

Annual Report 2022 WIEDEN s.r.o.



Content

| | | |
|-----------|---|----------|
| 1 | INTRODUCTION | 3 |
| 2 | Information about the Company | 4 |
| 3 | Management of the Company..... | 4 |
| 4 | Business Activities of the Company | 5 |
| 4.1 | Product Range..... | 5 |
| 4.2 | Quality Assurance..... | 5 |
| 4.3 | Business Partners..... | 5 |
| 5 | Development of the Company's Financial Performance and Anticipated Development of its Activities | 5 |
| 6 | Significant Post Balance Sheet Events | 6 |
| 7 | Research and Development Activities | 6 |
| 8 | Environmental Activities..... | 6 |
| 9 | Sponsorship, Social Activities | 6 |
| 10 | Labour Relationships..... | 7 |

List of Annexes

Annex 01 - Auditor's Report

Annex 02 - Financial Statements

Annex 03 - Report on Related Party Transactions

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 2022.

The year 2022 was again extremely challenging; in the aftermath of the impact of the global pandemic we had to deal with new negative influences related to the military conflict in Ukraine, i.e., among other things, the cooling of the global market, high inflation rate, and the associated rise in input prices of materials, but also post-pandemic impacts, for example, limited labour resources in the market. All these factors yet again brought new challenges to our business, and I am pleased that our Company succeeded in managing this situation with a good result in 2022.

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 2022.

In Prague on 27 March 2023

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 2022, which is also the accounting period (1 January 2022-31 December 2022).

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 |
| František Sládek | Project 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 2022 | 31 December 2021 |
| Sales of products and services | 662 960 | 1 002 072 |
| Staff costs | 161 152 | 171 897 |
| Profit or loss after tax ("+" profit, "-" loss) | 42 414 | 82 696 |
| Company's assets as of the balance sheet date - Net | 447 108 | 477 752 |

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.

The Company has an organisational branch abroad, Wieden Sverige Filial, operating on the Swedish market.

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 continue to improve the level of occupational health and safety.

6 Significant Post Balance Sheet Events

There have been no other events after the balance sheet date apart from subsequent events described in the Notes to the Financial Statements.

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.

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 in 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.

In Prague on 27 March 2023



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 at 31 December 2022, 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 at 31 December 2022, 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 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 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 27 March 2023

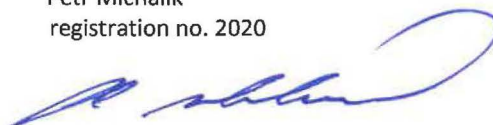
Audit firm:

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 2022

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 27 March 2023.

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

BALANCE SHEET
full version

As of
31.12.2022
(in CZK thousand)

