

Annual Report 2021 WIEDEN s.r.o.



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1 INTRODUCTION

Ladies and gentlemen,

On behalf of WIEDEN s.r.o., I present to you the annual report of the Company demonstrating results of the financial year 2021.

The year 2021 was different in many ways from previous years. The impact of the global pandemic that we have all been dealing with since 2020, the limited labour resources in the market, the turbulent situation with the shortage of building materials, and the associated constant changes in input prices have all brought new challenges to our business and I am pleased that our company was able to manage this situation with a good result in 2021.

I would like to thank all our customers, partners, and suppliers for their trust and cooperation.

I also thank all our employees who contributed to WIEDEN's result in 2021.

In Prague 9 March 2022

A handwritten signature in blue ink, appearing to read "Milan Nocar".

Milan Nocar | statutory executive

2 Information about the Company

Name of the Company:	WIEDEN s.r.o.
Registered Office:	Malodoubská 355, 460 08 Liberec
Corporate ID:	07919981
Tax ID:	CZ07919981
Date of Incorporation:	21 February 2019
Legal Status:	Limited Liability Company
Incorporated:	Regional Court in Ústí nad Labem, Section C, File 43219

The Company initiated its activity on 21 February 2019.

The principal business activities of the Company are:

- Production, trade, and services not specified in Annexes 1 to 3 to the Trade Licensing Act
- Project activities in construction
- Implementation of buildings, their alterations, and removal
- Machining

The Company operates in production facilities at Malodoubská 355, 460 08 Liberec and Do Čertous 2830/2, 193 00 Prague 20.

The Company has a sole owner – FW Group a.s.

The Company issues its annual report and presents its results for the calendar year 2021, which is also the accounting period (1 January 2021-31 December 2021).

3 Management of the Company

Milan Nocar	Chief Executive Officer
Pavel Urban	Chief Financial Officer
Zdeněk Demuth	Chief Operating Officer
Ondřej Šťastný	Chief Technology Officer
Filip Mikeš	Chief Business Officer
Jakub Řehák	Commercial Manager
Pavel Wieden	R&D
Hana Lacinová	HR Manager
Jiří Šturma	OHS and FO Manager

4 Business Activities of the Company

4.1 Product Range

WIEDEN is one of the leading Czech suppliers of lightweight building envelopes. It focuses on complex and technically demanding customer solutions.

We are able to offer and provide our customers with a complete supply of glazed facades including additional constructions made of aluminium profiles, wood, and steel structures. Tiling in a variety of materials, the supply of shading technology, automatic shutters, and other constructions as required are an integral part of our supply. The services we offer to the customers range from concept development to the final handover of the work and subsequent service provision.

4.2 Quality Assurance

WIEDEN holds the ČSN EN ISO 9001:2016 certificate, the ČSN EN ISO 14001:2016 certificate, and the ČSN OHSAS 45001:2018 certificate.

We see quality as a fundamental prerequisite for establishing WIEDEN's reputation, building the WIEDEN brand, and strengthening the relationship with our customers. We believe that the precision of our work will make our clients turn to us for their next projects and thus create a long-term relationship.

4.3 Business Partners

The business partners of both of our priority markets, in the Czech Republic and in Sweden, are mainly represented by large construction companies as well as direct developers operating mainly in commercial and residential development.

5 Development of the Company's Financial Performance and Anticipated Development of its Activities

Performance Indicators of WIEDEN s.r.o.:

	(in CZK '000)	
	31 December 2021	31 December 2020
Sales of products and services	1 002 072	534 942
Staff costs	171 897	138 919
Profit or loss after tax ("+" profit, "-" loss)	82 696	22 893
Company's assets as of the balance sheet date - Net	477 752	490 067

WIEDEN will continue to pursue a strategy to fulfil the Company's vision and build the WIEDEN brand.

We will continue to work on strengthening our market position in Sweden, with priority in Stockholm, Gothenburg, and Malmö.

We will continue to prepare for possible future entry into other markets in Northern Europe.

In the Czech Republic, we want to focus on larger projects with challenging technical solutions as a priority. The aim is to increase the share of the Company's sales generated in the domestic market.

We will continue to place great emphasis on Lean Management and efficiency of company processes.

We will intensively develop the competences of our employees.

We will focus intensively on environmental policy. In 2022, we will start LCA assessments and EPD certification on all new projects.

We will continue to continuously improve the level of occupational health and safety.

6 Significant Post Balance Sheet Events

There have been no events after the balance sheet date that would have an impact on the financial statements as at 31 December 2021.

7 Research and Development Activities

We are dedicated to new and non-standard solutions in the field of facade systems. We strive to offer our customers innovative solutions that can bring energy savings and improve the environmental aspects of their buildings.

In 2021, we completed work on the research project "Autonomous Facade Module", which was supported by the Technology Agency of the Czech Republic. We worked on the project together with the University Centre for Energy Efficient Buildings (UCEEB) of the Czech Technical University in Prague. The project focuses on the development of a lightweight envelope module that could convert the produced energy (photovoltaic panels) into cooling or heating of buildings.

Our R&D specialists are working on developing an environmentally friendly solution for modular facades using materials with a minimal carbon footprint. The goal in this area is to present a prototype at the turn of 2022/2023.

8 Environmental Activities

In our projects, we fully focus on meeting the legislative and environmental requirements of our customers with regard to the raw materials, technologies, and materials used. We are certified according to ISO 14001:2016.

Our clients, both in Sweden and in our home market in the Czech Republic, receive the highest awards and certifications in environmental assessments such as LEED and BREEAM for their buildings. We are happy to contribute to the construction of environmentally friendly buildings through our activities.

9 Sponsorship, Social Activities

We only provide financial donations and sponsorship to projects whose support does not directly or indirectly lead to a violation of the rules of open and fair competition. We ensure that our own and our customers' ethical rules are respected.

We do not provide donations or sponsorships to any political entities or individual politicians.

10 Labour Relationships

The management of WIEDEN is fully aware that a successful operation of the company and the fulfilment of the long-term vision of our shareholders is directly related to a quality and motivated team of people. We create an open and friendly working environment for our employees. We encourage flexibility and creativity in our teams and open transparent communication towards all employees.

At regular intervals, the management transparently informs all employees about the current state of the Company, the economic results, the expected development of the next period and major strategic decisions of the management. The management supports an open-door policy and always provides explanations to all employee queries.

The development and training of our people is an important part of our corporate strategy. We encourage regular expansion of technical knowledge in areas directly related to our business. We support the development of knowledge of the IT technologies used. Simultaneously, English language training has become a matter of course.

We consider the very low turnover rate of our employees to be a success.

In Prague on 9 March 2022

A handwritten signature in blue ink, appearing to read 'Milan Nocar', with a long horizontal stroke extending to the right.

Milan Nocar | statutory executive

Annex No. 1 – Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Partner of
WIEDEN s.r.o.

