

Tractebel Engineering a.s.

Annual Report for 2023

Contents:

- 1) Foreword from the Chief Executive Officer
- 2) Company Profile
- 3) Report on Company Operations and Assets
- 4) Report on Related Parties for 2023
- 5) Independent Auditors' Report
- 6) Financial Statements for the Year Ended 31 December 2023

1. FOREWORD FROM THE CHIEF EXECUTIVE OFFICER

Dear shareholders, business partners and employees,

It is my pleasure to present to you the Annual Report for 2023, which reflects our efforts, achievements and challenges faced in the past year. In times of constant changes, we had to respond to the changing investment plans of our customers and flexibly adapt our design teams to the needs of individual projects. Despite these changes, we managed to increase the Company's sales by 15%.

We have prepared projects for a wide range of customers in many industries, such as chemical and petrochemical, papermaking, gas, pharmaceutical, electrical or food industries. We helped our customers with the preparation of the production of unique products, with the expansion and optimization of production, or reduction of its energy demand.

Energy projects have focused on replacing coal-fired power plants with gas CHP plants and waste-to-energy facilities. We also participated in the design preparation of new photovoltaic power plants.

With colleagues from the Tractebel Group, we have been working on several feasibility studies to produce green hydrogen from renewable electricity sources using water electrolysis. Ammonia or methanol is subsequently produced from hydrogen. These 'green chemicals', also called 'e-molecules', enable renewable energy to be transported across continents.

The new organization of the Tractebel Group introduced in 2022 has brought the teams in the various branches significantly closer together and brings the sharing of experience and day-to-day cooperation on joint projects. In the IT area, on-premises systems were integrated into ENGIE's central network in order to increase security and make efficient use of cloud services. The complete exchange of personal computers was a significant investment last year.

OSH and ethical behavior are the core values of the whole TRACTEBEL / ENGIE Group. Also last year, we placed great emphasis on training all employees and subcontractors in these areas. External audits of the ISO 9001, ISO 14001 and ISO 45001 systems did not identify any inconsistencies.

Finally, I would like to take this opportunity to thank all our employees for their professional and dedicated work, which is key to our success. I thank all our customers and business partners for their support and trust in our company.



Jiří Netušil
Chief Executive Officer

2. COMPANY PROFILE

| | |
|----------------------------|---|
| Corporate name: | Tractebel Engineering a.s. |
| Business registration No.: | 15049451 |
| Registered address: | Pernerova 168, Zelené Předměstí 530 02 Pardubice |
| Legal status: | a joint stock company |
| Date of incorporation: | 20 March 1991 |
| Registered capital: | CZK 53,642,000 |
| Nominal value of shares: | CZK 1,000 |
| Share type: | 53,642 pcs of registered shares |

Corporate Governance

Administrative Board: Michael Wünnemann – Chair
Thomas Walter Brandstät – member
Phillippe Broquet – member

Company management:

Dr. Ing. Jiří Netušil – Chief Executive Officer
Ing. Miroslav Hruša – Project Realization Director
Ing. Petr Veselý – Chief Financial Officer
Ing. Pavel Milichovský – Chief Commercial Officer

The joint-stock company Tractebel Engineering is one of the leading engineering companies in the Czech Republic. Equipped with more than seventy years of tradition, rich experience and erudite experts, it provides comprehensive design and engineering services from initial concept studies through project documentation at all stages to construction management and control.

Traditional business lines:

- Industry - chemical, refinery, petrochemical, pharmaceutical, food industry, paper production, light industry
- Energy - CHP units, energy utilization of waste, nuclear energy
- Gas industry

Developing business lines

- Green hydrogen, green chemicals (e-molecules)
- Renewable energy sources - industrial PVPP, biomass

Tractebel Engineering a.s. has certified engineers in all disciplines (mechanical, piping, civil, electrical, I&C, process and safety). We have BIM and 3D modelling expertise using the most sophisticated software tools. It also provides its customers with expertise in process engineering applied in research and innovation projects and in the transition from the laboratory scale to the full production scale.

The Company was established in 1952 under the name Cheming. It has been part of the TRACTEBEL group since 1992.

TRACTEBEL is a member of the ENGIE Group, a global leader in low-carbon energy and services.

The Company has no foreign subsidiary or branch.

The Company acquired no equity shares in 2023.

TRACTEBEL Group Mission

TRACTEBEL is a global community of imaginative experts engineering a carbon-neutral future. Through integrated solutions for sustainable energy and urban areas, the Group collaborates with clients to create a positive impact on people and the planet.

Ethics, GDPR, ISO 9001, ISO 14001, ISO45001

The basic principle of the whole TRACTEBEL / ENGIE Group in the field of ethics is zero tolerance for breaches of ethical rules, both by employees and by third parties with whom the group cooperates.

In our company, we apply this principle to our employees by acquainting them with the basic ethical documents (Tractebel Ethics & Compliance Policy and Code of Ethical Conduct) when entering our company and we require them to be respected.

Raising and maintaining awareness of the importance of complying with ethical rules is ensured by the obligation to receive regular training in human rights and anti-corruption principles. TRACTEBEL / ENGIE Group has also set up an anonymous system for reporting breaches of ethics, which can be used by our employees if they become aware of such conduct. In 2023, Tractebel Engineering a.s. introduced an internal notification system in compliance with Act No. 171/2023 Coll., the Whistleblower Protection Act.

Issues related to ethics are also included in the company's internal audits, and its compliance and training in this field is one of the indicators of personal evaluation of employees.

Third parties are informed about the principles of ethics through the TRACTEBEL / ENGIE Group website, the obligation to comply with ethical principles is included in contracts with customers in the form of an annex. Before starting the cooperation, customers are checked in the form of "Due Diligence" and their compliance with the principles of ethics is verified. We also require adherence to these principles by our subcontractors, where we verify their ethical behavior in the past during the first contact and perform "Due Diligence". Ethical clauses are part of orders or contracts with these entities.

Based on the results of "Due Diligence", the necessary measures are taken if necessary.

When establishing contacts with customers abroad, we respect the principles of TRACTEBEL / ENGIE, respectively the results of regular analyses made by Verisk Maplecroft, which reports indexes of the human rights and the level of risk of corruption of all countries around the world. We also take into account the TRACTEBEL / ENGIE embargo policy. In all these areas, we respond appropriately so that ethical behavior is not violated during our activities.

The GDPR Regulation is equally important for our company. The compliance is overseen by the "Data Privacy Manager" and the company fully respects the GDPR guidelines.

In terms of quality systems, occupational health and safety and environmental protection, there were no major changes in the company's system in 2023. In August/September, the company successfully passed a supervisory audit for ISO 9001 (quality management) conducted by BSI and supervisory audits for ISO 45001 (OHS) and ISO 14001 (environmental protection) conducted by TÜV NORD. The company defended the necessary certificates, which are now valid until autumn 2024 and can thus guarantee compliance with the principles required by the above standards.

Environmental Protection

The actual operation of Tractebel Engineering a.s. does not have a negative impact on the environment, as it is not a source of air pollution or excessive noise, and waste management is conducted in accordance with applicable legislation.

In the field of protection of the Environment Tractebel Engineering a.s. designs for its customers comprehensive solutions aimed at limiting environmental impacts of buildings in all stages of pre-project and project preparation, including assessment of upcoming projects from the point of view of their environmental impact in accordance with Act No. 100/2001 Coll.