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

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

| | | 31.12.2022 | | | 31.12.2021 |
|---------------|--|----------------|---------------|----------------|----------------|
| | | Gross | Adjustment | Net | Net |
| | TOTAL ASSETS | 519 141 | 73 290 | 445 851 | 477 752 |
| B. | Fixed assets | 134 089 | 58 689 | 75 400 | 80 190 |
| B.I. | Intangible fixed assets | 23 257 | 16 070 | 7 187 | 5 489 |
| B.I.1. | Development | 7 299 | 7 299 | | |
| B.I.2. | Valuable rights | 12 087 | 8 771 | 3 316 | 892 |
| B.I.2.1. | Software | 11 312 | 8 456 | 2 856 | 484 |
| B.I.2.2. | Other valuable rights | 775 | 315 | 460 | 408 |
| B.I.5. | Prepayments for intangible fixed assets and intangible fixed assets under construction | 3 871 | | 3 871 | 4 597 |
| B.I.5.2. | Intangible fixed assets under construction | 3 871 | | 3 871 | 4 597 |
| B.II. | Tangible fixed assets | 110 832 | 42 619 | 68 213 | 74 180 |
| B.II.1. | Land and structures | 43 411 | 9 615 | 33 796 | 34 403 |
| B.II.1.1. | Land | 2 097 | | 2 097 | 2 097 |
| B.II.1.2. | Structures | 41 314 | 9 615 | 31 699 | 32 306 |
| B.II.2. | Tangible movable assets and sets of tangible movable assets | 46 328 | 27 856 | 18 472 | 22 655 |
| B.II.3. | Valuation difference on acquired assets | 20 592 | 5 148 | 15 444 | 16 817 |
| B.II.5. | Prepayments for tangible fixed assets and tangible fixed assets under construction | 501 | | 501 | 305 |
| B.II.5.2. | Tangible fixed assets under construction | 501 | | 501 | 305 |
| B.III. | Non-current financial assets | | | | 521 |
| B.III.1. | Equity investments - controlled or controlling entity | | | | 521 |
| C. | Current assets | 377 962 | 14 601 | 363 361 | 394 661 |
| C.I. | Inventories | 82 838 | 14 490 | 68 348 | 84 082 |
| C.I.1. | Material | 78 676 | 14 490 | 64 186 | 74 445 |
| C.I.2. | Work in progress and semifinished goods | 2 690 | | 2 690 | 2 667 |
| C.I.5. | Prepayments for inventories | 1 472 | | 1 472 | 6 970 |
| C.II. | Receivables | 194 937 | 111 | 194 826 | 152 215 |
| C.II.1. | Long-term receivables | 70 230 | | 70 230 | 55 862 |
| C.II.1.1. | Trade receivables | 61 151 | | 61 151 | 43 483 |
| C.II.1.4. | Deferred tax asset | 8 727 | | 8 727 | 12 007 |
| C.II.1.5. | Receivables - other | 352 | | 352 | 372 |
| C.II.1.5.2. | Long-term prepayments made | 148 | | 148 | 168 |
| C.II.1.5.4. | Sundry receivables | 204 | | 204 | 204 |
| C.II.2. | Short-term receivables | 124 707 | 111 | 124 596 | 96 353 |
| C.II.2.1. | Trade receivables | 103 962 | 111 | 103 851 | 79 300 |
| C.II.2.4. | Receivables - other | 20 745 | | 20 745 | 17 053 |
| C.II.2.4.3. | State - tax receivables | 8 052 | | 8 052 | 9 664 |
| C.II.2.4.4. | Short-term prepayments made | 1 388 | | 1 388 | 1 194 |
| C.II.2.4.5. | Estimated receivables | 690 | | 690 | |
| C.II.2.4.6. | Sundry receivables | 10 615 | | 10 615 | 6 195 |
| C.IV. | Cash | 100 187 | | 100 187 | 158 364 |
| C.IV.1. | Cash on hand | 18 | | 18 | 30 |
| C.IV.2. | Cash at bank | 100 169 | | 100 169 | 158 334 |
| D. | Other assets | 7 090 | | 7 090 | 2 901 |
| D.1. | Deferred expenses | 7 090 | | 7 090 | 2 901 |

| | | 31.12.2022 | 31.12.2021 |
|--------------|--|----------------|----------------|
| | TOTAL LIABILITIES & EQUITY | 445 851 | 477 752 |
| A. | Equity | 140 332 | 97 657 |
| A.I. | <i>Share capital</i> | 2 000 | 2 000 |
| A.I.1. | Share capital | 2 000 | 2 000 |
| A.II. | <i>Share premium and capital funds</i> | 82 105 | 81 844 |
| A.II.2. | <i>Capital funds</i> | 82 105 | 81 844 |
| A.II.2.1. | Other capital funds | 82 105 | 82 105 |
| A.II.2.2. | Gains or losses from the revaluation of assets and liabilities (+/-) | | -261 |
| A.IV. | <i>Retained earnings (+/-)</i> | 13 813 | -68 883 |
| A.IV.1. | Accumulated profits or losses brought forward (+/-) | 13 813 | -68 883 |
| A.V. | <i>Profit or loss for the current period (+/-)</i> | 42 414 | 82 696 |
| A.VI. | Profit share prepayments declared (-) | | |
| B.+C. | Liabilities | 127 812 | 155 873 |
| B. | Reserves | 44 351 | 61 035 |
| B.II. | Income tax reserve | 7 286 | 2 268 |
| B.IV. | Other reserves | 37 065 | 58 767 |
| C. | Payables | 83 461 | 94 838 |
| C.I. | <i>Long-term payables</i> | 4 542 | 5 593 |
| C.I.4. | Trade payables | 3 098 | 2 983 |
| C.I.9. | <i>Payables - other</i> | 1 444 | 2 610 |
| C.I.9.3. | Sundry payables | 1 444 | 2 610 |
| C.II. | <i>Short-term payables</i> | 78 919 | 89 245 |
| C.II.3. | Short-term prepayments received | 21 | |
| C.II.4. | Trade payables | 59 701 | 60 905 |
| C.II.8. | <i>Other payables</i> | 19 197 | 28 340 |
| C.II.8.1. | Payables to partners | | 273 |
| C.II.8.3. | Payables to employees | 7 184 | 6 568 |
| C.II.8.4. | Social security and health insurance payables | 4 381 | 4 087 |
| C.II.8.5. | State - tax payables and subsidies | 1 874 | 1 756 |
| C.II.8.6. | Estimated payables | 3 934 | 13 635 |
| C.II.8.7. | Sundry payables | 1 824 | 2 021 |
| D. | Other liabilities | 177 707 | 224 222 |
| D.1. | Accrued expenses | 2 128 | 2 619 |
| D.2. | Deferred income | 175 579 | 221 603 |