Having its registered office at: Malodoubská 355/6, Liberec VIII-Dolní Hanychov, 460 08 Liberec

Opinion

We have audited the accompanying financial statements of WIEDEN s.r.o. (hereinafter also the "Company") prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the balance sheet as of 31 December 2021, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of WIEDEN s.r.o. as of 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with accounting regulations applicable in the Czech Republic.

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, which are International Standards on Auditing (ISAs), as amended by the related application guidelines. Our responsibilities under this law and regulation 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 the Annual Report

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. The Statutory Executives are responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these 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 the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- The other information is prepared in compliance with applicable law or regulation.

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

Responsibilities of the Company's Statutory Executives for the Financial Statements

The Statutory Executives are responsible for the preparation and fair presentation of the financial statements in accordance with accounting regulations applicable in the Czech Republic and for such internal control as the Statutory Executives determine 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 Executives are 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 Executives either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 ISAs 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 law or regulation, 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 Executives.
- Conclude on the appropriateness of the Statutory Executives' 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 the Statutory Executives 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.

In Prague on 9 March 2022

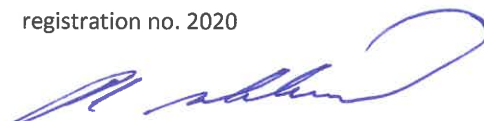
Audit firm:

Deloitte Audit s.r.o.
registration no. 079



Statutory auditor:

Petr Michalík
registration no. 2020



Annex No. 2 – Financial Statements

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Name of the Company: WIEDEN s.r.o.

Registered Office: Malodoubská 355/6, Liberec VIII-Dolní Hanychov,
460 08 Liberec

Legal Status: limited liability company

Corporate ID: 079 19 981

Components of the Financial Statements:

Balance Sheet


Profit and Loss Account

Statement of Changes in Equity

Cash Flow Statement

Notes to the Financial Statements

These financial statements were prepared on 9 March 2022.

Statutory body of the reporting entity:	Signature
Milan Nocar Statutory Executive	

BALANCE SHEET
full version

As of
31.12.2021
(in CZK thousand)

WIEDEN s.r.o.
Corporate ID 079 19 981

Malodoubská 355/6
Liberec VIII-Dolní Hanychov
460 08 Liberec 8

		31.12.2021			31.12.2020
		Gross	Adjustment	Net	Net
	TOTAL ASSETS	540 954	63 202	477 752	490 067
B.	Fixed assets	131 730	51 540	80 190	80 078
B.I.	Intangible fixed assets	20 481	14 992	5 489	2 867
B.I.1.	Development	7 299	7 299		608
B.I.2.	Valuable rights	8 585	7 693	892	2 047
B.I.2.1.	Software	8 021	7 537	484	1 780
B.I.2.2.	Other valuable rights	564	156	408	267
B.I.5.	Prepayments for intangible fixed assets and intangible fixed assets under construction	4 597		4 597	212
B.I.5.2.	Intangible fixed assets under construction	4 597		4 597	212
B.II.	Tangible fixed assets	110 728	36 548	74 180	76 692
B.II.1.	Land and structures	43 141	8 738	34 403	34 858
B.II.1.1.	Land	2 097		2 097	2 097
B.II.1.2.	Structures	41 044	8 738	32 306	32 761
B.II.2.	Tangible movable assets and sets of tangible movable assets	46 690	24 035	22 655	23 569
B.II.3.	Valuation difference on acquired assets	20 592	3 775	16 817	18 190
B.II.5.	Prepayments for tangible fixed assets and tangible fixed assets under construction	305		305	75
B.II.5.2.	Tangible fixed assets under construction	305		305	75
B.III.	Non-current financial assets	521		521	519
B.III.1.	Equity investments - controlled or controlling entity	521		521	519
C.	Current assets	406 323	11 662	394 661	407 555
C.I.	Inventories	94 579	10 497	84 082	142 524
C.I.1.	Material	84 942	10 497	74 445	109 484
C.I.2.	Work in progress and semifinished goods	2 667		2 667	22 975
C.I.5.	Prepayments for inventories	6 970		6 970	10 065
C.II.	Receivables	153 380	1 165	152 215	169 176
C.II.1.	Long-term receivables	56 568	706	55 862	51 861
C.II.1.1.	Trade receivables	43 483		43 483	51 284
C.II.1.2.	Receivables - controlled or controlling entity	706	706		
C.II.1.4.	Deferred tax asset	12 007		12 007	
C.II.1.5.	Receivables - other	372		372	577
C.II.1.5.2.	Long-term prepayments made	168		168	373
C.II.1.5.4.	Sundry receivables	204		204	204
C.II.2.	Short-term receivables	96 812	459	96 353	117 315
C.II.2.1.	Trade receivables	79 759	459	79 300	102 590
C.II.2.4.	Receivables - other	17 053		17 053	14 725
C.II.2.4.3.	State - tax receivables	9 664		9 664	11 062
C.II.2.4.4.	Short-term prepayments made	1 194		1 194	2 758
C.II.2.4.5.	Estimated receivables				790
C.II.2.4.6.	Sundry receivables	6 195		6 195	115
C.IV.	Cash	158 364		158 364	95 855
C.IV.1.	Cash on hand	30		30	42
C.IV.2.	Cash at bank	158 334		158 334	95 813
D.	Other assets	2 901		2 901	2 434
D.1.	Deferred expenses	2 901		2 901	2 434

		31.12.2021	31.12.2020
	TOTAL LIABILITIES & EQUITY	477 752	490 067
A.	Equity	97 657	29 960
A.I.	Share capital	2 000	2 000
A.I.1.	Share capital	2 000	2 000
A.II.	Share premium and capital funds	81 844	96 842
A.II.2.	Capital funds	81 844	96 842
A.II.2.1.	Other capital funds	82 105	97 105
A.II.2.2.	Gains or losses from the revaluation of assets and liabilities (+/-)	-261	-263
A.IV.	Retained earnings (+/-)	-68 883	-91 776
A.IV.1.	Accumulated profits or losses brought forward (+/-)	-68 883	-91 776
A.V.	Profit or loss for the current period (+/-)	82 696	22 894
B.+C.	Liabilities	155 873	181 032
B.	Reserves	61 035	34 868
B.II.	Income tax reserve	2 268	1 631
B.IV.	Other reserves	58 767	33 237
C.	Payables	94 838	146 164
C.I.	Long-term payables	5 593	5 944
C.I.4.	Trade payables	2 983	1 845
C.I.9.	Payables - other	2 610	4 099
C.I.9.3.	Sundry payables	2 610	4 099
C.II.	Short-term payables	89 245	140 220
C.II.2.	Payables to credit institutions		1 300
C.II.3.	Short-term prepayments received		21
C.II.4.	Trade payables	60 905	100 534
C.II.8.	Other payables	28 340	38 365
C.II.8.1.	Payables to partners	273	2 658
C.II.8.3.	Payables to employees	6 568	6 310
C.II.8.4.	Social security and health insurance payables	4 087	4 412
C.II.8.5.	State - tax payables and subsidies	1 756	2 489
C.II.8.6.	Estimated payables	13 635	16 250
C.II.8.7.	Sundry payables	2 021	6 246
D.	Other liabilities	224 222	279 075
D.1.	Accrued expenses	2 619	3 543
D.2.	Deferred income	221 603	275 532

