ANNUAL REPORT 2022

ABB s.r.o.

About ABB

ABB is a technology leader in electrical engineering and automation enabling a more sustainable future. By combining technical know-how and software it provides solutions for optimising energy production, transport, distribution and building operations. ABB has been an industry leader for over 130 years and with 105,000 employees brings innovations to the market that accelerate the transformation of industry.

abb.com

Contents

ABB in the Czech Republic

ABB has been operating in the Czech Republic through its products, solutions and services since 1970, but the formal establishment of the company dates back to 1992 when the first company with the business name ABB was founded. During the 1990s the ABB group of companies in the Czech Republic gradually expanded with other companies until the current form of ABB s.r.o

All four of ABB's main units (Electrical Engineering, Process Automation, Drives and Robotics & Automation) operate in the Czech Republic.

Electrical Engineering
ABB Electrical Engineering offers an extensive portfolio of products and services that provide customers with intelligent, sustainable and safe solutions for the distribution, control, monitoring and efficient use of electricity from source to socket. We develop innovative products and digital technologies connected to the Internet that enable efficient and low-carbon operations in all sectors and building types. Our solutions and services are applied in both low and high voltage areas, from power grid stations, power distribution automation solutions, protection and house wiring to switchgear, cabling, enclosures, sensors and control elements to working with operators to build charging infrastructure for electric vehicles.

Process Automation
ABB Process Automation offers a wide range of solutions for the process and hybrid industries, including integrated process automation solutions and services, electrical and digital solutions, control systems, software solutions and advanced services. The unit's portfolio also includes products for measurement and analytics, turbochargers and solutions for marine industry.

Drives
ABB Drives keep the world moving. The products of this unit are in many industries, from air conditioning to rubber industry. In addition to supplying complex solutions, it also provides local technical support and service for frequency converters and electric motors. The broad portfolio of ABB Drives includes frequency converters and electric motors from the lowest power levels to the highest.

Robotics and Automation
ABB Robotics and Automation offers customers high value-added robotics and automation solutions. Our integrated process automation solutions, backed by our experience of applying them in a wide range of industries, bring tangible value to ABB customers. As part of its focus on innovation, the unit is working intensively on artificial intelligence, developing collaborative digitalisation platforms and expanding existing production and research capabilities.

ABB operates in 6 locations in the Czech Republic. Its most important development centres and production plants are in Brno, Ostrava, Jablonec nad Nisou and Prague, where it is also based.

The history of the Brno plant on Vídeňská Street dates back to 1887 and currently employs approximately 1,700 people. Six separate units operate here, with the HV switchgear unit having the largest production facility in Europe, and the instrument transformers and sensors unit being the largest in the world according to IEC standards. Deliveries are sent to the largest global customers in about 100 countries around the world and are used for highly demanding projects.

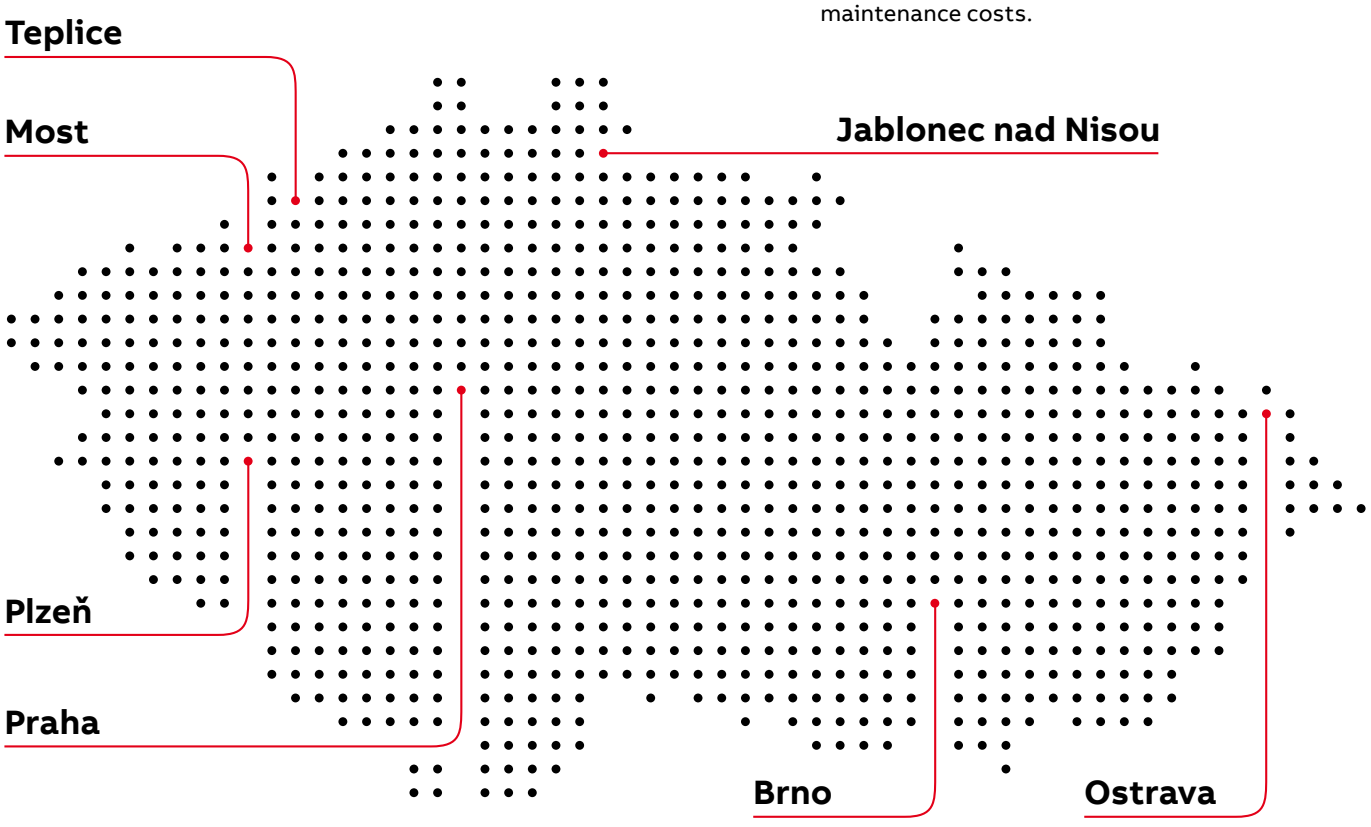
Another production plant in Brno, on Heršpická Street, employs about 300 people and is the largest manufacturer of LV switchgear in Europe. Both locations are also home to major development centres.