PROFIT AND LOSS ACCOUNT
structured by the nature of expense method

Year ended
31.12.2022
(in CZK thousand)

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

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

| | | Year ended 31.12.2022 | Year ended 31.12.2021 |
|--------|---|--------------------------|--------------------------|
| I. | Sales of products and services | 662 960 | 1 002 072 |
| A. | Purchased consumables and services | 475 718 | 697 972 |
| A.2. | Consumed material and energy | 316 097 | 513 609 |
| A.3. | Services | 159 621 | 184 363 |
| B. | Change in internally produced inventory (+/-) | -23 | 20 308 |
| C. | Own work capitalised (-) | -1 438 | -940 |
| D. | Staff costs | 161 152 | 171 897 |
| D.1. | Payroll costs | 118 371 | 125 874 |
| D.2. | Social security and health insurance costs and other charges | 42 781 | 46 023 |
| D.2.1. | Social security and health insurance costs | 40 493 | 42 856 |
| D.2.2. | Other charges | 2 288 | 3 167 |
| E. | Adjustments to values in operating activities | 10 813 | 17 582 |
| E.1. | Adjustments to values of intangible and tangible fixed assets | 7 873 | 8 513 |
| E.1.1. | Adjustments to values of intangible and tangible fixed assets - permanent | 7 873 | 8 513 |
| E.2. | Adjustments to values of inventories | 3 994 | 9 060 |
| E.3. | Adjustments to values of receivables | -1 054 | 9 |
| III. | Other operating income | 9 483 | 8 294 |
| III.1. | Sales of fixed assets | 364 | 4 866 |
| III.2. | Sales of material | 693 | 68 |
| III.3. | Sundry operating income | 8 426 | 3 360 |
| F. | Other operating expenses | -11 903 | 35 222 |
| F.1. | Net book value of sold fixed assets | | 4 432 |
| F.2. | Material sold | | 38 |
| F.3. | Taxes and charges | 278 | 343 |
| F.4. | Reserves relating to operating activities and complex deferred expenses | -21 701 | 25 530 |
| F.5. | Sundry operating expenses | 9 520 | 4 879 |
| * | Operating profit or loss (+/-) | 38 124 | 68 325 |
| IV. | Income from non-current financial assets - equity investments | 313 | 2 263 |
| IV.1. | Income from equity investments - controlled or controlling entity | 313 | 2 263 |
| G. | Costs of equity investments sold | 782 | |
| VI. | Interest income and similar income | 2 235 | 86 |
| VI.2. | Other interest income and similar income | 2 235 | 86 |
| J. | Interest expenses and similar expenses | 156 | 494 |
| J.2. | Other interest expenses and similar expenses | 156 | 494 |
| VII. | Other financial income | 22 913 | 9 827 |
| K. | Other financial expenses | 9 521 | 8 681 |
| * | Financial profit or loss (+/-) | 15 002 | 3 001 |
| ** | Profit or loss before tax (+/-) | 53 126 | 71 326 |
| L. | Income tax | 10 712 | -11 370 |
| L.1. | Due income tax | 7 431 | 637 |
| L.2. | Deferred income tax (+/-) | 3 281 | -12 007 |
| ** | Profit or loss net of tax (+/-) | 42 414 | 82 696 |
| *** | Profit or loss for the current period (+/-) | 42 414 | 82 696 |
| * | Net turnover for the current period | 697 904 | 1 022 542 |

STATEMENT OF CHANGES IN EQUITY

Year ended
31.12.2022
(in CZK thousand)