PROFIT AND LOSS ACCOUNT
structured by the nature of expense method

WIEDEN s.r.o.
Corporate ID 079 19 981

Year ended
31.12.2021
(in CZK thousand)

Malodoubská 355/6
Liberec VIII-Dolní Hanychov
460 08 Liberec 8

		Year ended 31.12.2021	Year ended 31.12.2020
I.	Sales of products and services	1 002 072	534 942
A.	Purchased consumables and services	697 972	376 410
A.2.	Consumed material and energy	513 609	255 524
A.3.	Services	184 363	120 886
B.	Change in internally produced inventory (+/-)	20 308	-11 663
C.	Own work capitalised (-)	-940	-8
D.	Staff costs	171 897	138 919
D.1.	Payroll costs	125 874	101 951
D.2.	Social security and health insurance costs and other charges	46 023	36 968
D.2.1.	Social security and health insurance costs	42 856	34 838
D.2.2.	Other charges	3 167	2 130
E.	Adjustments to values in operating activities	17 582	12 085
E.1.	<i>Adjustments to values of intangible and tangible fixed assets</i>	8 513	10 740
E.1.1.	Adjustments to values of intangible and tangible fixed assets - permanent	8 513	10 740
E.2.	Adjustments to values of inventories	9 060	1 232
E.3.	Adjustments to values of receivables	9	113
III.	Other operating income	8 294	12 256
III.1.	Sales of fixed assets	4 866	735
III.2.	Sales of material	68	125
III.3.	Sundry operating income	3 360	11 396
F.	Other operating expenses	35 222	6 475
F.1.	Net book value of sold fixed assets	4 432	
F.2.	Material sold	38	10
F.3.	Taxes and charges	343	214
F.4.	Reserves relating to operating activities and complex deferred expenses	25 530	851
F.5.	Sundry operating expenses	4 879	5 400
*	Operating profit or loss (+/-)	68 325	24 980
IV.	Income from non-current financial assets - equity investments	2 263	1 672
IV.1.	Income from equity investments - controlled or controlling entity	2 263	1 672
VI.	Interest income and similar income	86	
VI.2.	Other interest income and similar income	86	
J.	Interest expenses and similar expenses	494	1 294
J.2.	Other interest expenses and similar expenses	494	1 294
VII.	Other financial income	9 827	17 627
K.	Other financial expenses	8 681	18 012
*	Financial profit or loss (+/-)	3 001	-7
**	Profit or loss before tax (+/-)	71 326	24 973
L.	Income tax	-11 370	2 079
L.1.	Due income tax	637	1 631
L.2.	Deferred income tax (+/-)	-12 007	448
**	Profit or loss net of tax (+/-)	82 696	22 894
***	Profit or loss for the current period (+/-)	82 696	22 894
*	Net turnover for the current period	1 022 542	566 497

**STATEMENT OF
CHANGES IN EQUITY**

Year ended
31.12.2021
(in CZK thousand)

WIEDEN s.r.o.
Corporate ID 079 19 981

Malodoubská 355/6
Liberec VIII-Dolní Hanychov
460 08 Liberec 8

	Share capital	Capital funds	Funds from profit, reserve fund	Accumulated profits or losses brought forward	Other profit or loss from prior years	Profit share prepayments declared	Profit or loss for the current period	TOTAL EQUITY
Balance at 1 January 2020	2 000	96 846		-91 776				7 070
Gains or losses from the revaluation of assets and liabilities		-4						-4
Profit or loss for the current period							22 894	22 894
Balance at 31 December 2020	2 000	96 842		-91 776			22 894	29 960
Distribution of profit or loss				22 893			-22 894	-1
Gains or losses from the revaluation of assets and liabilities		2						2
Payments from capital funds		-15 000						-15 000
Profit or loss for the current period							82 696	82 696
Balance at 31 December 2021	2 000	81 844		-68 883			82 696	97 657

CASH FLOW STATEMENT

Year ended
31.12.2021
(in CZK thousand)

WIEDEN s.r.o.
Corporate ID 079 19 981

Malodoubská 355/6
Liberec VIII-Dolní Hanychov
460 08 Liberec 8

		Year ended 31.12.2021	Year ended 31.12.2020
P.	Opening balance of cash and cash equivalents	95 855	81 862
	Opening balance of cash and cash equivalents after transformation		
	<i>Cash flows from ordinary activities (operating activities)</i>		
Z.	Profit or loss before tax	71 326	24 973
A.1.	Adjustments for non-cash transactions	36 365	13 919
A.1.1.	Depreciation of fixed assets	8 513	10 740
A.1.2.	Change in provisions and reserves	35 236	2 196
A.1.3.	Profit/(loss) on the sale of fixed assets	-434	-735
A.1.4.	Revenues from profit shares	-2 263	-1 672
A.1.5.	Interest expense and interest income	408	1 294
A.1.6.	Adjustments for other non-cash transactions	-5 095	2 096
A.*	Net operating cash flow before changes in working capital	107 691	38 892
A.2.	Change in working capital	-18 291	24 944
A.2.1.	Change in operating receivables and other assets	32 950	-69 477
A.2.2.	Change in operating payables and other liabilities	-100 623	139 515
A.2.3.	Change in inventories	49 382	-45 094
A.**	Net cash flow from operations before tax	89 400	63 836
A.3.	Interest paid	-494	-1 294
A.4.	Interest received	86	
A.6.	Received profit shares	2 263	1 672
A.***	Net operating cash flows	91 255	64 214
	<i>Cash flows from investing activities</i>		
B.1.	Fixed assets expenditures	-13 057	-6 997
B.2.	Proceeds from fixed assets sold	4 866	735
B.***	Net investment cash flows	-8 191	-6 262
	<i>Cash flow from financial activities</i>		
C.1.	Change in payables from financing	-5 555	-43 959
C.2.	Impact of changes in equity	-15 000	
C.2.3.	Other cash contributions made by partners	-15 000	
C.***	Net financial cash flows	-20 555	-43 959
F.	Net increase or decrease in cash and cash equivalents	62 509	13 993
R.	Closing balance of cash and cash equivalents	158 364	95 855

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1 General Information

1.1. Incorporation and Description of the Company

WIEDEN s.r.o. (hereinafter the "Company") was formed by a Deed of Incorporation as a limited liability company on 21 February 2019 and was incorporated following its registration in the Register of Companies held by the Court in Ústí nad Labem on 21 February 2019 under the business name Fenestra Wieden Prague s.r.o.