The regional branch in Most supplies control systems, drive applications and complete automation solutions for technological processes. There is also a Process Automation engineering unit in Most, which provides the same services as the Process Automation unit in Brno.

The history of the ABB production plant in Jablonec nad Nisou (formerly Elektro-Praga) dates back to 1868. Since its foundation until today it has been one of the most important manufacturers of home wiring materials in the Czech Republic. The portfolio comprises 16 design series of switches and sockets, which are complemented by a large number of other devices for modern electrical installations, smart buildings and home automation. The most successful design lines are Tango® and Levit®, which have become a standard on the Czech market.

Ostrava is one of the three locations where the Europe Operations Centre (EUOPC) operates, alongside Plzeň and Krakow. This global centre provides high quality services and technical solutions in automation, software development, machine design, electrical systems and drives design and commissioning, as well as supply chain management and project management and support. The centre employs more than 650 people and has been operating in Ostrava since 2002. Its scope of activity goes beyond the borders of Ostrava and the Czech Republic.

Ostrava (Mošnov) is also home to one of the global centres for robot repair and overhaul. Other centres are located in Auburn Hills (Michigan, USA) and Shanghai (China). Over the past 25 years ABB teams have managed to refurbish and upgrade thousands of robots, giving them a chance for a second life. In addition to robots, peripheral equipment such as controllers and control panels are also subject to refurbishment and renovation. Refurbished robots allow customers to benefit from new features and advanced services while reducing maintenance costs.



Important events of 2022 in ABB Czech Republic

New production plant in Mošnov
ABB took over the new production hall in Mošnov for the activities of the ABB Robotics Production and Development Centre in spring 2022 two months ahead of schedule. The total investment exceeded CZK 300 million and meant the initial creation of approximately 120 skilled jobs.

This centre, which has significantly expanded ABB's robotics footprint in Ostrava, uses state-of-the-art manufacturing processes including machine learning and digital and collaborative solutions. It focuses on hi-tech manufacturing and development of robotic peripherals. ABB has also co-located its existing Global Robot Repair and Overhaul Centre and Global Robot Cell Development and Manufacturing Centre, as well as the supply of robotic joining and material cutting lines.

The new operation has strong synergies, particularly with the unit that primarily develops and manufactures modular robotic cells for the European market, and equally with the industrial robot repair centre, which is increasingly taking on competencies within global ABB operations. The Ostrava centre is part of ABB's global network of robot repair and overhaul centres, which also includes Auburn Hills (Michigan, USA) and Shanghai (China).

Operation Centre Europe celebrates 20 years
The Europe Operations Centre (EUOPC), based in Ostrava, celebrated its 20th anniversary at the end of 2022 and its expansion from the original 6 founding engineers to its current staff of approximately 650. The Operations Centre Europe is ABB's global implementation centre for industrial automation and electrification. Due to the high demand for automation, electrification and savings, electrical and automation systems are designed and various types of unique software are developed here, which are literally used all over the world.

For example, control systems for new generations of oil rigs come from the Operations Centre, which not only allow huge energy savings, but also have a major impact on the environment thanks to the mechanism for eliminating emissions. What is also worth mentioning is the software developed in the Czech Republic for the navigation of naval ships and tankers. Of technical interest are projects contributing to the stabilisation of the electricity grid in the transition to the generation and use of green hydrogen, the electrification of shipping or damps in opencast mines. All of the above projects have one thing in common – they are technologies that are fundamentally changing the world of industry and moving it towards greater sustainability and digitalisation.

Investment in Brno production plant
ABB has invested CZK 25 million in a new state-of-the-art line at its Brno plant for the production of instrument transformers and sensors. This doubled capacity to meet record demand for high-voltage sensors. The investment is in response to the growing demand for technically advanced sensors used in digital switchboards and renewable energy sources.

With an area of 15,000 m^2 the Brno plant is already the largest facility of its kind in the world. The new production line will increase the scale and rate of production of high voltage sensors by almost 100%, with the goal of reaching production volumes of 100,000 units per year by 2026.

Significant contracts
In the field of switchgear production, Brno production has also participated in other important world orders. UniGear's supply of control systems and switchgear from Brno covers the operation of five generators at LondonEnergy's London incinerator, serving nearly 2 million people and using waste for sustainable energy production. The ABB equipment extends the lifetime of the incinerator and increases its performance. The sophisticated order is the most complex delivery of a digital systems unit that ABB Brno has completed to date.

