-free period from the start of the lease until 31 August 2020, i.e., for eight calendar months. The discount is provided under an assumed lease period of at least until December 2026. The rent is allocated on a straight-line basis for 84 months and is recognised in expenses in account No. 383.

In 2022 and 2021, members of management, supervisory and administrative bodies received no advances, deposits, loans, guarantees or other benefits, nor do they hold any shares/equity investments in the Company.

As of 31 December 2022, the Company had incurred no pension liabilities to former members of management, supervisory and administrative bodies.

## 17. Other financial revenues and expenses

As of the reporting date, the Company recognised other financial expenses of TCZK 20,461 (as of 31 December 2021 – TCZK 36,995) and other financial revenues of TCZK 62,572 (as of 31 December 2021 – TCZK 32,592), the majority of which represent foreign exchange differences connected with revaluation of the Company's assets and liabilities as of the reporting date, including the revaluation of financial derivatives.

## 18. Own work capitalised

As of the reporting date, the Company recognised TCZK 61,808 (as of 31 December 2021 – TCZK 59,720) under own work capitalised. The item comprises the capitalisation of expenses expended for intangible fixed assets under construction (new software).

## 19. Contingencies and commitments

The Company was provided with the following guarantees:

- in favour of Rustonka Office Park s.r.o. valid until 31 March 2027 (TCZK 5,805)
- in favour of Raiffeisen Banka A.D valid until 15 February 2024 (TEUR 2,205)
- in favour of Kancelář zdravotního pojištění valid until 28 February 2023 (TCZK 4,810)

## 20. Cash flow statement

For the purposes of the cash flow statement, cash and cash equivalents are defined to include cash in hand, cash in transit, cash at the bank and other financial assets whose valuation can be reliably determined and that can be readily converted to cash. Cash and cash equivalents as of the year-end are as follows:

	Balance on	
	31/12/2022	1/1/2022
Cash	168,411	326,900
Cash and cash equivalents	168,411	326,900

## 21. Fees payable to statutory auditors

The information is disclosed in the notes to the consolidated financial statements prepared for the consolidated group in which the Company is included.

## 22. Research and development

In the reporting period, the Company incurred development costs of TCZK 62,902 (as of 31 December 2021 – TCZK 134,070), representing transformation of new technical knowledge in the field of software development). The development costs do not include the costs of creating customised applications for customers incorporating novelty and innovation elements as required by specific customers.

## 23. Material subsequent events – merger

On 9 November 2022, the Company approved the project of a merger by acquisition of PRYTANIS a.s., Powerstream, a.s., and Mainstream Technologies, s.r.o. from the P R O V I S s.r.o. group as of 1 January 2023. The merger by acquisition became effective on 1 January 2023 with legal effects as of 1 January 2023.

Successor company:

Seyfor, a.s., Comp. Id.: 01572377, with its registered office at Drobného 555/49, Brno

Dissolving companies:

P R O V I S s.r.o., Comp. Id.: 45195129, with its registered office at Jiráskova 1127, 755 01 Vsetín

PRYTANIS a.s., Comp. Id.: 08942625, with its registered office at Jundrovská 618/31, Komín, 624 00 Brno

Powerstream, a.s., Comp. Id.: 28479637, with its registered office at Hvězdova 1734/2c, Nusle, 140 00 Prague

Mainstream Technologies, s.r.o., Comp. Id.: 27404978, with its registered office at Na strži 2097/63, Krč, 140 00 Prague

## 24. Material subsequent events

On 1 January 2023, the Company's registered capital increased by TCZK 1,000 to TCZK 815,000 by subscribing new shares. The ratio of individual owners remained unchanged.

On 3 January 2023, the Company acquired a 100% share in the Gesteem group by acquiring a 100% share in gesteem society a.s.

The Company's management is not aware of any other events that have occurred since the balance sheet date that would have any material impact on the financial statements as of 31 December 2022.