On the basis of the merger project dated 11 November 2019, which was approved on 17 December 2019, the merger was effected as of 1 January 2020, whereby WIEDEN s.r.o. (formerly Fenestra Wieden Prague s. r.o.), with its registered office at Malodoubská 355/6, Liberec VIII-Dolní Hanychov, 460 08 Liberec, corporate ID.: 079 19 981, as the successor company, assumed the assets of the dissolving company FENESTRA WIEDEN s.r.o., with its registered office at Malodoubská 355/6, Liberec VIII-Dolní Hanychov, 460 08 Liberec, corporate ID: 442 23 161.

The Company's principal activities include:

- Production, trade and services not specified in Annexes 1 to 3 to the Trade Licensing Act,
- Project activities in construction,
- Implementation of buildings, their alterations and removal,
- Machining.

The following table shows legal entities with an equity interest greater than 20 percent and the amount of their equity interest:

Shareholder / Owner	Ownership percentage
FW Group a.s.	100%

The Company has a sole owner, namely FW Group a.s., with its registered office at 28.října 767/12, Prague 1, which is its parent company. This parent company will prepare consolidated financial statements of a group of entities for the year ended 31 December 2021 with WIEDEN s.r.o. being included in the consolidation.

The entity's equity interest in companies greater than 20 percent:

Name of the Company – Subsidiaries	Legal status
FENESTRA WIEDEN SLOVAKIA s.r.o., Pekárska 11, 917 01 Trnava, Slovakia	s.r.o.
FW Sverige AB, Rondovägen 114, 142 41 SKOGÅS, Sweden	AB
WIEDEN SERVIS s.r.o., Malodoubská 355/6, Liberec VIII-Dolní Hanychov, 460 08 Liberec	s.r.o.

1.2. Year-on-Year Changes and Amendments to the Register of Companies

None.

1.3. Members of the Statutory Body as of the Balance Sheet Date

Position	Name
Statutory executive	Milan Nocar
Statutory executive	Pavel Wieden

2 Basis of Accounting and General Accounting Principles

The Company's accounting books and records are maintained and the financial statements were prepared in accordance with Accounting Act 563/1991 Coll., as amended; Regulation 500/2002 Coll. which provides implementation guidance on certain provisions of the Accounting Act for reporting entities that are businesses maintaining double-entry accounting records, as amended; and Czech Accounting Standards for Businesses, as amended.

The accounting records are maintained in compliance with general accounting principles, specifically the historical cost valuation basis (unless stated otherwise), the accruals principle, the prudence concept and the going concern assumption. In the preparation of the financial statements, the entity has not identified any circumstances that would contradict this assumption.

The Company's financial statements have been prepared as of the balance sheet date, i.e. 31 December 2021.

These financial statements are presented in thousands of Czech crowns (CZK '000), unless stated otherwise.

These financial statements are statutory financial statements and have not been prepared for any particular purpose, transaction or user. Users should not rely solely on these financial statements in making decisions and should conduct other appropriate inquiries before making decisions.

4.1 Tangible Fixed Assets

Tangible fixed assets include land, structures and tangible assets with an estimated useful life greater than one year and an acquisition cost greater than CZK 40 thousand on an individual basis.

Purchased tangible fixed assets are stated at cost less accumulated depreciation and any recognised impairment losses. The cost includes the purchase cost and indirect acquisition costs, without which the assets could not be used.

The cost of fixed asset improvements exceeding CZK 40 thousand for the taxation period increases the acquisition cost of the related tangible fixed asset.

Tangible fixed assets developed internally are valued at direct costs attributable to the internal production.

Depreciation is charged so as to write off the cost of tangible fixed assets, other than land and assets under construction, over their estimated useful lives, using the straight line method so that the cost is accrued over the period over which the Company expects the tangible fixed assets to generate economic benefits.

The depreciation plan is presented in the following table:

	Depreciation method (straight-line)	Number of years
Buildings	straight-line	50-60
Other buildings	straight-line	30-40
Other properties (connections, fencing)	straight-line	20-30
Valuation difference on acquired assets	straight-line	15
Manufacturing machinery	straight-line	5-10
Computers	straight-line	3
Vehicles	straight-line	5-6
Furniture and fixtures	straight-line	3-6

The gain or loss arising on the sale or disposal of an asset is determined as the difference between the sales proceeds and the net book value of the asset at the sale date and is recognised through the profit and loss account.

4.2 Intangible Fixed Assets

Intangible fixed assets primarily include intangible assets arising from development, valuable rights and software with an estimated useful life greater than one year and an acquisition cost greater than CZK 60 thousand on an individual basis.

Intangible assets arising from development and software are capitalised only if utilised for trading. Intangible assets arising from development and software generated internally for the Company's internal needs are not capitalised. Internally generated intangible assets are stated at the lower of internal production costs and replacement cost.

Purchased intangible fixed assets are stated at cost less accumulated amortisation and any recognised impairment losses. Acquisition cost includes the purchase cost and indirect acquisition costs, without which the assets could not be used.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

The cost of fixed asset improvements exceeding CZK 40 thousand for the taxation period increases the acquisition cost of the related intangible fixed asset.

Amortisation of intangible fixed assets is recorded on a straight line basis over their estimated useful lives so that the cost is accrued over the period over which the Company expects the intangible fixed assets to generate economic benefits.

The amortisation plan is presented in the following table:

	Amortisation method	Number of years
Development	straight-line	3
Software, valuable rights	straight-line	3

4.3 Non-Current Financial Assets

Investments in companies in which the Company has the power to control the financial and operating policies so as to obtain benefits from their operations are classified as 'Equity investments – controlled entity.

At the balance sheet date, equity investments in subsidiaries and associates are valued using the cost approach.

For WIEDEN SERVIS s.r.o., the acquisition cost of CZK 1 was used for valuation purposes due to the insignificant amount of the financial investment.

4.4 Derivatives

The Company uses forward currency hedging derivatives. Trading derivatives are carried at fair value at the balance sheet date. In determining fair value, the Company has referred to the bank valuation.

All financial derivatives having positive fair values are reported as assets, derivatives with negative values are reported as liabilities. Fair value changes in respect of trading derivatives are recognised as part of profit or loss for the current period.

4.5 Inventory

Purchased inventory is valued at acquisition costs. Acquisition cost includes the purchase cost and indirect acquisition costs such as freight and packaging costs.

Internally developed inventory is valued at the cost of producing the inventory, which primarily consists of the direct costs of production or any other activity.

Inventory is issued out of stock using costs determined by the weighted arithmetic average method.

Provisioning

The Company recognised provisions against inventory whose impairment is not deemed permanent by reference to project perspective, where the provision is calculated as a specified percentage of the inventory purchased and consumed for the project in progress, where the percentage of provisioning is determined based on the Company's experience from previous projects. Upon completion of the project, the inventory for the project is evaluated and if inventory is retained on the books, such inventory is provisioned in full.