The Brno unit also supplies UniGear high voltage switchgear to the Northern Lights project. It is a carbon capture solution for industries across Europe. The aim is to store more than five million tonnes of CO_2 per year. Northern Lights, a joint venture between Equinor, Shell and TotalEnergies, is the first industrial carbon capture and storage project to create an open and flexible infrastructure for the safe storage of CO2 from industries across Europe.

Sustainability and CSR
In addition to its sustainability solutions, ABB Czech Republic is a member of the Association for Corporate Social Responsibility (A-CSR) and has long been involved in a number of non-profit projects that benefit society as a whole, both in the areas of the environment and community development, as well as in supporting education and science.

In 2021 ABB launched a partnership with the prestigious 'Česká hlava' (Czech Head) project, which awards scientific prizes to significant discoveries and inventions. The ABB Invention Prize was awarded to Martina Benešová-Schäfer, a young scientist, for her research and development of a radiotherapy drug for the treatment of prostate cancer.

In 2022 ABB continued to focus on energy savings, which became more important this year due to the jump in energy prices. On the household side ABB carried out a detailed public opinion survey on the impact of energy price increases and how to achieve savings. For the corporate sector ABB offered the Energy Efficiency Movement (EEM) platform, which, among other things, developed proposals for achieving immediate energy savings in companies.

The Company did not acquire own shares or ownership interests during the course of 2022. The Company does not have a branch or other unit of the business plant abroad.

Expected future development of the Company
ABB will benefit from the move towards greater electrification and automation in industry, transport and households. We see this trend as long-term and irreversible. Stability is supported by a diversified portfolio of products and services as well as access to global markets using ABB's worldwide network of companies.

We closely monitor developments in the construction segment, where a significant part of our portfolio is also used.

Significant subsequent event
As of 30. 6. 2023, ABB s.r.o. signed an agreement with Amphenol Tuchel Industrial GmbH in regards to the partial sale of the business for an approximate value of USD 15 million. The IPS – Industrial Plug and Socket product line is the subject of the sale.

Sustainability report:

Prepared on: 15 August 2023

Aleš Rychetský
Statutory representative

Vítězslav Lukáš
Statutory representative

Michaela Burešová
Person in charge of accounting

Related Parties Report as at 31. 12. 2022

1.
Identification of related parties

ABB s.r.o., with its registered office in Prague, Vyskočilova 1561/4a, is an entity controlled by its sole shareholder, ABB Asea Brown Boveri Ltd, with its registered office at Affolternstrasse 44, 8050 Zurich, Swiss Confederation, which is controlled by ABB Ltd, Switzerland. Together with all companies controlled by ABB Ltd, Switzerland, they form a group who are thereby all considered to be related entities.

The controlled entity is one of the two legal entities (the other is B+R Automation, spol. s r.o.) of the group controlled by ABB Ltd, Switzerland in the Czech Republic and as such acts as a production and business unit of the group in the Czech Republic. The controlled entity does not control any other entity.

The controlled entity is controlled by means of a decision of the sole shareholder exercising the powers of the general meeting.

The report solely lists those companies with which ABB s.r.o. carried out transactions in 2022 from 1. January 2022 to 31. December 2022.

2.
Contracts and transactions with related parties

(see below)

3.
Other transactions

Based on the decision of the sole shareholder, the company paid a dividend in 2022 in the amount of CZK 1,147,495,749. There were no further transactions or actions paid out in excess of 10% of the equity of the controlled person as determined by the latest financial statements.

4.
Management Representation

The Company management notes that the transactions with related entities result in and significantly outweigh the benefits to the Company from its participation in a multinational business group, the ABB Group, which is a significant supplier and customer. These transactions were carried out on normal and customary commercial terms and the Company did not suffer any loss. After careful consideration, the Company management declares that it is not aware of any risks resulting from relations between the entities described in the Report on relations.

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Sales to related parties (CZK thousands)