On 27 June 2023



Martin Cígler

*Chairman of the Board of Directors*



**KPMG Česká republika Audit, s. r. o.**

Pobřežní 1a  
186 00 Prague 8  
Czech Republic  
+420 222 123 111  
www.kpmg.cz

This document is an English translation of the Czech auditor's report. Only the Czech version of the report is legally binding.

## **Independent Auditor's Report to the Shareholders of Seyfor, a. s.**

### **Opinion**

We have audited the accompanying financial statements of Seyfor, a. s. ("the Company"), prepared in accordance with Czech accounting legislation, which comprise the balance sheet as of 31 December 2022, and the income statement, the statement of changes in equity and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes. Information about the Company is set out in Note 1 to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as of 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with Czech accounting legislation.

### **Basis for Opinion**

We conducted our audit in accordance with the Act on Auditors, and Auditing Standards of the Chamber of Auditors of the Czech Republic, consisting of International Standards on Auditing (ISAs), which may be supplemented and amended by relevant application guidelines. Our responsibilities under those regulations are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other Information**

In accordance with Section 2(b) of the Act on Auditors, other information is defined as information included in the annual report other than the financial statements and our auditor's report. The statutory body is responsible for the other information.

KPMG Česká republika Audit, s.r.o., a Czech limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee

Recorded in the Commercial Register kept by the Municipal Court in Prague, Section C, Insert No. 24185

Identification No. 49619187  
VAT No. CZ699001996  
ID data box: 8h3gtra



As described in Note 1 to the financial statements, Seyfor, a. s. has not prepared an annual report as of 31 December 2022, as it plans to include the respective information in a consolidated annual report. We therefore do not comment on the other information in this auditor's report.

### **Responsibilities of the Statutory Body and Supervisory Board for the Financial Statements**

The statutory body is responsible for the preparation and fair presentation of the financial statements in accordance with Czech accounting legislation and for such internal control as the statutory body determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with the above regulations, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory body.
- Conclude on the appropriateness of the statutory body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required



to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Statutory Auditor Responsible for the Engagement**

Jana Fryaufová is the statutory auditor responsible for the audit of the financial statements of Seyfor, a.s. as of 31 December 2022, based on which this independent auditor's report has been prepared.

Brno

27 June 2023

KPMG Česká republika Audit, s. r. o.  
Registration number 71

Ing. Jana Fryaufová  
Director  
Registration number 2144

# Report on relations between the controlling and controlled entities and between the other related entities

prepared as at 31 December 2022

This report has been prepared in accordance with Section 82 et seq. of Act No. 90/2012 Coll. on Business Corporations. The report's data is based on the accounting documents of the entity (accounting documents, accounting books, and other accounting records) and documents available to the entity. The report has been prepared for the accounting period ended 31 December 2022.

## 1. Structure of relations between the controlling entity and the controlled entity, and between the controlled entity and entities controlled by the same controlling entity

### 1.1. Basic data on the entity

<b>Name of the controlled entity:</b>	<b>Seyfor, a.s.</b>
Registered office:	Drobného 555/49, Ponava, 602 00 Brno
Identification number:	015 72 377
Legal form:	joint-stock company
Recorded in:	Commercial Register maintained by the Regional Court in Brno, file no. B 7072
Principal business activities:	Manufacture, trade and services not listed in appendixes 1 to 3 of the Trades Licensing Act
Company registration date:	10. 4. 2013

### 1.2. Structure of the Solitea group

The diagram of the Solitea group is presented in Appendix 1 to this Report.

#### Controlling entity

Company name:	LIGELTA HOLDINGS LTD
Identification number::	HE 315 086
Registered office:	Kyriakou Matsi, 16, EAGLE HOUSE, 8th floor, Agioi Omologites, 1082, Nicosia, Republic of Cyprus

The controlling entity LIGELTA HOLDINGS LTD (identification number: HE 315 086) is part of the Sandberg Capital investment fund.



**Other related parties**

CSW HOLDING s.r.o.