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

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

| | Share capital | Capital funds | Accumulated profits or losses brought forward | Profit or loss for the current period | TOTAL EQUITY |
|--|---------------|---------------|---|---------------------------------------|--------------|
| 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 |
| Distribution of profit or loss | | | 82 696 | -82 696 | |
| Gains or losses from the revaluation of assets and liabilities | | 261 | | | 261 |
| Profit or loss for the current period | | | | 42 414 | 42 414 |
| Balance at 31 December 2022 | 2 000 | 82 105 | 13 813 | 42 414 | 140 332 |

CASH FLOW STATEMENT

Year ended
31.12.2022
(in CZK thousand)

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

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

| | | Year ended 31.12.2022 | Year ended 31.12.2021 |
|--------|---|--------------------------|--------------------------|
| P. | Opening balance of cash and cash equivalents | 158 364 | 95 855 |
| | <i>Cash flows from ordinary activities (operating activities)</i> | | |
| Z. | Profit or loss before tax | 53 126 | 71 326 |
| A.1. | Adjustments for non-cash transactions | (17 331) | 36 365 |
| A.1.1. | Depreciation of fixed assets | 7 873 | 8 513 |
| A.1.2. | Change in provisions and reserves | (18 761) | 35 236 |
| A.1.3. | Profit/(loss) on the sale of fixed assets | (364) | (434) |
| A.1.4. | Revenues from profit shares | | (2 263) |
| A.1.5. | Interest expense and interest income | (2 079) | 408 |
| A.1.6. | Adjustments for other non-cash transactions | (4 000) | (5 095) |
| A.* | Net operating cash flow before changes in working capital | 35 795 | 107 691 |
| A.2. | Change in working capital | (90 427) | (18 291) |
| A.2.1. | Change in operating receivables and other assets | (45 660) | 32 950 |
| A.2.2. | Change in operating payables and other liabilities | (56 507) | (100 623) |
| A.2.3. | Change in inventories | 11 740 | 49 382 |
| A.** | Net cash flow from operations before tax | (54 632) | 89 400 |
| A.3. | Interest paid | (156) | (494) |
| A.4. | Interest received | 2 235 | 86 |
| A.5. | Income tax paid from ordinary operations | (1 781) | - |
| A.6. | Received profit shares | | 2 263 |
| A.*** | Net operating cash flows | (54 334) | 91 255 |
| | <i>Cash flows from investing activities</i> | | |
| B.1. | Fixed assets expenditures | (3 083) | (13 057) |
| B.2. | Proceeds from fixed assets sold | 364 | 4 866 |
| B.*** | Net investment cash flows | (2 719) | (8 191) |
| | <i>Cash flow from financial activities</i> | | |
| C.1. | Change in payables from financing | (1 124) | (5 555) |
| 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 | (1 124) | (20 555) |
| F. | Net increase or decrease in cash and cash equivalents | (58 177) | 62 509 |
| R. | Closing balance of cash and cash equivalents | 100 187 | 158 364 |

Notes to the Financial Statements for the Year Ended 31 December 2022

Table of Contents

| | | |
|----------|---|-----------|
| 1 | General Information | 4 |
| 1.1. | Incorporation and Description of the Company..... | 4 |
| 1.2. | Year-on-Year Changes and Amendments to the Register of Companies..... | 5 |
| 1.3. | Members of the Statutory Body as of the Balance Sheet Date | 5 |
| 2 | Basis of Accounting and General Accounting Principles | 5 |
| 4.1 | Tangible Fixed Assets..... | 5 |
| 4.2 | Intangible Fixed Assets..... | 6 |
| 4.3 | Non-Current Financial Assets | 7 |
| 4.4 | Derivatives | 7 |
| 4.5 | Inventory | 7 |
| 4.6 | Receivables..... | 8 |
| 4.7 | Payables..... | 8 |
| 4.8 | Loans..... | 8 |
| 4.9 | Reserves..... | 8 |
| 4.10 | Foreign Currency Translation..... | 8 |
| 4.11 | Taxation | 9 |
| 4.11.1 | Depreciation of Fixed Assets for Tax Purposes | 9 |
| 4.11.2 | Current Tax Payable | 9 |
| 4.11.3 | Deferred Tax | 9 |
| 4.12 | Borrowing Costs..... | 9 |
| 4.13 | Government Grants and Subsidies..... | 9 |
| 4.14 | Revenue Recognition..... | 9 |
| 4.15 | Use of Estimates..... | 10 |
| 4.16 | Subsequent Events..... | 10 |
| 4.17 | Cash Flow Statement | 10 |
| 5 | Additional Information | 11 |
| 5.1 | Intangible Fixed Assets (IFA) | 11 |