Related party	Country	1. 1. - 31. 12. 2022	Contract type
ABB (Hong Kong) Ltd.	HK	33	Purchase contract for goods/ products/ service
ABB (China) Ltd.	CN	9 751	Purchase contract for goods/ products/ service
ABB A/S	DK	152 910	Purchase contract for goods/ products/ service
ABB AB	SE	351 794	Purchase contract for goods/ products/ service
ABB AG	AT	132 732	Purchase contract for goods/ products/ service
ABB AG	DE	805 914	Purchase contract for goods/ products/ service
ABB Algeria SpA Asea Brown Boveri	DZ	10 866	Purchase contract for goods/ products/ service
ABB AS	EE	5 844	Purchase contract for goods/ products/ service
ABB AS	NO	314 373	Purchase contract for goods/ products/ service
ABB AS	RU	35	Purchase contract for goods/ products/ service
ABB Asea Brown Boveri Ltd	CH	8 463	Purchase contract for goods/ products/ service
ABB Asea Brown Boveri SRL	RO	8 193	Purchase contract for goods/ products/ service
ABB Australia Pty Limited	AU	31 539	Purchase contract for goods/ products/ service
ABB AUTOMACAO LTDA	BR	424	Purchase contract for goods/ products/ service
ABB Automation and Electrification (Vietnam) Company Limited	VN	3 036	Purchase contract for goods/ products/ service
ABB B.V.	BE	1 983	Purchase contract for goods/ products/ service
ABB B.V.	NL	18 607	Purchase contract for goods/ products/ service
ABB Beijing Switchgear Limited	CN	1 391	Purchase contract for goods/ products/ service
ABB Bulgaria EOOD	BG	59 640	Purchase contract for goods/ products/ service
ABB Business Services Sp. z o.o.	PL	2 860	Purchase contract for goods/ products/ service
ABB Colombia Ltda	CO	2 697	Purchase contract for goods/ products/ service
ABB d.o.o.	RS	32 061	Purchase contract for goods/ products/ service
ABB ELECTRICAL & AUTOMATION W.L.L	BH	182	Purchase contract for goods/ products/ service
ABB Electrical Equipment (Xiamen) Co., Ltd.	CN	174	Purchase contract for goods/ products/ service
ABB Electrical Equipment Ltd.	RU	6 864	Purchase contract for goods/ products/ service
ABB Electrical Industries Co. Ltd.	SA	43 638	Purchase contract for goods/ products/ service
ABB Electrical Machines Ltd.	CN	2 405	Purchase contract for goods/ products/ service
ABB Electrification (Thailand) Co., Ltd.	TH	9 822	Purchase contract for goods/ products/ service
ABB Electrification Canada ULC	CA	119	Purchase contract for goods/ products/ service
ABB Electrification Norway AS	NO	268 110	Purchase contract for goods/ products/ service
ABB Electrification Sweden AB	SE	318 899	Purchase contract for goods/ products/ service
ABB Elektrik Sanayi A.S.	TR	173 857	Purchase contract for goods/ products/ service
ABB ELETRIFICACAO LTDA	BR	35 871	Purchase contract for goods/ products/ service
ABB E-mobility S.p.A.	IT	73	Purchase contract for goods/ products/ service
ABB E-mobility SAS	FR	298	Purchase contract for goods/ products/ service
ABB Engineering (Shanghai) Ltd.	CN	7 281	Purchase contract for goods/ products/ service
ABB Engineering Trading and Service Ltd.	HU	142 217	Purchase contract for goods/ products/ service
ABB for Electrical Industries (ABB ARAB) S.A.E.	EG	52 158	Purchase contract for goods/ products/ service
ABB France	FR	113 911	Purchase contract for goods/ products/ service
ABB Global Industries and Services Private Limited	IN	997	Purchase contract for goods/ products/ service
ABB Inc.	CA	121 962	Purchase contract for goods/ products/ service
ABB Inc.	US	113 083	Purchase contract for goods/ products/ service
ABB India Limited	IN	18 011	Purchase contract for goods/ products/ service
ABB Industrial Solutions (Bielsko-Biala) Sp. z o.o.	PL	39 302	Purchase contract for goods/ products/ service
ABB Industries (L.L.C.)	AE	168 365	Purchase contract for goods/ products/ service
ABB Industries FZ	AE	823	Purchase contract for goods/ products/ service
ABB Information Systems Ltd.	CH	26 006	Purchase contract for goods/ products/ service
ABB Installation Products European Centre S.A.	BE	64	Purchase contract for goods/ products/ service
ABB Inzeniring d.o.o.	SI	11 112	Purchase contract for goods/ products/ service
ABB K.K.	JP	138 643	Purchase contract for goods/ products/ service
ABB Limited	BD	227	Purchase contract for goods/ products/ service
ABB Limited	GB	284 846	Purchase contract for goods/ products/ service
ABB Limited	IE	253 597	Purchase contract for goods/ products/ service
ABB Limited	NZ	61	Purchase contract for goods/ products/ service
ABB Limited/Jordan LLC.	JO	4 536	Purchase contract for goods/ products/ service
ABB LLC	QA	80 340	Purchase contract for goods/ products/ service
ABB LLC,	OM	36 310	Purchase contract for goods/ products/ service
ABB LLP.	KZ	4 158	Purchase contract for goods/ products/ service
ABB Ltd.	HR	184 792	Purchase contract for goods/ products/ service
ABB Ltd.	KR	10 252	Purchase contract for goods/ products/ service
ABB Ltd.	RU	30 260	Purchase contract for goods/ products/ service