CÍGLER SOFTWARE – IPL, s.r.o., identification number 250 45 041

Solitea West, s.r.o., identification number 252 46 241

Dotypay s.r.o., identification number 255 95 091

Dotypos SK s.r.o., identification number: 52 528 766

Seyfor Slovensko, a.s., identification number: 36 237 337

SAOP d.o.o., identification number 5383129

SAOP Croatia

SAOP Serbia

P R O V I S s.r.o., identification number 451 95 129

Dotykačka Holding a.s., identification number 062 70 611

Dotykačka ČR s.r.o., identification number 062 90 914

Dotykačka Polska Sp. z o.o., identification number 368504764

DotyPOS DE GmbH, (Ge), identification number 27/265/50073

Dotypos Analytics s.r.o., identification number 081 55 402

Smart software s.r.o., identification number 252 92 498

MARKEETA Slovensko, s.r.o., identification number 52 346 277

PRYTANIS a.s., identification number 089 42 625

Powerstream, a.s., identification number 284 79 637

Mainstream Technologies, s.r.o., identification number 274 04 978

Besteron a.s., identification number: 47 866 233

Vasco d.o.o.

TECHNISERV IT, spol. s r.o. identification number: 262 98 953

TECHNISERV IT SOFTWARE DEVELOPMENT, spol. s r.o. identification number: 283 31 982

InQool, a.s., identification number: 292 22 389

Commander Services s.r.o., identification number: 51 183 455

## 2. Mutual relationships and agreements, and overview of actions taken in the latest financial year at the instigation or in the interest of the controlling entity or entities controlled by the controlling entity, if such conduct was related to assets exceeding 10% of the controlled entity's equity as determined in the last financial statements

The controlled entity Seyfor, a.s. did not receive any dividends from the other related parties in 2022. The controlled entity Seyfor, a.s. entered into loan agreements with the controlling entity in accordance with the arm's length principle. The controlled entity Seyfor, a.s. entered into loan agreements with related parties in accordance with the arm's length principle. The controlled entity Seyfor, a.s. did not enter into other agreements with the controlling entities during the latest period.

In the accounting period, supplies and considerations were provided between the controlled entity and related parties in the group. All transactions were undertaken based on agreements in force or partial orders in accordance with the arm's length principle.

The controlled entity provides consulting services, marketing support and related hardware purchases to related parties and their subsidiaries. Furthermore, it mediates the employee benefits programme for the Solitea group employees. The controlled entity also mediates the lease of office premises and lease-related services for the related parties. These transactions were undertaken based on agreements in force in accordance with the arm's length principle.

During the accounting period, the controlled entity generated revenues from the sale of securities and ownership interests within the Solitea group of TCZK 32. The controlled entity entered into a share purchase agreement with a related entity. The prices were determined by an expert opinion as of 31 December 2019. Under this agreement Seyfor, a.s. and Seyfor Slovensko, a.s. record mutual receivables and payables recognised as other receivables and payables and their current amount is presented in the notes to the financial statements.

The controlled entity is the administrator of the group cash-pool account for related parties and their subsidiaries.

No other legal acts were affected. The above relationship indicates that the controlled entity or the controlling entity did not incur any damage.

In the accounting period, supplies and considerations were provided between the controlled entity and related parties in the group. All transactions were undertaken based on agreements in force or partial orders in accordance with the arm's length principle.

The mutual transactions will be disclosed in the notes to the financial statements.

### 3. Method of control and role of the controlled entity

The controlled entity's task is to manage long-term financial assets in individual holding companies. The Company is controlled through voting at the general meeting.

### 4. Advantages and disadvantages from mutual relations

The controlled entity further states that based on the assessment conducted, the advantages resulting from the relationships between the entities prevail. The controlled entity is not aware of any disadvantages arising from the above relationships.

At the same time, the controlled entity states that the above relationships do not entail any material risks to it, except for normal business risks.

### 5. Statutory body's declaration

The controlled entity did not incur any detriment as a result of the conclusion of the above-mentioned agreements, the above-mentioned other legal acts, other measures and provided supplies and considerations. The amount of received and provided supplies corresponds to the considerations provided and received.

31 March 2023



Martin Cígler  
*Chairman of the Board of Directors*

## Notes