Limiting industrial pollution and reducing environmental risks is currently one of the key areas in which our customers direct their investment activities.

ENGIE implements its long-term strategy, focusing on client solutions for renewables and grids with the aim of a "zero carbon transition". Our role is to actively support ENGIE's ambition to become a leader in the transition to a zero carbon energy sector.

Employment Relations

The number of employees increased by three people in 2023. The Company had 60 employees as at 31 December 2023.

As at 31 December 2023, the average age of employees decreased year-on-year. The average age of employees reached 50 years in 2022 and 49.3 at the end of 2023. For several years, the Company has been trying to attract and hire new young university graduates.

The qualification structure of the company is high, with 58.3% of employees having a university degree, and the remaining employees having secondary education.

Ing. Petr Veselý joined the Company on 6 September 2023 to replace Ing. Iveta Fibigerová, former Chief Finance Officer. Other management positions remained unchanged.

The Company is divided into a sales department, a finance and administration department and a project implementation department, which is further divided into professional sections.

Research & Development

In 2023, the Company did not implement any projects that would meet the requirements for classification as R&D projects in compliance with the Income Taxes Act.

Contact Information:

Tractebel Engineering a.s.
Pernerova 168
Zelené Předměstí
530 02 Pardubice
Czech Republic
Tel: + 420 466 818 111

Tractebel Engineering a.s.
Ústí nad Labem division
U panského dvora 986/3
400 00 Ústí nad Labem
Czech Republic
Tel/fax: + 420 475 209 415

Data Mailbox Identifier: xrkgqh5

e-mail engineering-cz@tractebel.engie.com

<http://www.tractebel-engie.com>

3. REPORT ON BUSINESS ACTIVITIES AND ASSETS

pursuant to Section 436 of Act No. 90/2012 Coll., the Corporations Act

We participated in a number of interesting projects for the chemical and petrochemical industries, as well as in many projects in the fields of energy and gas in 2023. The most important projects were:

- Manganese extraction from tailings - documentation for the zoning proceedings.
- Implementation of the strategic high-pressure gas pipeline Moravia - Contractor's documentation review and approval, Designer's supervision of the construction site.
- Project preparation for new CCGT plants in 3 existing coal-fired thermal power plants - Tender documentation, Documentation for building permit.
- Production of specialized chemicals and fertilizers from waste gases at a plant in the USA, Feasibility study, Basic design.
- Green hydrogen production and subsequent production of green ammonia or methanol in Egypt, Morocco and Oman - Three feasibility studies in collaboration with the parent company Tractebel.
- Upgrading a copper processing plant - Feasibility study, Engineering and consultancy work.
- Modernization of hazardous waste incinerator - Engineering services, Contractor's documentation review.
- New production hall including clean rooms for electrotechnical production - Feasibility study, Documentation for building permit, Tender documentation
- Expansion of pharmaceutical production - Project management and consultancy
- Greening of the energy source - stage III - Technical supervision of the investor
- New paper machine - Project preparation, Technical assistance to a foreign supplier.
- Energy optimization of food production in Germany using industrial heat pumps - - Basic design and Tender documentation.
- New industrial photovoltaic sources including battery storage – Feasibility study, Documentation for building permit, Documentation for building construction
- New waste-to-energy plant - Documentation for building permit
- A number of smaller projects for the parent company Engie/Tractebel and for our long-term clients, such as Orlen Unipetrol, Draslovka, Cabot, Synthesia, Elektrárny Opatovice, United Energy and others.

There was no change in the Company's shareholding structure in 2023. The Belgian company Tractebel Engineering SA. still owns 100% of the Company's shares; the company thus only has a single shareholder who exercises the powers of the General Meeting.

In 2023, due to turnover and total assets, the Company fell into the category of small reporting entities. The Company's financial statements were prepared in accordance with Czech accounting standards and audited by Ernst & Young Audit, s.r.o. Detailed economic information concerning the Company's performance is presented in the financial statements. Following is a brief commentary.

In 2023, revenues from sales increased by CZK 11.1 million to the total of CZK 81.9 million year-on-year. Production related consumption reached CZK 25.8 million which was significantly affected by an increase in services. Profit before taxes of only CZK 578 thousand reflects high costs for comprehensive exchange of IT and creation of provisions.

The Company's balance sheet total as at the date of the financial statements was CZK 91.1 million. Current assets of CZK 88.8 million comprised short-term financial assets of CZK 63.1 million (an increase by CZK 4.8 million in comparison to the balance as at 31 December 2022), long-term and short-term receivables were CZK 22.3 million and inventories CZK 3.4 million. Inventories of work-in-progress increased year-on-year due to an increase in new projects in progress and their recognition in revenues.

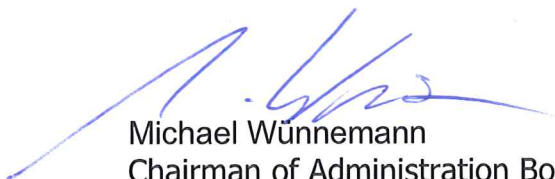
Except for equity in the amount of CZK 12.5 million, provisions and liabilities mainly consist of short-term payables of CZK 15.2 million. The financing of the Company is secured from its own resources without the need to use bank loans and other financial borrowings.

The Company prepared a Report on relations between the controlling entity and the controlled entity and between the controlled entity and other entities controlled by the same controlling entity for the past reporting period. The report concludes that the controlled entity has suffered no loss or detriment as a result of the contracts/agreements or other transactions with related parties.


Our customers will benefit from synergies within the group and the broad expertise of experts from around the world. In the next period, we believe in further progressive growth, both in the domestic market and in terms of increased cooperation within the TRACTEBEL / ENGIE Group.

Energy prices were at a high level in 2023, and Russia's continued aggression in Ukraine also had a negative effect on the economy. Nevertheless, the company coped with the market situation very successfully. The Company's management will continue to monitor potential impacts of energy and political situation and take all possible steps to mitigate any adverse effects on the Company and its employees.

This Annual Report was approved by the statutory body on: 3 June 2024



Michael Wünnemann
Chairman of Administration Board



Thomas Walter Brandstätt
Member of Administration Board

4. REPORT ON RELATED PARTIES FOR 2023

pursuant to Section 82 of Act No. 90/2012 Coll., on Corporations

Tractebel Engineering a. s., with its registered office at Pernerova 168, Zelené Předměstí, 530 02 Pardubice, business registration number (IČ) 15049451, entered in the Commercial Register, Section B, File No. 135, maintained by the Regional Court in Hradec Králové (hereinafter the “**Submitter**”) is included in the French business group ENGIE with the following relations between the Submitter and the Controlling Entity and between the Submitter and other related parties.

1. Definition of entities and structure of relations

Controlling Entity:

Tractebel Engineering S. A., with its registered office at Boulevard Simon Bolivar 36, 1000 Brussels, Belgium.

The company is registered with the Commercial Court in Brussels under registration number 0412.639.681.

Controlled Entity:

Tractebel Engineering a. s., with its registered office at Pernerova 168, Zelené Předměstí, 530 02 Pardubice.

The company is wholly owned by Tractebel Engineering S.A., Belgium.