| | |
|--|----|
| 5.2 Tangible Fixed Assets (TFA)..... | 13 |
| 5.2.1 Fixed Assets Pledged as Security..... | 15 |
| 5.3 Non-Current Financial Assets | 15 |
| 5.3.1 Equity Investments – Controlled Entity | 15 |
| 5.4 Inventory | 16 |
| 5.5 Long-term Receivables..... | 16 |
| 5.6 Short-Term Receivables..... | 17 |
| 5.6.1 Short-Term Intercompany Receivables..... | 17 |
| 5.7 Equity..... | 17 |
| 5.8 Reserves..... | 18 |
| 5.9 Long-Term Payables..... | 18 |
| 5.9.1 Long-Term Trade Payables | 18 |
| 5.10 Short-Term Payables..... | 19 |
| 5.10.1 Short-Term Intercompany Payables..... | 19 |
| 5.11 Bank Loans | 19 |
| 5.12 Deferred Income | 19 |
| 5.13 Derivative Financial Instruments | 20 |
| 5.14 Services | 21 |
| 5.15 Deferred Income Taxation | 22 |
| 5.16 Employees, Management and Statutory Bodies..... | 22 |
| 5.17 Other Operating Income and Expenses | 22 |
| 5.17.1 Grant..... | 22 |
| 5.17.2 Subsidy | 23 |
| 5.18 Related Party Transactions | 23 |
| 5.19 Litigations | 23 |
| 5.20 Off-Balance Sheet Commitments | 23 |
| 5.21 Impact of the War in Ukraine | 23 |
| 5.22 Post Balance Sheet Events | 23 |

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.

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

| Name of the Company – Subsidiaries | Legal status |
|---|--------------|
| 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 2022.

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.

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, for instance, to project bonuses, outstanding vacation, employee litigation and severance pay
- Corporate income tax (see Note 4.11.2)

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. The Company accounts for a reserve for income tax less the amount of income tax prepayments made. If the tax prepayments made exceed the expected tax payable, the Company recognises the difference as a receivable under C.II.2.4.3. State – tax receivables.

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 2022 | 31 December 2021 |
| Cash on hand and cash in transit | 18 | 30 |
| Cash at bank | 100 169 | 158 334 |
| Total cash and cash equivalents | 100 187 | 158 364 |

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 | 3 291 | 11 312 |
| Other valuable rights | 564 | 0 | 0 | 211 | 775 |
| Intangible FA under construction | 4 597 | 3 156 | -380 | -3 502 | 3 871 |
| Total in 2022 | 20 481 | 3 156 | -380 | 0 | 23 257 |

Provisions and Accumulated Amortisation

(CZK '000)

| | Opening balance | Additions | Disposals | Transfers | Closing balance | Provisions | Net book value |
|----------------------------------|-----------------|---------------|-----------|-----------|-----------------|------------|----------------|
| Development | -7 299 | 0 | 0 | 0 | -7 299 | 0 | 0 |
| Software | -7 537 | -919 | 0 | 0 | -8 456 | 0 | 2 856 |
| Other valuable rights | -156 | -159 | 0 | 0 | -315 | 0 | 460 |
| Intangible FA under construction | 0 | 0 | 0 | 0 | 0 | 0 | 3 871 |
| Total in 2022 | -14 992 | -1 078 | 0 | 0 | -16 070 | 0 | 7 187 |

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 |

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 | 41 044 | 0 | 0 | 270 | 41 314 |
| Individual tangible movable assets and their sets | 46 690 | 362 | 724 | 0 | 46 328 |
| Valuation difference | 20 592 | 0 | 0 | 0 | 20 592 |
| Tangible FA under construction | 305 | 558 | 92 | -270 | 501 |
| Total in 2022 | 110 728 | 920 | 816 | 0 | 110 832 |

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 | -8 738 | -877 | 0 | 0 | -9 615 | 0 | 31 699 |
| Individual tangible movable assets and their sets | -24 035 | -4 524 | 703 | 0 | -27 856 | 0 | 18 472 |
| Valuation difference | -3 775 | -1 373 | 0 | 0 | -5 148 | 0 | 15 444 |
| Tangible FA under construction | 0 | 0 | 0 | 0 | 0 | 0 | 501 |
| Total in 2022 | -36 548 | -6 774 | 703 | 0 | -42 619 | 0 | 68 213 |