4.6 Receivables

Upon origination, receivables are stated at their nominal value as subsequently reduced by appropriate provisions for doubtful and bad amounts. Receivables acquired for consideration or through an investment are stated at cost less provisions for doubtful and bad amounts.

Provisioning:

The provision is recognised based on an individual analysis of each receivable in terms of the status of the legal proceedings and the debtor's economic situation.

4.7 Payables

Payables are stated at their nominal value.

4.8 Loans

Loans are stated at their nominal value. The portion of long-term loans maturing within one year from the balance sheet date is included in short-term loans.

4.9 Reserves

Reserves are intended to cover liabilities and expenditure the nature of which is clearly defined and which are either likely to be incurred or certain to be incurred as of the balance sheet date but uncertain as to their amount or as to the date on which they will arise.

The Company creates reserves for:

- Warranty repairs for individual cases in the amount of the estimated risk in specific cases
- Warranty repairs arising from revenues generated from services provided - the reserve is created in the amount of a specified percentage of the value of the revenues of the respective project, where the percentage of creation is determined on the basis of the Company's experience from previous periods
- Staff costs related to project bonuses, outstanding vacation, employee litigation and severance pay
- Corporate income tax

4.10 Foreign Currency Translation

Transactions denominated in foreign currencies during the year are translated using the exchange rate of the Czech National Bank prevailing on the date of the transaction.

At the balance sheet date, the relevant assets and liabilities are translated at the Czech National Bank's exchange rate prevailing as of that date.

4.11 Taxation

4.11.1 Depreciation of Fixed Assets for Tax Purposes

Depreciation of fixed assets is calculated using the straight line method for tax purposes.

4.11.2 Current Tax Payable

Management of the Company has recognised a tax payable and a tax charge based on its tax calculation which follows from its understanding of the interpretation of Czech tax legislation valid at the financial statements date and believes that the amount of tax is correct in compliance with the effective Czech tax regulations. Since various interpretations of tax laws and regulations by third parties, including state administrative bodies, exist, the income tax payable reported in the Company's financial statements may change based on the ultimate opinion of the tax authorities.

4.11.3 Deferred Tax

Deferred tax is accounted for using the balance sheet liability method.

The carrying amount of deferred tax assets is reviewed at the balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is charged or credited to the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the related deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset and reported on an aggregate net basis in the balance sheet, except when partial tax assets cannot be offset against partial tax liabilities.

4.12 Borrowing Costs

All other borrowing costs are recognised in the profit and loss account in the period in which they are incurred.

4.13 Government Grants and Subsidies

Grants and subsidies received to offset costs are recognised as other operating and financial income over the period necessary to match them with the related costs.

4.14 Revenue Recognition

Revenue is measured at the value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, value added tax and other sales related taxes.

Revenue from the sale of goods and services for projects where invoicing precedes incurring the costs of projects in progress is recognised based on the calculation of the percentage of completion of the project. The difference between this revenue calculated through the percentage of completion and the invoicing to the customer, if the invoice is higher, is reported in deferred income.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

4.15 Use of Estimates

The presentation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Management of the Company has made these estimates and assumptions on the basis of all the relevant information available to it. Nevertheless, pursuant to the nature of estimates, the actual results and outcomes in the future may differ from these estimates.

4.16 Subsequent Events

The impact of events that occurred between the balance sheet date and the date of the preparation of the financial statements is recognised in the financial statements if those events provided additional information about the facts that existed at the balance sheet date.

Where significant events occur between the balance sheet date and the date of the preparation of the financial statements that reflect events that occurred subsequent to the balance sheet date, the consequences of those events are described in the notes to the financial statements but are not recognised in the financial statements.

4.17 Cash Flow Statement

The cash flow statement is prepared using the indirect method. Cash equivalents include current liquid assets which are easily convertible into cash in an amount agreed in advance and not expected to be subject to material fluctuations in value over time.

Cash and cash equivalents can be analysed as follows:

	(CZK '000)	
	31 December 2021	31 December 2020
Cash on hand and cash in transit	30	42
Cash at bank	158 334	95 813
Total cash and cash equivalents	158 364	95 855

Cash flows from operating, investment and financial activities presented in the cash flow statement are not offset.

5 Additional Information

5.1 Intangible Fixed Assets (IFA)

Cost

(CZK '000)

	Opening balance	Additions	Disposals	Transfers	Closing balance
Development	7 299	0	0	0	7 299
Software	8 021	0	0	0	8 021
Other valuable rights	328	236	0	0	564
Intangible FA under construction	212	4 385	0	0	4 597
Total in 2021	15 860	4 621	0	0	20 481

Provisions and Accumulated Amortisation

(CZK '000)

	Opening balance	Additions	Disposals	Transfers	Closing balance	Provisions	Net book value
Development	-6 691	-608	0	0	-7 299	0	0
Software	-6 241	-1 296	0	0	-7 537	0	484
Other valuable rights	-61	-95	0	0	-156	0	408
Intangible FA under construction	0	0	0	0	0	0	4 597
Total in 2021	-12 993	-1 999	0	0	-14 992	0	5 489

Cost

					(CZK '000)
	Opening balance	Additions	Disposals	Transfers	Closing balance
Development	7 299	0	0	0	7 299
Software	7 582	439	0	0	8 021
Other valuable rights	150	178	0	0	328
Intangible FA under construction	212	0	0	0	212
Total in 2020	15 243	617	0	0	15 860

Provisions and Accumulated Amortisation

							(CZK '000)
	Opening balance	Additions	Disposals	Transfers	Closing balance	Provisions	Net book value
Development	-4 258	-2 433	0	0	-6 691	0	608
Software	-4 615	-1 626	0	0	-6 241	0	1 780
Other valuable rights	-4	-57	0	0	-61	0	267
Intangible FA under construction	0	0	0	0	0	0	212
Total in 2020	-8 877	-4 116	0	0	-12 993	0	2 867

The Company records Project F1 (Utility Model for Technical Solution) as development. Software for the Company principally includes licenses for programmes used mainly for design activities. Other valuable rights include a second-level domain name "wieden.cz." and the Company's registered trademark.