Other entities of ENGIE Group with which the company had transactions in 2023:

- ENGIE Global Markets Czech Republic, odštěpný závod, with its registered office at Pernerova 168, 530 02 Pardubice, providing ancillary and support work for the parent company in electricity and gas sales
- Tractebel Engineering GmbH, Friedberger Strasse 173, 61118 Bad Vilbel, engineering subsidiary in Germany
- Tractebel Engineering S.A., rue du 19 mars 1962, 92622 Gennevilliers Cedex engineering subsidiary in France

2. Role of the Controlled Entity, method and means of control

Tractebel Engineering a. s. is a design and engineering company providing comprehensive services, in particular in refinery, chemical and petrochemical industries, and in energy and gas transport sectors, both in the Czech Republic and for foreign customers.

Control of the Company is performed through the exercise of shareholder rights in accordance with the company's Articles of Association and applicable legislation.

3. Overview of contracts/agreements in effect in 2023

3.1. Controlling Entity Tractebel Engineering SA as a supplier

- Re invoicing agreement 2023

12. 12. 2023

Agreement for support services - legal, financial, personnel, communication, IT, commercial, quality assurance, etc.

3.2. Controlling Entity Tractebel Engineering SA as a buyer

- Purchase order 4100006229 13 March 2022
Design and engineering services, including a 3D model for a multi-purpose LNG terminal in the German port of Brunsbüttel. Reworking and refinement of the original documentation for Tractebel Belgium

- Purchase order 4600019773 1 August 2023
Project services, part of technical study in the Fluxys project for Tractebel Belgium

- Purchase order 4100019133 2 August 2023
Project services, FDG system boilers study in the Covestro project for Tractebel Belgium

- Purchase order 4100020119 26 Oct 2023
Design services, part of the feasibility study of the H2-MAROCO+HAZID project for Tractebel Belgium

- Purchase order 4100020109 8 Nov 2023
Design services LS basic design of the Columbus project for Tractebel Belgium

- Purchase order 4600018729 28 Nov 2023
Design services 3D model and dwg support of the DOL project for Tractebel Belgium

- Purchase order 4100020571 14 Dec 2023
Design services Basic design, 3D model and tender documentation of the NSE steam turbine project for Tractebel Belgium

- Purchase order 4100020761 28 Dec 2023
Design services HAZID report of the Bayern AG project for Tractebel Belgium

3.3 Other related parties of ENGIE Group

- Purchase order PO-05/2022 2 June 2022
Project services calculation analysis of the CRE pipeline project for Callaghan RED

- Purchase order P.740514 23 Sept 2022
Design services, part of the feasibility study of the 4GW green hydrogen project in Egypt for Tractebel Germany GmbH

- Purchase order 4100017861 28 Nov 2023
Project services including PID in the Crealis project for Tractebel France

- Purchase order P.740538.0002 21 Jan 2023
Design services part estimation of costs of the green ammonia project in Morocco for Tractebel Germany

- Purchase order P.740538.1101 22 March 2023
Design services part pipe installation and PID of the green ammonia project in Morocco for Tractebel Germany
- Purchase order PO-2023-22069-01 6 April 2023
Design services 2D and 3D models, piping material budget for the GMP expansion project for Callaghan RED
- Purchase order 4100019481 4 July 2023
Design services of HyTech Hafen Rostock project, production of climate neutral hydrogen for Tractebel Germany
- Purchase order P.740519 20 Oct 2023
Design services part PID, 3D model and estimation of costs of the MH2 Regio Mainova AG project for Tractebel Germany
- Purchase order 4600020828 17 Nov 2023
Project services of the COGEA H2NH3 DD project for Tractebel France

ENGIE Global Markets SA – ENGIE Global Markets Czech Republic, the branch

- Services Agreement 1 Nov 2011

Administrative and accounting services related to the Czech branch of ENGIE Global Markets.

Summary

Following any and each performance the Company received counter-performance, which was rendered on an arm's-length basis, i.e., which was commensurate with the market conditions and circumstances that were, or could have been, known to management of the Company at the time the respective performance was rendered or respective legal acts executed.

Pursuant to Section 71 and Section 72 of the Corporations Act, the Company suffered no detriment and adopted no measures for its settlement.

4. Summary of actions taken at the initiative or in the interest of the Controlling Entity where such actions concerned assets exceeding 10% of the Controlled Entity's equity

In 2023 the Submitter undertook no actions at the initiative or in the interest of the Controlling Entity or entities controlled by the Controlling Entity where such actions concerned assets exceeding 10% of the Submitter's equity as determined from the last financial statements prepared for the year ended 31 December 2023.

5. Advantages and disadvantages resulting from relations between the Submitter and related parties

Advantages resulting from relations between the Submitter and related parties are, in particular:

- a) sharing of Group know-how
- b) assistance in risk analyses related to customers and projects
- c) sharing of references and experts for bidding processes
- d) participation in international projects
- e) joint procurement, mainly in IT and insurance
- f) access to premium banking products (bank guarantees, loans)

The Company is not aware of any disadvantages resulting from the mutual relations.

The statutory body approved the Related Parties Report on:
28 March 2024



Michael Wünnemann
Chairman of Administration Board



Thomas Walter Brandstät
Member of Administration Board

(Translation of a report originally issued in Czech - see Note 2 to the financial statements.)

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Tractebel Engineering a.s.:

Opinion

We have audited the accompanying financial statements of Tractebel Engineering a.s. (the Company) prepared in accordance with accounting principles generally accepted in the Czech Republic, which comprise the balance sheet as at 31 December 2023, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. For details of the Company, see Note 1 to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance for the year then ended in accordance with accounting principles generally accepted 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 clauses. 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 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 Administrative Board is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, 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. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement.

Responsibilities of the Company's Administrative Board for the Financial Statements

The Administrative Board is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the Czech Republic and for such internal control as the Administrative Board 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 Administrative Board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Administrative Board either intends to liquidate the Company or to cease operations, or has 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 above regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

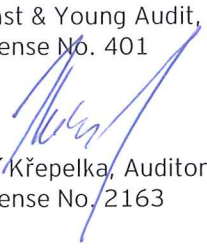
As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 Administrative Board.
- Conclude on the appropriateness of the Administrative Board 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 Administrative Board 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.

Ernst & Young Audit, s.r.o.
License No. 401



Jiří Křepelka, Auditor
License No. 2163

3 June 2024
Prague, Czech Republic

Tractebel Engineering a. s.

Financial Statements for the Year Ended 31 December 2023

Tractebel Engineering a. s.