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 |

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 2022 | Balance at 31 Dec 2022 |
| Equity investments - controlled entity | 521 | 0 | 521 | 0 | 0 |

5.3.1 Equity Investments – Controlled Entity

As of 31 December 2022

| (CZK '000) | | | | |
|------------------------|---|-------------------------|---------|-----------------|
| Name of the entity | Registered office | Ownership percentage | Equity* | Profit or loss* |
| WIEDEN SERVIS s.r.o.** | Malodoubská 355/6, Liberec VIII – Dolní Hanychov, 460 08 Liberec, ID: 087 43 134 | 100% | 0 | 0 |

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

In the period under review, the Company sold its shares in both fellow subsidiaries FW Sverige and FENESTRA WIEDEN SLOVAKIA s.r.o.

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.

5.4 Inventory

The value of inventory as of 31 December 2022 amounts to CZK 68,348 thousand (2021: CZK 84,082 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 2022, provisions against inventories were recognised in the amount of CZK 14,490 thousand (31 December 2021: CZK 10,497 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 61,151 thousand (2021: CZK 43,483 thousand). These receivables arise from retention money.

As of the balance sheet date, the Company had receivables with a maturity greater than 5 years in the amount of CZK 4,809 thousand.

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 | | |
| 2022 | Gross | 103 827 | 125 | 3 | 7 | 0 | 0 | 135 | 103 962 |
| | Provisions | -111 | 0 | 0 | 0 | 0 | 0 | 0 | -111 |
| | Net | 103 716 | 125 | 3 | 7 | 0 | 0 | 135 | 103 851 |

(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 |

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

5.6.1 Short-Term Intercompany Receivables

The Company records no short-term intercompany receivables.

5.7 Equity

Profit for the period from January to December 2021 in the amount of CZK 82,696 thousand was transferred to the accumulated profit/loss brought forward. It is assumed that the profit for the period from January to December 2022 in the amount of CZK 42,414 thousand will be transferred to the accumulated profit/loss brought forward.

5.8 Reserves

| | (CZK '000) | |
|---|--------------------------------|--------------------------------|
| | Balance at 31 December 2021 | Balance at 31 December 2022 |
| Reserve for outstanding vacation days, overtime | 1 655 | 2 559 |
| Reserves for remuneration for work on projects, manager bonus | 8 188 | 6 685 |
| Reserve for warranty repairs - specific | 27 333 | 2 150 |
| Reserve for warranty repairs - lump sum | 15 407 | 19 471 |
| Reserve for personal expenses - legal disputes, severance pay | 6 184 | 6 200 |
| Reserve for income tax | 2 268 | 7 286 |
| Total other reserves | 61 035 | 44 351 |

5.9 Long-Term Payables

5.9.1 Long-Term Trade Payables

| | (CZK '000) | |
|---------------------------------|--------------------------------|--------------------------------|
| | Balance at 31 December 2021 | Balance at 31 December 2022 |
| Retention (CZK thousand) | 2 983 | 3 098 |
| Total long-term payables | 2 983 | 3 098 |

As of the balance sheet date, the Company recorded payables with a maturity greater than 5 years in the amount of CZK 2,664 thousand.

5.10 Short-Term Payables

Aging of Trade Payables

(CZK '000)

| | Balance at 31 December 2021 | Balance at 31 December 2022 |
|----------------------------------|-----------------------------|-----------------------------|
| Total short-term payables | 60 905 | 59 701 |

5.10.1 Short-Term Intercompany Payables

The Company records no short-term intercompany payables.

5.11 Bank Loans

None.

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 2021 | Deferred income as of 31 December 2022 |
|----------------------|--------------------|---|---|
| Z00005 Malmö B35 | Skanska Sverige AB | 30 203 | 0 |
| Z00016 Malmö B36 | Skanska Sverige AB | 134 402 | 73 242 |
| Z00014 AQUA | Skanska Sverige AB | 1 287 | 0 |
| Z00015 Harfa SO15B | SYNER s.r.o. | 7 871 | 0 |
| Z00018 Coimbra | Wallin AB | 34 009 | 891 |
| S18005 Oxford | Wallin AB | 865 | 0 |
| S18007 Kineum | NCC Sverige | 12 966 | 0 |
| Z00019 HagaNora | Zengun AB | 0 | 11 178 |
| Z00020 Roztyly | GEMO a.s. | 0 | 41 956 |
| Z00022 MIMÖ | NCC Sverige AB | 0 | 48 312 |
| Total | | 221 603 | 175 579 |