5.2 Tangible Fixed Assets (TFA)

Cost

(CZK '000)

	Opening balance	Additions	Disposals	Transfers	Closing balance
Land	2 097	0	0	0	2 097
Buildings	40 616	428	0	0	41 044
Individual tangible movable assets and their sets	46 484	7 717	7 571	60	46 690
Valuation difference	20 592	0	0	0	20 592
Tangible FA under construction	75	290	0	-60	305
Total in 2021	109 864	8 435	7 571	0	110 728

Provisions and Accumulated Depreciation

(CZK '000)

	Opening balance	Additions	Disposals	Transfers	Closing balance	Provisions	Net book value
Land	0	0	0	0	0	0	2 097
Buildings	-7 855	-883	0	0	-8 738	0	32 306
Individual tangible movable assets and their sets	-22 915	-4 258	3 138	0	-24 035	0	22 655
Valuation difference	-2 402	-1 373	0	0	-3 775	0	16 817
Tangible FA under construction	0	0	0	0	0	0	305
Total in 2021	-33 172	-6 514	3 138	0	-36 548	0	74 180

Cost

(CZK '000)

	Opening balance	Additions	Disposals	Transfers	Closing balance
Land	2 097	0	0	0	2 097
Buildings	40 495	121	0	0	40 616
Individual tangible movable assets and their sets	43 289	6 233	3 053	15	46 484
Valuation difference	20 592	0	0	0	20 592
Tangible FA under construction	15	75	0	-15	75
Total in 2020	106 488	6 429	3 053	0	109 864

Provisions and Accumulated Depreciation

(CZK '000)

	Opening balance	Additions	Disposals	Transfers	Closing balance	Provisions	Net book value
Land	0	0	0	0	0	0	2 097
Buildings	-6 979	-876	0	0	-7 855	0	32 761
Individual tangible movable assets and their sets	-21 593	-4 375	3 053	0	-22 915	0	23 569
Valuation difference	-1 030	-1 372	0	0	-2 402	0	18 190
Tangible FA under construction	0	0	0	0	0	0	75
Total in 2020	-29 602	-6 623	3 053	0	-33 172	0	76 692

Under tangible movable assets, the Company recognises production machinery and other related items associated with the Company's operations.

The Company recognises the valuation difference on the acquired assets under tangible fixed assets, which represents the difference between the purchase price for the business plant and the assumed accounting valuation of assets and liabilities from Skanska a.s. The positive valuation difference is amortised over 180 months in accordance with accounting legislation.

5.2.1 Fixed Assets Pledged as Security

All land and buildings are pledged for the benefit of the bank under a loan agreement.

5.3 Non-Current Financial Assets

Cost

(CZK '000)

	Opening balance	Additions	Disposals	Revaluation at 31 Dec 2021	Balance at 31 Dec 2021
Equity investments - controlled entity	519	0	0	2	521

5.3.1 Equity Investments – Controlled Entity

As of 31 December 2021

(CZK '000)

Name of the entity	Registered office	Ownership percentage	Equity*	Profit or loss*
FW Sverige*	Rondovägen 114, 142 41 SKOGÅS, Sweden	100%	217	-21
FENESTRA WIEDEN SLOVAKIA s.r.o.*	Pekárska 11, 917 01 Trnava, Slovakia	99%	-348	-59
WIEDEN SERVIS s.r.o.**	Malodoubská 355/6, Liberec VIII – Dolní Hanychov, 460 08 Liberec, ID: 087 43 134	100%	0	0

* Figures from the *unaudited* financial statements for the year ended 31 December 2021.

** Due to the insignificant amount of the financial investment, the acquisition cost of CZK 1 was used for valuation purposes.

As of 31 December 2020

(CZK '000)

Name of the entity	Registered office	Ownership percentage	Equity*	Profit or loss*
FW Sverige*	Rondovägen 114, 142 41 SKOGÅS, Sweden	100%	2 557	1 740
FENESTRA WIEDEN SLOVAKIA s.r.o.*	Pekárska 11, 917 01 Trnava, Slovakia	99%	-360	-48
WIEDEN SERVIS s.r.o.**	Malodoubská 355/6, Liberec VIII – Dolní Hanychov, 460 08 Liberec, ID: 087 43 134	100%	0	0

* Figures from the **unaudited** financial statements for the year ended **31 December 2020**.

** Due to the insignificant amount of the financial investment, the acquisition cost of CZK 1 was used for valuation purposes.

5.4 Inventory

The value of inventory as of 31 December 2021 amounts to CZK 84,082 thousand (2020: CZK 142,524 thousand). The most significant item includes material for individual projects, which primarily consists of raw materials used for the production of individual building elements.

As of 31 December 2021, provisions against inventories were recognised in the amount of CZK 10,497 thousand (31 December 2020: CZK 1,437 thousand).

5.5 Long-term Receivables

The Company records long-term trade receivables with a maturity greater than one year in the amount of CZK 43,483 thousand (2020: CZK 51,284 thousand). These receivables arise from retention money.

As of the balance sheet date, the Company had no receivables with a maturity greater than 5 years.

In addition, the Company reports refundable security deposits under long-term receivables.

5.6 Short-Term Receivables

Aging of Trade Receivables

(CZK '000)

Year	Category	Before due date	Past due date					Total past due date	Total
			0–90 days	91–180 days	181–360 days	1–2 years	2 and more years		
2021	Gross	78 668	219	376	6	465	25	1 091	79 759
	Provisions	0	0	-196	-6	-232	-25	-459	-459
	Net	78 668	219	180	0	233	0	632	79 300

(CZK '000)

Year	Category	Before due date	Past due date					Total past due date	Total
			0–90 days	91–180 days	181–360 days	1–2 years	2 and more years		
2020	Gross	75 411	26 674	505	0	26	424	27 629	103 040
	Provisions	0	0	0	0	-26	-424	-450	-450
	Net	75 411	26 674	505	0	0	0	27 179	102 590

All Company's receivables are pledged to the benefit of the bank under a loan agreement.

5.6.1 Short-Term Intercompany Receivables

Short-Term Intercompany Trade Receivables – Gross

(CZK '000)

Name of the entity	Balance at 31 December 2021	Balance at 31 December 2020
FENESTRA WIEDEN SLOVAKIA	25	26
Other than intercompany receivables	79 734	103 014
Total short-term intercompany trade receivables	79 759	103 040

5.7 Equity

Profit for the period from January to December 2020 in the amount of CZK 22,894 thousand was transferred to the accumulated profit/loss brought forward. It is assumed that the profit for the period from January to December 2021 in the amount of CZK 82,696 thousand will be transferred to the accumulated profit/loss brought forward.

5.8 Reserves

	(CZK '000)	
	Balance at 31 December 2020	Balance at 31 December 2021
Reserve for outstanding vacation days	2 443	1 655
Reserves for remuneration for work on projects	3 150	8 188
Reserve for warranty repairs - specific	24 644	27 333
Reserve for warranty repairs - lump sum	3 000	15 407
Reserve for personal expenses - legal disputes, severance pay	0	6 184
Reserve for income tax	1 631	2 268
Total other reserves	34 868	61 035

5.9 Long-Term Payables

5.9.1 Long-Term Trade Payables

	(CZK '000)	
	Balance at 31 December 2020	Balance at 31 December 2021
Retention (CZK thousand)	1 845	2 983
Total long-term payables	1 845	2 983

5.10 Short-Term Payables

5.10.1 Short-Term Intercompany Payables

Short-term trade payables

(CZK '000)

Name of the entity	Balance at 31 December 2020	Balance at 31 December 2021
FW Sverige AB	3 427	0
Total short-term intercompany payables	3 427	0
<i>Other than intercompany payables</i>	97 107	60 905
Total short-term payables	100 534	60 905

Other Short-Term Payables – Payables to Owners

Payables to owners consist of outstanding salaries of statutory executives for December 2021 in the amount of CZK 273 thousand (2020: CZK 211 thousand). The payables further included a loan from P. Wieden in the amount of CZK 2,447 thousand, which was fully paid in 2021).