Financial Statements for the Year Ended 31 December 2023

(Translation of Financial Statements Originally Issued in Czech –
See Note 2 to the Financial Statements)

as at 31 December 2023

Czech Statutory Financial Statement Forms (in thousands of Czech crowns)

BALANCE SHEET

| | | Current year | | | Prior year 2022 |
|------------|--|----------------|----------------|---------------|--------------------|
| | | Gross | Allowances | Net | Net |
| | TOTAL ASSETS | 109 726 | -18 586 | 91 140 | 84 181 |
| A. | STOCK SUBSCRIPTION RECEIVABLE | | | | |
| B. | FIXED ASSETS | 10 586 | -9 302 | 1 284 | 1 299 |
| B. I. | Intangible fixed assets | 5 084 | -5 084 | 0 | 0 |
| B. I. 1. | Development | | | | |
| 2. | Valuable rights | 5 084 | -5 084 | | |
| 1. | 1. Software | 5 084 | -5 084 | 0 | |
| 2. | 2. Other valuable rights | | | | |
| 3. | Goodwill | | | | |
| 4. | Other intangible fixed assets | | | | |
| 5. | Advances granted for intangible fixed assets and intangible fixed assets in progress | | | | |
| 1. | 1. Advances granted for intangible fixed assets | | | | |
| 2. | 2. Intangible fixed assets in progress | | | | |
| B. II. | Tangible fixed assets | 5 502 | -4 218 | 1 284 | 1 299 |
| B. II. 1. | Land and structures | | | | |
| 1. | 1. Land | | | | |
| 2. | 2. Structures | | | | |
| 2. | Movable assets and sets of movable assets | 5 485 | -4 218 | 1 267 | 722 |
| 3. | Gain or loss on revaluation of acquired property | | | | |
| 4. | Other tangible fixed assets | 17 | 0 | 17 | 17 |
| 1. | 1. Perennial crops | | | | |
| 2. | 2. Livestock | | | | |
| 3. | 3. Miscellaneous tangible fixed assets | 17 | | 17 | 17 |
| 5. | Advances granted for tangible fixed assets and tangible fixed assets in progress | 0 | 0 | 0 | 560 |
| 1. | 1. Advances granted for tangible fixed assets | | | | |
| 2. | 2. Tangible fixed assets in progress | | | | 560 |
| B. III. | Long-term investments | 0 | 0 | 0 | 0 |
| B. III. 1. | Interests – controlled or controlling entity | | | | |
| 2. | Loans and borrowings – controlled or controlling entity | | | | |
| 3. | Interests – significant influence | | | | |
| 4. | Loans and borrowings - significant influence | | | | |
| 5. | Other long-term securities and interests | | | | |
| 6. | Loans and borrowings - other | | | | |
| 7. | Other long-term investments | | | | |
| 1. | 1. Miscellaneous long-term investments | | | | |
| 2. | 2. Advances granted for long-term investments | | | | |
| C. | CURRENT ASSETS | 98 122 | -9 284 | 88 838 | 79 561 |
| C. I. | Inventories | 3 440 | 0 | 3 440 | 2 065 |
| C. I. 1. | Materials | 134 | | 134 | 142 |
| 2. | Work in progress and semi-finished production | 3 306 | | 3 306 | 1 923 |
| 3. | Finished products and goods | | | | |
| 1. | 1. Finished products | | | | |
| 2. | 2. Goods | | | | |
| 4. | Livestock | | | | |
| 5. | Advances granted for inventories | | | | |
| C. II. | Receivables | 31 603 | -9 284 | 22 319 | 19 177 |
| C. II. 1. | Long-term receivables | 0 | 0 | 0 | 220 |
| 1. | 1. Trade receivables | | | | 220 |
| 2. | 2. Receivables – controlled or controlling entity | | | | |
| 3. | 3. Receivables – significant influence | | | | |
| 4. | 4. Deferred tax asset | | | | |
| 5. | 5. Other receivables | | | | |
| 5.1. | 5.1. Receivables from partners | | | | |
| 5.2. | 5.2. Long-term advances granted | | | | |
| 5.3. | 5.3. Unbilled revenue | | | | |
| 5.4. | 5.4. Miscellaneous receivables | | | | |

The accompanying income statement, cash flow statement, statement of changes in equity and notes are an integral part of the financial statements.

as at 31 December 2023

Czech Statutory Financial Statement Forms (in thousands of Czech crowns)

BALANCE SHEET

| | | Current year | | | Prior year 2022 |
|-----------|--|--------------|------------|--------|--------------------|
| | | Gross | Allowances | Net | Net |
| C. II. 2. | Short-term receivables | 31 603 | -9 284 | 22 319 | 18 957 |
| 1. | Trade receivables | 30 198 | -9 284 | 20 914 | 18 538 |
| 2. | Receivables – controlled or controlling entity | | | | |
| 3. | Receivables – significant influence | | | | |
| 4. | Other receivables | 1 405 | | 1 405 | 419 |
| 4.1. | Receivables from partners | | | | |
| 4.2. | Social security and health insurance | | | | |
| 4.3. | Due from government - tax receivables | 14 | | 14 | |
| 4.4. | Short-term advances granted | 362 | | 362 | 411 |
| 4.5. | Unbilled revenue | | | | 8 |
| 4.6. | Miscellaneous receivables | 1 029 | | 1 029 | |
| C. III. | Short-term financial assets | 0 | 0 | 0 | 0 |
| 1. | Interests - controlled or controlling entity | | | | |
| 2. | Other short-term financial assets | | | | |
| C. IV. | Cash | 63 079 | 0 | 63 079 | 58 319 |
| 1. | Cash in hand | 95 | | 95 | 68 |
| 2. | Cash at bank | 62 984 | | 62 984 | 58 251 |
| D. | Prepaid expenses and accrued income | 1 018 | 0 | 1 018 | 3 321 |
| D. 1. | Prepaid expenses | 421 | | 421 | 391 |
| D. 2. | Prepaid expenses (specific-purpose expenses) | | | | |
| D. 3. | Accrued income | 597 | | 597 | 2 930 |

The accompanying income statement, cash flow statement, statement of changes in equity and notes are an integral part of the financial statements.

as at 31 December 2023

Czech Statutory Financial Statement Forms (in thousands of Czech crowns)