Related party	Country	1. 1. - 31. 12. 2022	Contract type
ABB Ltd.	TW	6 095	Purchase contract for goods/ products/ service
ABB Ltd.	UG	235	Purchase contract for goods/ products/ service
ABB Ltd.	ZM	67	Purchase contract for goods/ products/ service
ABB Malaysia Sdn Bhd.	MY	9 706	Purchase contract for goods/ products/ service
ABB Management Services Ltd.	CH	80 535	Purchase contract for goods/ products/ service
ABB Mexico S.A. de C.V.	MX	47 994	Purchase contract for goods/ products/ service
ABB Motors and Mechanical Inc	US	155	Purchase contract for goods/ products/ service
ABB N.V.	BE	127 228	Purchase contract for goods/ products/ service
ABB N.V.	LU	1 027	Purchase contract for goods/ products/ service
ABB Operations Center Ltd.	RU	121 073	Purchase contract for goods/ products/ service
ABB Oy	FI	849 753	Purchase contract for goods/ products/ service
ABB Panama Sales, S.A.	PA	4 689	Purchase contract for goods/ products/ service
ABB Power & Automation (Private) Limited	PK	2 880	Purchase contract for goods/ products/ service
ABB Pte. Ltd.	SG	84 550	Purchase contract for goods/ products/ service
ABB S.A.	AR	41 533	Purchase contract for goods/ products/ service
ABB S.A.	CL	17 556	Purchase contract for goods/ products/ service
ABB S.A.	MA	2 213	Purchase contract for goods/ products/ service
ABB S.A.	PE	1 596	Purchase contract for goods/ products/ service
ABB S.A.	UY	1 081	Purchase contract for goods/ products/ service
ABB S.p.A.	IT	267 648	Purchase contract for goods/ products/ service
ABB Schweiz AG	CH	919 348	Purchase contract for goods/ products/ service
ABB SIA	LV	6 742	Purchase contract for goods/ products/ service
ABB South Africa (Pty) Ltd.	ZA	162 467	Purchase contract for goods/ products/ service
ABB Sp. z o.o.	PL	233 090	Purchase contract for goods/ products/ service
ABB Stotz-Kontakt GmbH	DE	38 272	Purchase contract for goods/ products/ service
ABB Striebel & John GmbH	DE	1 771	Purchase contract for goods/ products/ service
ABB Technologies Ltd.	IL	45 218	Purchase contract for goods/ products/ service
ABB Transmission & Distribution Limited LLC	AE	41 720	Purchase contract for goods/ products/ service
ABB UAB	LT	6 256	Purchase contract for goods/ products/ service
ABB Xiamen Low Voltage Equipment Co. Ltd.	CN	19 561	Purchase contract for goods/ products/ service
ABB Xiamen Smart Technology Co., Ltd.	CN	163	Purchase contract for goods/ products/ service
ABB Xiamen Switchgear Co. Ltd.	CN	3 561	Purchase contract for goods/ products/ service
ABB, Inc.	PH	15 478	Purchase contract for goods/ products/ service
ABB, s.r.o.	SK	73 973	Purchase contract for goods/ products/ service
ABBNG Limited	NG	825	Purchase contract for goods/ products/ service
Asea Brown Boveri Industrial, Technical & Commercial Company of Imports – Exports S.A.	GR	71 643	Purchase contract for goods/ products/ service
ASEA BROWN BOVERI Portugal, Unipessoal Lda	PT	19 996	Purchase contract for goods/ products/ service
Asea Brown Boveri S.A.	ES	79 054	Purchase contract for goods/ products/ service
B+R automatizace, spol. s.r.o.	CZ	56	Purchase contract for goods/ products/ service
Busch-Jaeger Elektro GmbH	DE	120 012	Purchase contract for goods/ products/ service
Industrial C&S Hungary Kft.	HU	1 020	Purchase contract for goods/ products/ service
Industrial Connections & Solutions LLC	US	9 012	Purchase contract for goods/ products/ service
PT ABB Sakti Industri	ID	10 100	Purchase contract for goods/ products/ service
ABB Electrification Canada (non-legal entity)	CA	134	Purchase contract for goods/ products/ service
Turbo Systems Switzerland Ltd	CH	2 208	Purchase contract for goods/ products/ service
ABB Bailey Japan Limited	JP	189	Purchase contract for goods/ products/ service
ABB Orange B.V.	NL	413 454	Purchase contract for goods/ products/ service
ABB Automation (Thailand) Co., Ltd.	TH	396	Purchase contract for goods/ products/ service
Total		**8 622 105**	

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Short-term trade receivables (CZK thousands)

Related party	Country	31. 12. 2022
ABB (Hong Kong) Ltd.	HK	6
ABB (China) Ltd.	CN	4 909
ABB (Private) Ltd.	ZW	139
ABB A/S	DK	25 137
ABB AB	SE	91 311
ABB AG	AT	27 927
ABB AG	DE	204 384
ABB Algeria SpA Asea Brown Boveri	DZ	9 395
ABB AS	EE	3 749
ABB AS	NO	33 707
ABB Asea Brown Boveri Ltd	CH	764
ABB Asea Brown Boveri SRL	RO	2 099
ABB Australia Pty Limited	AU	8 004
ABB AUTOMACAO LTDA	BR	37
ABB Automation and Electrification (Vietnam) Company Limited	VN	1 006
ABB B.V.	NL	1 072
ABB Beijing Switchgear Limited	CN	514
ABB Bulgaria EOOD	BG	5 474
ABB Business Services Sp. z o.o.	PL	1 546
ABB Colombia Ltda	CO	868
ABB d.o.o.	RS	11 366
ABB ELECTRICAL & AUTOMATION W.L.L	BH	180
ABB Electrical Equipment (Xiamen) Co., Ltd.	CN	136
ABB Electrical Industries Co. Ltd.	SA	21 717
ABB Electrical Machines Ltd.	CN	992
ABB Electrification (Thailand) Co., Ltd.	TH	2 536
ABB Electrification Canada ULC	CA	3
ABB Electrification Norway AS	NO	35 738
ABB Electrification Sweden AB	SE	27 667
ABB Elektrik Sanayi A.S.	TR	83 179
ABB ELETRIFICACAO LTDA	BR	17 413
ABB Engineering (Shanghai) Ltd.	CN	2 347
ABB Engineering Trading and Service Ltd.	HU	54 072
ABB for Electrical Industries (ABB ARAB) S.A.E.	EG	22 949
ABB France	FR	59 111
ABB Global Industries and Services Private Limited	IN	1 153
ABB Inc.	CA	5 544
ABB Inc.	US	53 957
ABB India Limited	IN	9 020
ABB Industries (L.L.C.)	AE	141 382
ABB Industries FZ	AE	48
ABB Information Systems Ltd.	CH	6 676
ABB Inzeniring d.o.o.	SI	550
ABB K.K.	JP	83 983
ABB Limited	GB	142 317
ABB Limited	IE	27 455
ABB Limited	NZ	60
ABB Limited/Jordan LLC.	JO	423
ABB LLC	QA	378 202
ABB LLC,	OM	941
ABB LLP.	KZ	3 874
ABB Ltd.	HR	103 993
ABB Ltd.	KR	1 637
ABB Ltd.	RU	39 984
ABB Ltd.	TW	3 810
ABB Ltd.	UG	20
ABB Malaysia Sdn Bhd.	MY	3 395
ABB Management Services Ltd.	CH	20 600