5.11 Bank Loans

Bank loans include:

(CZK '000)

Bank/creditor	Currency	Balance at	Balance at	Form of collateral in the current period
		31 Dec 2021	31 Dec 2020	
Česká spořitelna	CZK	0	0	Blank promissory note, Real estate pledge, Contract on pledge of receivables
Česká spořitelna	CZK	0	1 300	Blank promissory note, Real estate pledge
Česká spořitelna	CZK	0	0	Blank promissory note, Other collateral - European Investment Fund guarantee under the Risk Sharing Agreement, security transfer of proprietary rights to movables, first ranking pledge on receivables from insurance of movables
Česká spořitelna kontokorent	CZK	0	0	Blank promissory note, Real estate pledge
Total		0	1 300	

As of 31 December 2021, the Company has an overdraft loan in the amount of CZK 15,000 thousand (2020: CZK 15,000 thousand) and a revolving loan in the amount of CZK 30,000 thousand (2020: CZK 30,000 thousand). No funds have been drawn.

5.12 Deferred Income

Overview of long-term contracts and deferred income recognition:

(CZK '000)

Name of the contract	Customer	Deferred income as of 31 December 2020	Deferred income as of 31 December 2021
Z00005 Malmö B35	Skanska Sverige AB	96 139	30 203
Z00016 Malmö B36	Skanska Sverige AB	108 616	134 402
Z00014 AQUA	Skanska Sverige AB	11 088	1 287
Z00015 Harfa SO15B	SYNER s.r.o.	0	7 870
Z00018 Coimbra	Wallin AB	0	34 009
S18005 Oxford	Wallin AB	4 517	865
S18007 Kineum	NCC Sverige	55 172	12 966
Total		275 532	221 603

5.13 Derivative Financial Instruments

As of the date of the financial statements, derivatives held for trading are measured at fair value. The Bank's valuation is used as the fair value. The fair value of financial derivatives is recognised in other receivables if it is positive for the Company or in other payables if it is negative. Movements on derivatives are recognised through other financial income or other financial expenses.

(CZK '000)

	31 December 2021		
	Fair value positive	Fair value negative	Nominal value
Derivatives held for trading	5 979	884	55 175

(CZK '000)

	31 December 2020		
	Fair value positive	Fair value negative	Nominal value
Derivatives held for trading	-	2 716	33 155

5.14 Deferred Income Taxation

The existing aggregate deferred tax asset/(liability) is analysed as follows:

(CZK '000)

Deferred tax arising from	Balance at 31 December 2021	Balance at 31 December 2020
Difference between the carrying amounts for accounting and tax purposes	-7 232	-6 415
Provisions	11 662	2 633
Reserves	58 767	33 237
Tax loss	0	100 610
Total	63 197	130 065
Deferred income tax rate	19%	19%
Total asset/(liability)	12 007	24 712
	Balance at 31 December 2021	Balance at 31 December 2020
Recognised asset	12 007	0
Unrecognised asset	0	24 712
Total	12 007	24 712

5.15 Employees, Management and Statutory Bodies

As of 31 December 2021

(CZK '000)

	Number	Total staff costs
Average recalculated headcount	177	171 897

As of 31 December 2020

(CZK '000)

	Number	Total staff costs
Average recalculated headcount	175	138 919

The Company does not provide a breakdown of staff costs by category.

The statutory executives Pavel Wieden and Milan Nocar concluded a service contract with the Company, which was approved by the General Meeting. The Company contributes to the statutory executives' pension insurance, meals and travel expenses.

5.16 Other Operating Income and Expenses

5.16.1 Grant

(CZK '000)

	Year ended 31 Dec 2020	Year ended 31 Dec 2021
Research project grant	580	0

During the reporting period, the Company received a grant for a TAČR (Technology Agency of the Czech Republic) research project – "Autonomous Façade Module". This grant received was recognised as income for the current period.

5.16.2 Subsidy

(CZK '000)

	Year ended 31 Dec 2020	Year ended 31 Dec 2021
Wage compensation contribution	1 551	0
Subsidies received for operational purposes	56	0

In the previous reporting period, the Company received the ANTIVIRUS subsidies for partial reimbursement of costs and wage compensation in the amount of CZK 1,551 thousand.

5.17 Related Party Transactions

(CZK '000)

	Income		Purchases	
	as of 31 December 2021	as of 31 December 2020	as of 31 December 2021	as of 31 December 2020
FW Sverige AB	0	1 672	0	678
Fenestra Wieden Slovakia s.r.o.	0	0	0	0
ARX Equity Partners	0	0	927	955

5.18 Litigations

In the reviewed period, the Company continues a litigation with WMA Glass s.r.o. regarding repairs on the KI Aula contract. A reserve has been created for the cost of the repairs. Furthermore, the Company has litigation with an employee, also in this case a reserve is created for staff and related costs.

5.19 Off-Balance Sheet Commitments

As of 31 December 2021, bank guarantees in the aggregate amount of CZK 146,898 thousand were provided by Česká spořitelna a.s. (2020: CZK 90,090 thousand).

The Company has no commitments other than those listed in the balance sheet.

5.20 Impact of the COVID-19 Pandemic

In late 2019, news from China regarding COVID-19 (coronavirus) first emerged. In the first months of 2020, the virus spread across the entire globe and negatively affected many countries and companies in the world as well as in the Czech Republic, including our Company. The Company's management has considered the impact of this pandemic in preparing the financial statements for the year ended 31 December 2021.

5.21 Post-Balance Sheet Events

No events occurred subsequent to the balance sheet date that would have a material impact on the financial statements.

The ongoing military conflict in Ukraine and the related sanctions targeted against the Russian Federation may have an impact on the European and global economy. The entity does not have any significant direct exposure to Ukraine, Russia or Belarus. However, the impact on the general economic situation may require revisions of certain assumptions and estimates. At this stage, management is not able to reliably estimate the impact as events are unfolding day by day.

The long-term impact may also affect trading volumes, cash flows and profitability. Nevertheless, at the date of these financial statements, the Company continues to meet its obligations as they fall due and therefore continues to apply the going concern basis of preparation.