BALANCE SHEET

| | | Current year | Prior year 2022 |
|---------------------------------------|--|---------------|--------------------|
| TOTAL EQUITY & LIABILITIES | | 91 140 | 84 181 |
| A. | EQUITY | 66 567 | 68 932 |
| A. I. | Basic capital | 53 642 | 53 642 |
| A. I. 1. | Registered capital | 53 642 | 53 642 |
| 2. | Own ownership interests (-) | | |
| 3. | Changes in basic capital | | |
| A. II. | Share premium and revaluation reserve | 327 | 327 |
| A. II. 1. | Share premium | | |
| 2. | Capital funds | 327 | 327 |
| 1. | Other capital funds | 327 | 327 |
| 2. | Gain or loss on revaluation of assets and liabilities (+/-) | | |
| 3. | Gain or loss on revaluation upon corporate transformation (+/-) | | |
| 4. | Differences arising on corporate transformation (+/-) | | |
| 5. | Differences arising between balance sheet date and transformation date (+/-) | | |
| A. III. | Reserves from profit | 11 697 | 11 697 |
| A. III. 1. | Other reserves | 9 697 | 9 697 |
| 2. | Statutory and other reserves | 2 000 | 2 000 |
| | | 0 | 0 |
| A. IV. | Profit (loss) brought forward (+/-) | 1 001 | 1 001 |
| IV. 1. | Retained earnings | 1 001 | 1 001 |
| 2. | Other profit (loss) brought forward (+/-) | | |
| A. V. | Profit (loss) for the year (+/-) | -100 | 2 265 |
| A. VI. | Approved decision on advances for profit distribution (-) | 0 | 0 |
| B. + C. | PROVISIONS AND LIABILITIES | 23 067 | 12 525 |
| B. | Provisions | 2 298 | 3 068 |
| B. 1. | Provision for pensions and similar obligations | | |
| 2. | Provision for corporate income tax | | |
| 3. | Provisions recognized under special legislation | | |
| 4. | Other provisions | 2 298 | 3 068 |
| C. | Liabilities | 20 769 | 9 457 |
| C. I. | Long-term liabilities | 0 | 0 |
| 1. | Bonds payable | 0 | 0 |
| 1. | Convertible bonds | | |
| 2. | Other bonds | | |
| 2. | Amounts owed to credit institutions | | |
| 3. | Long-term advances received | | |
| 4. | Trade payables | | |
| 5. | Long-term notes payable | | |
| 6. | Liabilities – controlled or controlling entity | | |
| 7. | Liabilities – significant influence | | |
| 8. | Deferred tax liability | | |
| 9. | Other liabilities | 0 | 0 |
| 1. | Liabilities to partners | | |
| 2. | Unbilled deliveries | | |
| 3. | Miscellaneous liabilities | | |
| C. II. | Current liabilities | 20 769 | 9 457 |
| 1. | Bonds payable | 0 | 0 |
| 1. | Convertible bonds | | |
| 2. | Other bonds | | |
| 2. | Amounts owed to credit institutions | | |
| 3. | Short-term advances received | | |
| 4. | Trade payables | 7 896 | 1 279 |
| 5. | Short-term notes payable | | |
| 6. | Liabilities – controlled or controlling entity | | |
| 7. | Liabilities – significant influence | | |
| 8. | Other liabilities | 12 873 | 8 178 |
| 1. | Liabilities to partners | | |
| 2. | Short-term borrowings | | |
| 3. | Liabilities to employees | 2 664 | 2 729 |
| 4. | Liabilities arising from social security and health insurance | 1 461 | 1 476 |
| 5. | Due to government – taxes and subsidies | 3 182 | 2 218 |
| 6. | Unbilled deliveries | 5 480 | 1 672 |
| 7. | Miscellaneous liabilities | 86 | 83 |
| D. | Accruals and deferred income | 1 506 | 2 724 |
| D. 1. | Accruals | 1 506 | 2 724 |
| 2. | Deferred income | | |

The accompanying income statement, cash flow statement, statement of changes in equity and notes are an integral part of the financial statements.

for the year ended 31 December 2023
Czech Statutory Financial Statement Forms (in thousands of Czech crowns)

INCOME STATEMENT

| | | Current year | Prior year 2022 |
|--------|--|---------------|--------------------|
| I. | Revenue from sale of finished products and services | 81 965 | 70 871 |
| II. | Revenue from sale of goods | | |
| A. | Production-related consumption | 25 738 | 13 638 |
| A.1. | Cost of goods sold | | |
| A.2. | Consumption of material and energy | 1 690 | 479 |
| A.3. | Services | 24 048 | 13 159 |
| B. | Change in inventory produced internally (+/-) | -1 383 | 1 509 |
| C. | Own work capitalized (-) | 0 | 0 |
| D. | Personnel expenses | 59 253 | 55 883 |
| D.1. | Wages and salaries | 42 658 | 40 515 |
| D.2. | Social security and health insurance costs and other costs | 16 595 | 15 368 |
| D.2.1. | Social security and health insurance costs | 15 108 | 13 727 |
| D.2.2. | Other costs | 1 487 | 1 641 |
| E. | Value adjustments in respect of operating activities | -732 | 99 |
| E.1. | Value adjustments in respect of intangible and tangible fixed assets | 443 | 99 |
| E.1.1. | Value adjustments in respect of intangible and tangible fixed assets - permanent | 443 | 99 |
| E.1.2. | Value adjustments in respect of intangible and tangible fixed assets - temporary | | |
| E.2. | Value adjustments in respect of inventory | | |
| E.3. | Value adjustments in respect of receivables | -1 175 | |
| III. | Other operating income | 61 | 38 |
| III.1. | Income from sale of fixed assets | | |
| III.2. | Income from sale of materials | 1 | 2 |
| III.3. | Miscellaneous operating income | 60 | 36 |
| F. | Other operating expenses | 1 061 | -893 |
| F.1. | Net book value of fixed assets sold | | |
| F.2. | Net book value of materials sold | | |
| F.3. | Taxes and charges relating to operations | 84 | 76 |
| F.4. | Provisions relating to operations and prepaid expenses (specific-purpose expenses) | -770 | -1 659 |
| F.5. | Miscellaneous operating expenses | 1 747 | 690 |
| * | Profit or loss on operating activities (+/-) | -1 911 | 673 |
| IV. | Income from long-term investments - interests | 0 | 0 |
| IV.1. | Income from interests in subsidiaries or parents | | |
| IV.2. | Other income from interests | | |
| G. | Cost of interests sold | 0 | 0 |
| V. | Income from other long-term investments | 0 | 0 |
| V.1. | Income from other long-term investments - subsidiaries or parents | | |
| V.2. | Other income from other long-term investments | | |
| H. | Expenses relating to other long-term investments | 0 | 0 |
| VI. | Interest receivable and similar income | 2 489 | 1 793 |
| VI.1. | Interest receivable and similar income - subsidiaries or parents | 2 489 | 1 793 |
| VI.2. | Other interest receivable and similar income | | |
| I. | Value adjustments and provisions relating to financial activities | 0 | 0 |
| J. | Interest payable and similar expenses | 0 | 0 |
| J.1. | Interest payable and similar expenses - subsidiaries or parents | | |
| J.2. | Other interest payable and similar expenses | | |
| VII. | Other finance income | 650 | 486 |
| K. | Other finance cost | 650 | 597 |
| * | Profit or loss on financial activities (+/-) | 2 489 | 1 682 |
| ** | Profit or loss before taxation (+/-) | 578 | 2 355 |

The accompanying income statement, cash flow statement, statement of changes in equity and notes are an integral part of the financial statements.

for the year ended 31 December 2023
Czech Statutory Financial Statement Forms (in thousands of Czech crowns)

INCOME STATEMENT

| | | Current year | Prior year 2022 |
|------------|--|--------------|--------------------|
| L. | Income tax | 678 | 90 |
| L.1. | Income tax due | 678 | 102 |
| L.2. | Income tax deferred (+/-) | | -12 |
| ** | Profit or loss after taxation (+/-) | -100 | 2 265 |
| M. | Transfer of share of profit or loss to partners (+/-) | 0 | 0 |
| *** | Profit or loss for the year (+/-) | -100 | 2 265 |
| * | Net turnover | 85 165 | 73 188 |

The accompanying income statement, cash flow statement, statement of changes in equity and notes are an integral part of the financial statements.

1. DESCRIPTION OF THE COMPANY

Tractebel Engineering a.s. ("the Company") is a joint stock company incorporated on 20 March 1991 in the Czech Republic. The Company's registered office is located at Pernerova 168, Zelené Předměstí, 530 02 Pardubice, Czech Republic and the business registration number (IČ) is 15049451. The Company engages in designing and engineering activities for investment construction.

In 2023, the Company's Articles of Association were amended. This change was filed to the public register entry under reference No. B 135/SL106/KSHK on 23 November 2023.