Related party	Country	31. 12. 2022
ABB Mexico S.A. de C.V.	MX	14 872
ABB Motors and Mechanical Inc	US	68
ABB N.V.	BE	17 224
ABB N.V.	LU	68
ABB Operations Center Ltd.	RU	0
ABB Oy	FI	168 659
ABB Panama Sales, S.A.	PA	601
ABB Power & Automation (Private) Limited	PK	1 512
ABB Pte. Ltd.	SG	66 602
ABB S.A.	AR	35 237
ABB S.A.	CL	13 315
ABB S.A.	MA	2 389
ABB S.A.	PE	90
ABB S.A.	UY	159
ABB S.p.A.	IT	83 640
ABB Schweiz AG	CH	292 864
ABB SIA	LV	819
ABB South Africa (Pty) Ltd.	ZA	46 833
ABB Sp. z o.o.	PL	74 856
ABB Stotz-Kontakt GmbH	DE	1 120
ABB Striebel & John GmbH	DE	163
ABB Technologies Ltd.	IL	13 320
ABB Transmission & Distribution Limited LLC	AE	35 050
ABB Turbochargers S.A.E.	EG	820
ABB UAB	LT	1 606
ABB Xiamen Low Voltage Equipment Co. Ltd.	CN	3 503
ABB Xiamen Switchgear Co. Ltd.	CN	1 191
ABB, Inc.	PH	6 282
ABB, s.r.o.	SK	37 348
ABBNG Limited	NG	11
Asea Brown Boveri Industrial, Technical & Commercial Company of Imports – Exports S.A.	GR	37 268
ASEA BROWN BOVERI Portugal, Unipessoal Lda	PT	15 311
Asea Brown Boveri S.A.	ES	40 566
B+R automatizace, spol. s.r.o.	CZ	596
Busch-Jaeger Elektro GmbH	DE	3 330
Industrial C&S Hungary Kft.	HU	431
Industrial Connections & Solutions LLC	US	1 274
PT ABB Sakti Industri	ID	4 851
ABB Electrification Canada (non-legal entity)	CA	19
ABB Orange B.V.	NL	46 040
Total short-term trade receivables from related parties		**2 860 386**

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Long-term trade receivables (CZK thousands)

Related party	Country	31. 12. 2022
ABB Industries (L.L.C.)	AE	361
Total long-term trade receivables from related parties		**361**

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Advance payments (CZK thousands)

Related party	Country	31. 12. 2022
ABB AG	DE	470
ABB France	FR	30
ABB LLP.	KZ	174
ABB Ltd.	RU	153
ABB Operations Center Ltd.	RU	8 316
Total for advances to related parties		**9 143**

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Financing relationships (CZK thousands)

Related party	Country	31. 12. 2022
The Company utilises the Group companies' free cash pool structure and short-term borrowings under the Umbrella Treasury Services Agreement. At the end of the year the Company recognised a receivable towards ABB Capital AG.	CH	338 046

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Purchases (CZK thousands)

Related party	Country	1. 1. - 31. 12. 2022	Contract type
ABB A/S	DK	235	Purchase contract for goods/ products/ service
ABB AB	SE	573 093	Purchase contract for goods/ products/ service
ABB AG	AT	339	Purchase contract for goods/ products/ service
ABB AG	DE	528 350	Purchase contract for goods/ products/ service
ABB AS	EE	7 971	Purchase contract for goods/ products/ service
ABB AS	NO	916	Purchase contract for goods/ products/ service
ABB Asea Brown Boveri Ltd	CH	1 290 121	Purchase contract for goods/ products/ service/ licence
ABB Australia Pty Limited	AU	13	Purchase contract for goods/ products/ service
ABB B.V.	BE	115	Purchase contract for goods/ products/ service
ABB B.V.	NL	28 472	Purchase contract for goods/ products/ service
ABB Bulgaria EOOD	BG	169 733	Purchase contract for goods/ products/ service
ABB Business Services Sp. z o.o.	PL	91 066	Purchase contract for goods/ products/ service
ABB Electrical Equipment (Xiamen) Co., Ltd.	CN	36	Purchase contract for goods/ products/ service
ABB Electrical Industries Co. Ltd.	SA	333	Purchase contract for goods/ products/ service
ABB Electrical Machines Ltd.	CN	25 204	Purchase contract for goods/ products/ service
ABB Electrification Norway AS	NO	88 579	Purchase contract for goods/ products/ service
ABB Electrification Sweden AB	SE	15 518	Purchase contract for goods/ products/ service
ABB Elektrik Sanayi A.S.	TR	34 023	Purchase contract for goods/ products/ service
ABB E-mobility S.p.A.	IT	78 379	Purchase contract for goods/ products/ service
ABB Engineering (Shanghai) Ltd.	CN	32 703	Purchase contract for goods/ products/ service
ABB Engineering Trading and Service Ltd.	HU	433 883	Purchase contract for goods/ products/ service
ABB Equity Limited	CH	11 901	Purchase contract for goods/ products/ service
ABB France	FR	3 232	Purchase contract for goods/ products/ service
ABB Global Industries and Services Private Limited	IN	6 305	Purchase contract for goods/ products/ service
ABB Inc.	CA	5 827	Purchase contract for goods/ products/ service
ABB Inc.	US	5 187	Purchase contract for goods/ products/ service
ABB India Limited	IN	11 589	Purchase contract for goods/ products/ service
ABB Industrial Solutions (Belgium) BV	BE	84	Purchase contract for goods/ products/ service
ABB INDUSTRIAL SOLUTIONS (LODZ) S.A. W LIKWIDACJI	PL	48	Purchase contract for goods/ products/ service
ABB Industries (L.L.C.)	AE	6 220	Purchase contract for goods/ products/ service
ABB Industries FZ	AE	86	Purchase contract for goods/ products/ service
ABB Information Systems Ltd.	CH	391 143	Purchase contract for goods/ products/ service/ licence