Annex No. 3 – Report on Relations with Related Parties

Report on Related Party Transactions

For the reporting period from 1 January 2021 to
31 December 2021

(Pursuant to Act No. 90/2012 Coll., on Business Corporations)

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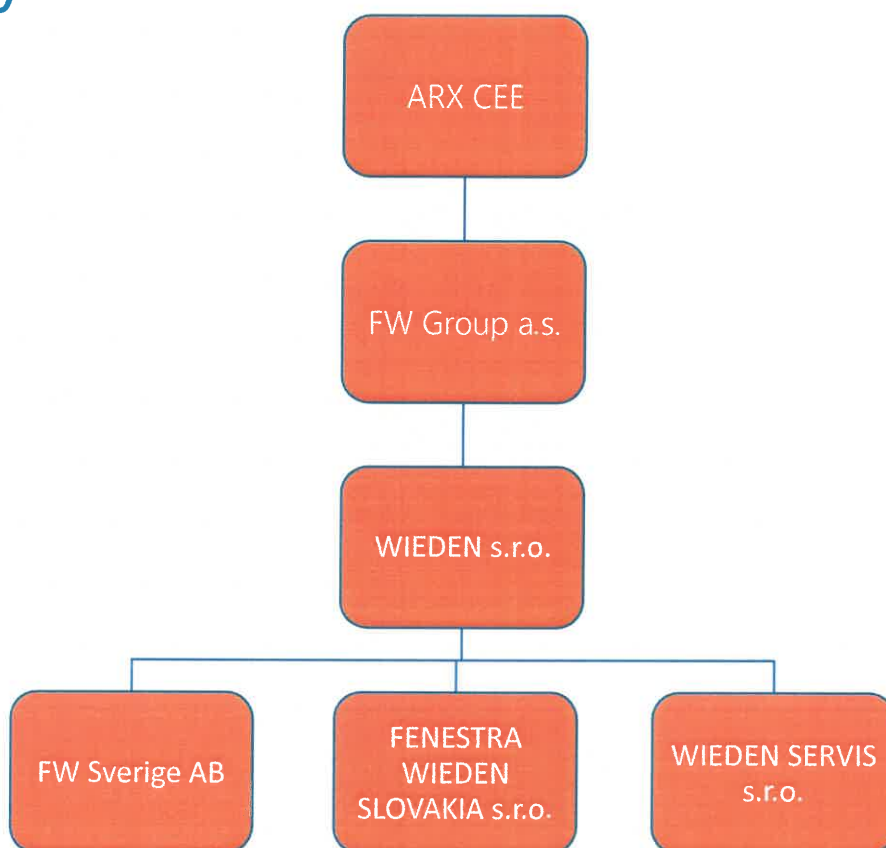
1 Introduction

Pursuant to Section 82 of Act No. 90/2012 Coll., on Business Corporations, the statutory body of the Company:

WIEDEN s.r.o., with registered office at Malodoubská 355/6, 460 08 Liberec 8, Corporate ID: 079 19 981, file No. C 43219, registered at the Regional Court in Ústí nad Labem

has prepared this report on related party transactions between the controlling party and WIEDEN s.r.o., as the controlled party, and on the related party transactions between WIEDEN s.r.o. and parties controlled by the same controlling parties (hereinafter referred to as the "Business Group").

2 Relationship Structure, Role of the Controlled Party



In terms of Section 74 of the Business Corporations Act, the controlling party of WIEDEN s.r.o. is:

- FW Group a.s., with registered office at 28. října 767/12, Nové Město, 110 00 Prague 1, Corporate ID: 079 10 495, file No. B 24222, registered at the Municipal Court in Prague.

In terms of Section 74 of the Business Corporations Act, the controlling party of FW Group a.s. is:

- ARX CEE IV Coöperatief U.A., 1075 HP Amsterdam, Jan van Goyenkade 8, Netherlands, reg. no. 856301358.

In terms of Section 74 of the Business Corporations Act, the party controlled by WIEDEN s.r.o. is:

- FW Sverige AB, IC 556963-9866, Lisebergsvägen 111 A, 125 35 ÄLVSJÖ, Sweden, registered with the Bolagsverket, 851 81 Sundsvall, Sweden, as of 27 October 2016 with registered office at Rondovägen 114, 142 41 SKOGÅS (100% WIEDEN s.r.o.).
- FENESTRA WIEDEN SLOVAKIA s.r.o., IC 47 954 205 Pekárska 11, Trnava, Postal Code 917 01, Slovakia, registered in the Commercial Register of the District Court of Trnava, Section Sro, File No. 35081/T (99% WIEDEN s.r.o.).
- WIEDEN SERVIS s.r.o., with registered office at Malodoubská 355/6, 460 08 Liberec 8, Corporate ID: 087 43 134, file No. C 44552, registered at the Regional Court in Ústí nad Labem (100% WIEDEN s.r.o.).

Other related parties that are directly or vertically controlled by ARX CE and FW Group a.s. are not disclosed herein, as there were no relations between them and the controlled party in the period under review, nor are there any relations continuing from previous periods or relating to future periods.

3 Method and Means of Control

The controlling party holds 100% of the share capital of WIEDEN s.r.o.

The control over the Company is exercised by the decision of the Board of Directors of the Company.

4 Overview of Monitored Acts

During the period under review, the Company did not take any legal actions or measures at the instigation of or in the interest of the controlling person or persons controlled by the controlling person that would involve assets exceeding 10% of the Company's equity.

5 Overview of Mutual Agreements

The following mutual agreements between WIEDEN s.r.o. and the companies in the Business Group were in effect in 2021:

- Contract for the Execution of Assembly Work in Sweden between FENESTRA WIEDEN s.r.o. and FW Sverige AB concluded on 2 April 2014
- Agreement on Cooperation in the Execution of Assembly Work in Sweden between FENESTRA WIEDEN s.r.o. and FW Sverige AB concluded on 15 April 2014
- Agreement on the Provision of Professional Services between FENESTRA WIEDEN s.r.o. and FENESTRA WIEDEN SLOVAKIA s.r.o. concluded on 2 February 2015
- Service Agreement dated 1 April 2019 concluded with ARX Equity Partners
- Provision of collateral to WIEDEN s.r.o. in the form of a pledge of funds in the amount of CZK 18,000,000 deposited in a bank account for the purpose of securing the issuance of bank guarantees by Česká spořitelna a.s. in favour of the beneficiary Skanska Sverige AB.

6 Assessment of Detriment (Assessment of its Settlement)

The Company WIEDEN s.r.o. has not suffered any detriment in relation to FW Group a.s. or to other companies from the above-specified contractual relations. Payments under the above-mentioned contractual relationships are agreed at arm's length basis.

7 Assessment of Observed Relations and Conclusion

The statutory body of WIEDEN s.r.o. declares that the information contained herein is correct and complete and that the preparation of the report pursuant to Section 82 et seq. of the Business Corporations Act has been carried out in the full scope of all information and data available to the statutory body or discovered by it in the exercise of due managerial care.

On the basis of the above, it can be concluded that no disadvantages or risks arise for the Company from the relationship between the controlling parties and the Company.

In Prague, 09.03.2022

A handwritten signature in blue ink, appearing to read 'Milan Nocar', with a long horizontal stroke extending to the right.

Milan Nocar | statutory executive