The parent company and the sole shareholder is Tractebel Engineering S.A., Boulevard Simon Bolivar 36, 100 Brussels, Belgium and the ultimate parent company is the French company ENGIE S.A. with its registered address at 1 place Samuel de Champlain, Courbevoie, 924 00 France.

The accompanying financial statements have been prepared as separate financial statements. The consolidated financial statements in accordance with International Accounting Standards are prepared by the parent company Tractebel Engineering S.A. Belgium. The Company is included in the consolidated group of the parent company.

Members of the statutory bodies as at 31 December 2023 were as follows:

The Company is a joint stock company with a single-tier structure. The sole statutory body is the Administrative Board:

Administrative Board as at 31 December 2023:

Chair:

MICHAEL WÜNNEMANN

Members:

THOMAS WALTER BRANDSTÄTT

PHILLIPPE BROQUET

Ing. Petr Veselý joined the Company on 6 September 2023 to replace Ing. Iveta Fibigerová, former Chief Finance Officer. Other management positions remained unchanged.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements were prepared in accordance with the Accounting Act and its implementing decree as applicable for 2023 and 2022.

The management of the Company considered the potential impacts of the Russia - Ukraine war on its activities and business and concluded it did not have a significant impact on the going concern assumption.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern.

Explanation Added for Translation into English

These financial statements are presented on the basis of accounting principles and standards generally accepted in the Czech Republic. Certain accounting practices applied by the Company that conform

Tractebel Engineering a. s.

Financial Statements for the Year Ended 31 December 2023

with generally accepted accounting principles and standards in the Czech Republic may not conform with generally accepted accounting principles in other countries.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Company in preparing the 2023 and 2022 financial statements are as follows:

a) **Intangible Fixed Assets**

Intangible fixed assets are recorded at their acquisition cost which includes purchase price and acquisition related costs.

Intangible fixed assets with a cost exceeding CZK 80 thousand are amortized over their useful economic life.

The costs of technical improvements to intangible fixed assets are capitalized.

Amortization

Amortization is calculated based on the acquisition cost and the estimated useful life of the related asset. The useful economic lives are as follows:

| | Years |
|----------|-------|
| Software | 3 |

b) **Tangible Fixed Assets**

Tangible fixed assets are recorded at their acquisition cost, which consists of purchase price, freight, customs duties and other related costs.

Tangible fixed assets with a cost exceeding CZK 80 thousand are depreciated over their useful economic life.

The costs of technical improvements to tangible fixed assets are capitalized. Repairs and maintenance expenses are expensed as incurred.

Depreciation

Depreciation is calculated based on the acquisition cost and the estimated useful life of the related asset. The useful economic lives are as follows:

| | Years (<i>specify range</i>) |
|---|--------------------------------|
| Movable assets and sets of movable assets | |
| Machinery and equipment | 3-10 |
| Vehicles | 5 |
| Fixtures and fittings | 5 |
| Miscellaneous tangible fixed assets (art works) | not depreciated |

c) **Cash**

Cash includes liquid valuables, cash in hand and at bank.

As at 31 December, the individual components of cash are recalculated at exchange rate as published by the Czech National Bank as at 31 December of the respective year.

d) Inventory

Purchased inventory is stated at actual cost being determined using the first-in, first-out ('FIFO') method. Costs of purchased inventory include acquisition-related costs (such as freight, customs, commission, etc.).

Work-in-progress (services) is recorded at actual cost. The cost of inventory produced internally includes direct hourly costs (direct labor costs including insurance), other direct costs (particularly copying fees, travelling expenses, software licenses, subcontractor services) and production overhead costs. Where the loss on the particular project is expected, the value of completion is reduced through an allowance account.

e) Receivables

Receivables are initially measured at their nominal amount. Both long- and short-term receivables are carried at their realizable value after allowance for doubtful accounts. Additions to the allowance account are charged to income.

f) Equity

The basic capital of the Company is stated at the amount recorded in the Commercial Register maintained in the Regional Court. The "Other capital funds" caption includes the value of assets acquired free of charge.

In accordance with the Articles of Association, the Company has retained the already created reserve and stabilization funds. The General Meeting makes decision on their further allocation or use in accordance with the Company's Articles of association.

g) Provisions and Liabilities

The Company creates provisions for losses and risks if the related purpose amount and timing can be reliably estimated and the accrual and matching principles are observed.

Long-term and current liabilities are carried at their nominal values.

h) Leases

The Company records the assets leased under full-service leasing arrangements by expressing the lease payments on accrual and matching basis.

i) Foreign Currency Transactions

Assets and liabilities whose acquisition or production costs were denominated in foreign currencies are translated into Czech crowns at the fixed monthly rate set by the Czech National Bank on the last day of each month. On the balance sheet date monetary items are adjusted to the exchange rates as published by the Czech National Bank as at 31 December.

Realized and unrealized exchange rate gains and losses were charged or credited, as appropriate, to finance income for the year.

j) Use of Estimates

The preparation 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. The Company management prepared these estimates and predictions based on all available relevant information. These estimates and assumptions are based on information available as at the date of the financial statements and may differ from actual results.

k) Recognition of Revenues and Expenses

Revenues and expenses are recognized on an accrual basis, that is, they are recognized in the periods in which the actual flow of the related goods or services occurs, regardless of when the related monetary flow arises.

Profit on long term contracts is recognized at the time of billing of completed phase of the project based on the respective contract with customer, e.g., according to milestones reached. Until such event, the project is recorded in work-in-progress in the value of incurred costs.

l) Income Tax

The corporate income tax expense is calculated based on the statutory tax rate and book income before taxes, increased or decreased by the appropriate permanent and temporary differences (e.g., non-deductible provisions and allowances, entertainment expenses, differences between book and tax depreciation, etc.). In addition, the following items are taken into consideration: tax base decreasing items (donations), tax deductible items (tax loss, research and development costs) and income tax reliefs.

The deferred tax position reflects the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for corporate income tax purposes, taking into consideration the period of realization.

The Company recognizes a deferred tax asset when it becomes probable that the asset will be utilized in subsequent accounting periods.

m) Subsequent Events

The impact of events that occurred between the balance sheet date and the date of the financial statements preparation is recognized in the financial statements provided these events provide additional evidence about conditions that existed at the date of the balance sheet.

If material events reflecting the facts occurring after the balance sheet date happened between the balance sheet date and the date of the financial statements preparation the consequences of these events are disclosed in the notes to the financial statements but not recognized in the financial statements.

4. FIXED ASSETS**a) Intangible Fixed Assets (in CZK thousands)****COST**

| | At beginning of year | At end of year |
|------------|-------------------------|-------------------|
| Software | 5,084 | 5,084 |
| 2023 Total | 5,084 | 5,084 |
| 2022 Total | 5,084 | 5,084 |

ACCUMULATED AMORTIZATION

| | At beginning of year | At end of year | Net book value |
|------------|----------------------------|-------------------|-------------------|
| Software | (5,084) | (5,084) | - |
| 2023 Total | (5,084) | (5,084) | - |
| 2022 Total | (5,084) | (5,084) | - |

As at 31 December 2023 and 2022, the total value of intangible fixed assets, which are not reflected in the accompanying balance sheet, was CZK 728 thousand and CZK 728 thousand at acquisition cost, respectively.

b) Tangible Fixed Assets (in CZK thousands)

Tangible fixed assets consist mainly of computers and copy machines.