Related party	Country	1. 1. - 31. 12. 2022	Contract type
ABB K.K.	JP	33	Purchase contract for goods/ products/ service
ABB Limited	GB	6 323	Purchase contract for goods/ products/ service
ABB Limited	IE	293	Purchase contract for goods/ products/ service
ABB LLC	QA	3 122	Purchase contract for goods/ products/ service
ABB Logistics Center Europe GmbH	DE	147 720	Purchase contract for goods/ products/ service
ABB Ltd.	KR	2 150	Purchase contract for goods/ products/ service
ABB Ltd.	RU	1 148	Purchase contract for goods/ products/ service
ABB Ltd.	TW	13	Purchase contract for goods/ products/ service
ABB Management Services Ltd.	CH	86 311	Purchase contract for goods/ products/ service
ABB N.V.	BE	439	Purchase contract for goods/ products/ service
ABB Oy	FI	374 834	Purchase contract for goods/ products/ service
ABB Power & Automation (Private) Limited	PK	712	Purchase contract for goods/ products/ service
ABB Pte. Ltd.	SG	408	Purchase contract for goods/ products/ service
ABB Robotics Solutions NV	BE	216	Purchase contract for goods/ products/ service
ABB S.p.A.	IT	821 526	Purchase contract for goods/ products/ service
ABB Shanghai Motors Co. Ltd.	CN	9	Purchase contract for goods/ products/ service
ABB Schweiz AG	CH	312 714	Purchase contract for goods/ products/ service/ licence
ABB South Africa (Pty) Ltd.	ZA	475	Purchase contract for goods/ products/ service
ABB Sp. z o.o.	PL	63 060	Purchase contract for goods/ products/ service
ABB Stotz-Kontakt GmbH	DE	57 317	Purchase contract for goods/ products/ service
ABB Striebel & John GmbH	DE	1 890	Purchase contract for goods/ products/ service
ABB Transmission & Distribution Limited LLC	AE	3 332	Purchase contract for goods/ products/ service
ABB UAB	LT	3 034	Purchase contract for goods/ products/ service
ABB Xiamen Low Voltage Equipment Co. Ltd.	CN	4 254	Purchase contract for goods/ products/ service
ABB Xiamen Smart Technology Co., Ltd.	CN	21 362	Purchase contract for goods/ products/ service
ABB Xiamen Switchgear Co. Ltd.	CN	523	Purchase contract for goods/ products/ service
ABB Xinhui Low Voltage Switchgear Co. Ltd.	CN	1640	Purchase contract for goods/ products/ service
ABB, Inc.	PH	361	Purchase contract for goods/ products/ service
ABB, s.r.o.	SK	452	Purchase contract for goods/ products/ service
ABBNG Limited	NG	43	Purchase contract for goods/ products/ service
Asea Brown Boveri Industrial, Technical & Commercial Company of Imports – Exports S.A.	GR	53	Purchase contract for goods/ products/ service
Asea Brown Boveri S.A.	ES	35988	Purchase contract for goods/ products/ service
Busch-Jaeger Elektro GmbH	DE	150378	Purchase contract for goods/ products/ service
Industrial C&S Hungary Kft.	HU	15639	Purchase contract for goods/ products/ service
ABB Beijing Drive Systems Co. Ltd.	CN	9	Purchase contract for goods/ products/ service
Asti Mobile Robotics Group SL	ES	1709	Purchase contract for goods/ products/ service
ABB Orange B.V.	NL	4502	Purchase contract for goods/ products/ service
ABB Industrial Solutions (Klodzko) Sp.z.o.o.	PL	25	Purchase contract for goods/ products/ service
Total purchase to related parties		**5 964 721**	

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Short-term trade payables (CZK thousands)