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 2022 | | |
|------------------------------|---------------------|---------------------|---------------|
| | Fair value positive | Fair value negative | Nominal value |
| Derivatives held for trading | 9 900 | 805 | 113 415 |

(CZK '000)

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

5.14 Services

(CZK '000)

| | For the year ended 31 Dec 2021 | For the year ended 31 Dec 2022 |
|------------------------------|--------------------------------|--------------------------------|
| Repairs and maintenance | 2 153 | 2 367 |
| Travel costs | 2 065 | 2 108 |
| Representation costs | 386 | 634 |
| Licence/software | 5 282 | 7 506 |
| Transport | 32 747 | 27 575 |
| Cooperation/assembly | 49 085 | 55 707 |
| External production services | 50 364 | 28 920 |
| Leasing | 462 | 3 379 |
| Lease of building/warehouse | 17 421 | 16 319 |
| Lease of machinery | 7 918 | 4 163 |
| Other services | 16 480 | 10 943 |
| Total | 184 363 | 159 621 |

5.15 Deferred Income Taxation

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

| (CZK '000) | | |
|---|--------------------------------|--------------------------------|
| Deferred tax arising from | Balance at 31 December 2022 | Balance at 31 December 2021 |
| Difference between the carrying amounts for accounting and tax purposes | - 5 737 | - 7 232 |
| Provisions | 14 601 | 11 662 |
| Reserves | 37 065 | 58 767 |
| Total | 45 929 | 63 197 |
| Deferred income tax rate | 19% | 19% |
| Total asset/(liability) | 8 727 | 12 007 |

5.16 Employees, Management and Statutory Bodies

As of 31 December 2022

| (CZK '000) | | |
|--------------------------------|--------|-------------------|
| | Number | Total staff costs |
| Average recalculated headcount | 171 | 161 152 |

As of 31 December 2021

| (CZK '000) | | |
|--------------------------------|--------|-------------------|
| | Number | Total staff costs |
| Average recalculated headcount | 177 | 171 897 |

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.

5.17 Other Operating Income and Expenses

5.17.1 Grant

During the reporting period, the Company received no grants.

5.17.2 Subsidy

During the reporting period, the Company received no subsidies.

5.18 Related Party Transactions

(CZK '000)

| | Income | | Purchases | |
|---------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | as of 31 December 2022 | as of 31 December 2021 | as of 31 December 2022 | as of 31 December 2021 |
| ARX Equity Partners | 0 | 0 | 882 | 927 |

5.19 Litigations

In the reporting period, the Company continues a litigation with WMA Glass s.r.o. regarding repairs on the KI Aula contract. A reserve was created for the cost of the repairs in 2021, the repairs were completed in 2022.

5.20 Off-Balance Sheet Commitments

As of 31 December 2022, bank guarantees in the aggregate amount of CZK 193,539 thousand were provided by Česká spořitelna a.s. and KB a.s. (2021: CZK 146,898 thousand).

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

5.21 Impact of the War in Ukraine

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.

5.22 Post Balance Sheet Events

The Company decided to restructure and lay off employees in 2022. As of 31 December 2022, the Company created a reserve for severance payments of CZK 6,200 thousand (see Note 5.8 Reserves). On 15 March 2023, this fact was reported to the regional branch of the Labour Office in Liberec.

As of the balance sheet date, there were no other significant events that would have material impact on the financial statements.

Annex No. 3 – Report on Relations with Related Parties

Report on Related Party Transactions

For the reporting period from 1 January 2022 to
31 December 2022

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

Content

| | | |
|---|---|---|
| 1 | Introduction | 3 |
| 2 | Relationship Structure, Role of the Controlled Party..... | 3 |
| 3 | Method and Means of Control | 4 |
| 4 | Overview of Monitored Acts..... | 4 |
| 5 | Overview of Mutual Agreements..... | 4 |
| 6 | Assessment of Detriment (Assessment of its Settlement)..... | 4 |
| 7 | Assessment of Observed Relations and Conclusion..... | 4 |

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:

- 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 2022:

- Service Agreement dated 1 April 2019 concluded with ARX Equity Partners

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 Liberec, 27.03.2023



Milan Nocar |

statutory executive