COST

| | At beginning of year | Additions | Transfers | At end of year |
|---|----------------------|-----------|-----------|----------------|
| Movable assets and sets of movable assets | 4,498 | - | 987 | 5,485 |
| Miscellaneous tangible fixed assets | 17 | - | - | 17 |
| Tangible fixed assets in progress | 560 | 427 | (987) | - |
| 2023 Total | 5,075 | 427 | - | 5,502 |
| 2022 Total | 3,756 | 1,319 | 1,319 | 5,075 |

ACCUMULATED DEPRECIATION

| | At beginning of year | Depreciation during year | At end of year | Net book value |
|---|----------------------|--------------------------|----------------|----------------|
| Movable assets and sets of movable assets | (3,776) | (442) | (4,218) | 1,267 |
| Miscellaneous tangible fixed assets | - | - | - | 17 |
| Tangible fixed assets in progress | - | - | - | - |
| 2023 Total | (3,776) | (442) | (4,218) | 1,284 |
| 2022 Total | (3,677) | (99) | (3,776) | 1,299 |

The total value of tangible assets which are not reflected in the accompanying balance sheet was CZK 9,145 thousand and CZK 8,226 thousand at acquisition cost as at 31 December 2023 and 2022, respectively.

5. INVENTORY

Inventory includes particularly work-in-progress which comprises projects in various stages of completion. Inventories consist of stock of office materials.

6. RECEIVABLES

Allowances against outstanding receivables that are considered doubtful were charged to income based on their aging and recoverability analysis of individual receivables using the facts known as at the financial statements date in 2023 and 2022 (see Note 7).

As at 31 December 2023 and 2022, doubtful receivables totaled CZK 9,284 thousand and CZK 10,337 thousand, respectively; the major debtor are two companies - Slovak company GasOil Engineering a.s. and Czech company TENZA a.s., both in bankruptcy. As at 31 December 2023 and 2022, the receivable

from GasOil Engineering is CZK 6,875 thousand and CZK 6,053 thousand, respectively and the receivable from TENZA is CZK 3,048 thousand and CZK 3,048 thousand, respectively.

As at 31 December 2023 and 2022, long-term trade receivables related to retention money totaled CZK 0 thousand and CZK 220 thousand, respectively.

As at 31 December 2023 and 2022, the Company has long-term advances relating to the rental deposit totaling CZK 346 thousand and CZK 346 thousand, respectively.

Receivables from related parties (see Note 18).

7. ALLOWANCES

Allowances reflect a temporary diminution in the value of assets (see Note 6).

Changes in the allowance accounts (in CZK thousands):

| Allowances against: | Balance as at 31/12/2021 | Additions | Deductions | Balance as at 31/12/2022 | Additions | Deductions | Balance as at 31/12/2023 |
|---------------------|--------------------------|-----------|------------|--------------------------|-----------|------------|--------------------------|
| Receivables – legal | (10,561) | - | 224 | (10,337) | - | 1,053 | (9,284) |
| Receivables – other | - | - | - | - | - | - | - |

Legal allowances are created in compliance with the Act on Provisions and are tax deductible.

8. PREPAID EXPENSES AND ACCRUED INCOME

Prepaid expenses include particularly subscriptions, software fees, insurance and lease payments, which are charged to income for the year in which they were incurred. Accrued income comprises income from project activities from 2023 not yet billed at the year-end.

9. EQUITY

| | Balance as at 31/12/2021 | Increase | Decrease | Balance as at 31/12/2022 | Increase | Decrease | Balance as at 31/12/2023 |
|------------------------------|--------------------------|----------|----------|--------------------------|----------|----------|--------------------------|
| Number of shares | 53,642 | - | - | 53,642 | - | - | 53,642 |
| Basic capital | 53,642 | - | - | 53,642 | - | - | 53,642 |
| Other capital funds | 327 | - | - | 327 | - | - | 327 |
| Other reserves | 9,697 | - | - | 9,697 | - | - | 9,697 |
| Statutory and other reserves | 2,000 | - | - | 2,000 | - | - | 2,000 |
| Retained earnings | 5,060 | - | (4,059) | 1,001 | - | - | 1,001 |
| Profit (loss) for the year | (4,059) | 2,265 | 4,059 | 2,265 | - | 2,365 | (100) |

The basic capital of the Company consists of 53,642 registered shares in a certificate form, fully subscribed and paid, with a nominal value of CZK 1,000. Other capital funds consist of property handed out to the Company free of charge in the past.

Other funds from profit are restricted for provision of loans to the employees to cover their housing needs.

Pursuant to the sole shareholder's decision dated 20 June 2022 the Company settled the 2021 loss totaling CZK 4,059 thousand from retained earnings.

In 2023, on the grounds of the sole shareholder's decision dated 24 May 2023 the Company paid a dividend of CZK 2,265 thousand.

As at the date of financial statements, the sole shareholder made no decision as to the settlement of loss for 2023.

10. PROVISIONS

The movements in the provision accounts were as follows (in CZK thousands):

| Provisions | Balance as at 31/12/2021 | Additions | Deductions | Balance as at 31/12/2022 | Additions | Deductions | Balance as at 31/12/2023 |
|------------------|--------------------------|-----------|------------|--------------------------|-----------|------------|--------------------------|
| Other provisions | 4,726 | 176 | (1,834) | 3,068 | 698 | (1,468) | 2,298 |

As at 31 December 2023, other provisions include a provision for business risk totaling CZK 1,600 thousand on one running project and a provision for untaken vacation totaling CZK 698 thousand.

As at 31 December 2022, other provisions include a provision for business risk totaling CZK 2,215 thousand on one running project and competition clause and a provision for untaken vacation totaling CZK 853 thousand.

11. CURRENT LIABILITIES

As at 31 December 2023 and 2022, respectively, the Company had no overdue current liabilities.

As at 31 December 2023 and 2022, the Company had liabilities of CZK 1,461 thousand and CZK 1,476 thousand, respectively, owing to social security and health insurance premiums due in January of the following year.

Unbilled deliveries represent, in particular, estimated unpaid bonuses to employees and unbilled services and insurance related to the respective reporting period.

As at 31 December 2023 and 2022, respectively, tax payables and subsidies contain mainly VAT payable and personal income tax payable for December of the respective year.

Payables to related parties (see Note 18).

12. ACCRUALS AND DEFERRED INCOME

Accruals include particularly unpaid employee entitlement bonuses for the respective year (including social security and health insurance) and are expensed in the period in which they are incurred.

13. INCOME TAXES

On the basis of preliminary calculation the Company calculated tax expense as follows (in CZK thousands):

| | 2023 | 2022 |
|---|---------|---------|
| Profit / (Loss) before taxes | 578 | 2,355 |
| Difference between book and tax depreciation | 99 | 15 |
| Non-deductible expenses | | |
| Creation and settlement of allowances (net) | - | - |
| Creation and release of provisions (net) | (770) | (1,658) |
| Other non-deductible costs | (3,422) | - |
| Other (e.g., entertainment expenses, social and wage costs) | 7,277 | 1,526 |
| Taxable income | 3,762 | 2,238 |
| Tax loss carryforward deduction | - | (1,509) |
| Tax base | 3,762 | 729 |
| Current income tax rate | 19% | 19% |
| Tax | 714 | 138 |
| Tax relief | (36) | (36) |
| Current tax expense | 678 | 102 |

In 2022, the Company used the opportunity to claim the tax loss achieved in 2021 in the amount of CZK 1,509 thousand. The Company had no tax loss carryforward as at 31 December 2022.

The deferred tax position reflects the net tax effects of temporary differences between the carrying amounts of assets and liabilities for tax purposes and financial reporting purposes. Deferred income tax was computed using the corporate income tax rate of 21%.

The Company quantified deferred taxes as follows (in CZK thousands):

| Deferred tax items | 2023 | | 2022 | |
|---|--------------------|------------------------|--------------------|------------------------|
| | Deferred tax asset | Deferred tax liability | Deferred tax asset | Deferred tax liability |
| Difference between net book value of fixed assets for accounting and tax purposes | 11 | - | - | (9) |

Financial Statements for the Year Ended 31 December 2023

| Other temporary differences: | | | | |
|----------------------------------|--------------|----------|------------|------------|
| Provisions | 483 | - | 583 | - |
| Tax loss | - | - | - | - |
| Unbilled deliveries and accruals | 1,349 | - | 362 | - |
| Total | 1,843 | - | 945 | (9) |
| Net | 1,843 | - | 936 | - |

In accordance with the accounting policies disclosed in Note 2 (I) the deferred tax asset of CZK 1,843 thousand and CZK 945 thousand was not recognized as at 31 December 2023 and 2022.

14. LEASES

The Company leases fixed assets, which are not recorded on the balance sheet. The Company leases 3 and 4 passenger cars under full-service operational lease arrangement mostly for 5 years as at 31 December 2023 and 2022, respectively.

| Description | Terms/Conditions | Expense in 2023 | Expense in 2022 | Cost as at 31/12/2023 | Cost as at 31/12/2022 |
|----------------|------------------|-----------------|-----------------|-----------------------|-----------------------|
| passenger cars | monthly payments | 390 | 617 | 2,115 | 2,693 |

15. COMMITMENTS AND CONTINGENCIES

As at 31 December 2023 and 2022, the Company had commitments and contingent liabilities, which were not shown on the balance sheet.

As at 31 December 2023 and 2022, the liabilities represent performance bank guarantees granted in an amount of CZK 2,662 thousand and CZK 5,939 thousand, respectively.

Further, the Company had contingent liability arising from lease contracts totaling CZK 260 thousand and CZK 444 thousand as at 31 December 2023 and 2022, respectively.

The Company had also a contingent liability arising from lease of office premises (until 2026) totaling CZK 6,603 thousand and CZK 8,714 thousand as at 31 December 2023 and 2022, respectively.

16. REVENUES

The breakdown of revenues on ordinary activities is as follows (in CZK thousands):

| | 2023 | | 2022 | |
|-------------------------------|---------------|---------------|---------------|--------------|
| | Domestic | Foreign | Domestic | Foreign |
| Design and engineering work | 65,170 | 16,701 | 61,737 | 8,741 |
| Accounting and other services | 94 | - | 69 | 324 |
| Rent | - | - | - | - |
| Total revenues | 65,264 | 16,701 | 61,806 | 9,065 |

In 2023 and 2022, the Company's revenues are generated from providing of design and engineering services to domestic customers in the chemical and petrochemical industries, energy sector and gas sector. Foreign revenues represent subcontracting services for the parent company in Belgium and services for clients in Austria, France, Germany, Ireland and Italy.

17. PERSONNEL AND RELATED EXPENSES

The breakdown of personnel expenses is as follows (in CZK thousands):

| | 2023 | 2022 |
|--------------------------------------|--------------------|--------------------|
| | Total personnel | Total personnel |
| Average number of employees | 59 | 59 |
| Wages and salaries | 42,658 | 40,515 |
| Social security and health insurance | 15,108 | 13,727 |
| Social cost | 1,487 | 1,641 |
| Total personnel expenses | 59,253 | 55,883 |

The members of management, supervisory and administrative bodies were granted no advances, earnest money, loans, borrowings, guarantees, advances or other benefits in 2023 and 2022 and they do not hold any shares of the Company. The members of statutory bodies exercise their statutory duties for no consideration.

The Company provides directors and executive officers passenger cars for both business and private needs and pays the group life insurance for them.

18. RELATED PARTY INFORMATION

The Company provides services to related parties. Purchases were CZK 6,155 thousand and CZK 2,672 thousand in 2023 and 2022, respectively.

Short-term receivables from related parties as at 31 December were as follows (in CZK thousands):

| Related party | Due dates | 2023 | 2022 |
|------------------------------------|-----------|-------|-------|
| Tractebel Engineering S.A. Belgium | 30 days | 1,682 | 6 |
| Tractebel Engineering S.A. FR | 30 days | 865 | 1,166 |
| Tractebel Engineering GmbH | 30 days | 471 | - |
| Engie Global Markets, o. z. | 30 days | 29 | 116 |
| Total | | 3,047 | 1,288 |

The Company receives services from related parties and gains benefits from the uniform central software license policies and framework insurance program in ordinary course of business. Within the cooperation on foreign projects, the cooperation with related parties is held in the form of sub-contracts. Purchases were CZK 5,613 thousand and CZK 2,512 thousand in 2023 and 2022, respectively.

Short-term payables to related parties as at 31 December were as follows (in CZK thousands):

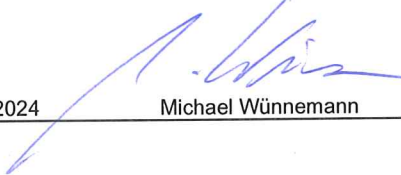
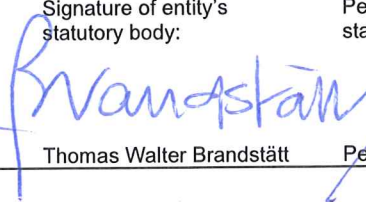
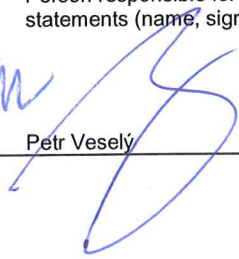
| Related party | Due dates | 2023 | 2022 |
|-------------------------------------|-----------|-------|------|
| Tractebel Engineering S.A. Belgiurr | 30 days | 3,293 | 466 |
| ENGIE S.A. FR | 30 days | 485 | - |
| Total | | 3,778 | 466 |

19. SIGNIFICANT ITEMS OF INCOME STATEMENT

Service expense for 2023 and 2022 comprises mainly sub-deliveries for projects (CZK 12,383 thousand and CZK 3,933 thousand in 2023 and 2022, respectively), rent of offices, operating leases of cars, travel expenses, software licenses, copying and telecommunication services; of miscellaneous operating expenses, the largest item is insurance premium. The Interest income and similar income caption represents interest income from deposits at bank accounts.

20. SUBSEQUENT EVENTS

The management of the Company is again not aware of any subsequent events that might have a material impact on the financial statements for the year ended 31 December 2023.

| Prepared on: | Signature of entity's statutory body: | Signature of entity's statutory body: | Person responsible for financial statements (name, signature): |
|--------------|--|--|--|
| 3.6.2024 |  Michael Wünnemann |  Thomas Walter Brandstätt |  Petr Veselý |