Related party	Country	31. 12. 2022
ABB AB	SE	126 995
ABB AG	AT	3
ABB AG	DE	163 627
ABB AS	EE	972
ABB AS	NO	3 644
ABB Asea Brown Boveri Ltd	CH	38 805
ABB B.V.	BE	54
ABB B.V.	NL	161
ABB Bulgaria EOOD	BG	75 901
ABB Business Services Sp. z o.o.	PL	19 044
ABB Electrical Machines Ltd.	CN	6 743
ABB Electrification Norway AS	NO	14 637
ABB Electrification Sweden AB	SE	1 858
ABB Elektrik Sanayi A.S.	TR	365
ABB E-mobility S.p.A.	IT	6 253
ABB Engineering (Shanghai) Ltd.	CN	4 410
ABB Engineering Trading and Service Ltd.	HU	98 296
ABB Equity Limited	CH	9 528
ABB France	FR	1 076
ABB Inc.	CA	838
ABB Inc.	US	474
ABB India Limited	IN	1 790
ABB Industries (L.L.C.)	AE	995
ABB Limited	GB	843
ABB LLC	QA	9 179
ABB Logistics Center Europe GmbH	DE	10 059
ABB Ltd.	RU	157
ABB Ltd.	TW	12
ABB Oy	FI	63 897
ABB Pte. Ltd.	SG	67 740
ABB Robotics Solutions NV	BE	22
ABB S.p.A.	IT	246 293
ABB Schweiz AG	CH	2 259
ABB Sp. z o.o.	PL	13 878
ABB Stotz-Kontakt GmbH	DE	19 310
ABB Striebel & John GmbH	DE	233
ABB Transmission & Distribution Limited LLC	AE	516
ABB UAB	LT	347
ABB Xiamen Low Voltage Equipment Co. Ltd.	CN	2 209
ABB Xiamen Smart Technology Co., Ltd.	CN	776
ABB Xiamen Switchgear Co. Ltd.	CN	138
ABB Xinhui Low Voltage Switchgear Co. Ltd.	CN	551
ABB, s.r.o.	SK	342
ABBNG Limited	NG	39
Asea Brown Boveri Industrial, Technical & Commercial Company of Imports – Exports S.A.	GR	52
Asea Brown Boveri S.A.	ES	18 928
B+R automatizace, spol. s.r.o.	CZ	18
Busch-Jaeger Elektro GmbH	DE	6 405
Asti Mobile Robotics Group SL	ES	1 683
Turbo Systems Switzerland Ltd	CH	1 565
ABB Orange B.V.	NL	1 964
Total payables to related parties		**1 045 882**

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Short-term non-trade payables (CZK thousands)

Related party	Country	31. 12. 2022
ABB Information Systems Ltd.	CH	2 443
Total non-trade payables		**2 443**

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Short-term trade payables - advances received (CZK thousands)

Related party	Country	31. 12. 2022
ABB AG	DE	20 453
ABB AS	EE	10 345
ABB Engineering Trading and Service Ltd.	HU	1 360
ABB Inc.	CA	1 969
ABB K.K.	JP	468
ABB Limited	GB	126 465
ABB LLP.	KZ	3 874
ABB Oy	FI	1 827
ABB Schweiz AG	**CH**	**15 813**
ABB Transmission & Distribution Limited LLC	AE	13 441
Asea Brown Boveri S.A.	ES	23 244
ABB Orange B.V.	NL	9 271
Total advances received from related parties		**228 532**

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Short-term trade payables – financing relationships (in CZK thousands)

Related party		31. 12. 2022
The Company uses the free cash system of the individual Group companies within the so-called 'Cash pool' structure and short-term loans. At the end of the year the Company reported a liability towards ABB Capital AG.	CH	**3 485 832**

The Company management hereby deems that any transactions with related entities have been performed under standard business conditions.

Prepared on: 15 August 2023

Aleš Rychetský
Statutory representative

Vítězslav Lukáš
Statutory representative

Michaela Burešová
Person in charge of accounting

Independent external auditors

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This document is an English translation of the Czech auditor's report.
Only the Czech version of the report is legally binding.

Independent Auditor's Report to the Member of ABB s.r.o.

Opinion

We have audited the accompanying financial statements of ABB s.r.o. ("the Company"), prepared in accordance with Czech accounting legislation, which comprise the balance sheet as at 31 December 2022, and the income statement, the statement of changes in equity and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes. Information about the Company is set out in Note 1 to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with Czech accounting legislation.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors, and Auditing Standards of the Chamber of Auditors of the Czech Republic, consisting of International Standards on Auditing (ISAs), which may be supplemented and amended by relevant application guidelines. Our responsibilities under those regulations are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

In accordance with Section 2(b) of the Act on Auditors, other information is defined as information included in the annual report other than the financial statements and our auditor's report. The statutory body is responsible for the other information.

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 laws and regulations, in particular, whether the other information complies with laws and regulations in terms of formal requirements and the procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with those requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- the other information describing matters that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- the other information has been prepared in accordance with applicable laws and regulations.

In addition, our responsibility is to report, based on the knowledge and understanding of the 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 Statutory Body for the Financial Statements

The statutory body is responsible for the preparation and fair presentation of the financial statements in accordance with Czech accounting legislation and for such internal control as the statutory body determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the statutory body is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the statutory body either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the above regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion,

forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory body.
- Conclude on the appropriateness of the statutory body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statutory Auditor Responsible for the Engagement

Barbora Šíblová is the statutory auditor responsible for the audit of the financial statements of ABB s.r.o. as at 31 December 2022, based on which this independent auditor's report has been prepared.

Brno
15 August 2023

KPMG Česká republika Audit, s.r.o.
Registration number 71

Barbora Šíblová
Partner
Registration number 2418

Financial results

Balance sheet in full format as at 31. 12. 2022 ABB s.r.o. Identification number: 496 82 563

Ident.	ASSETS (in TCZK)	line	Gross	Adjust.	Current period Net	Prior period Net
a	b	c	1	2	3	4
	TOTAL ASSETS	1	**13 918 115**	**-3 894 550**	**10 023 565**	**8 054 388**
B.	**Fixed assets**	2	5 665 700	-3 377 875	**2 287 825**	2 173 281
B. I.	Intangible fixed assets	3	145 436	- 122 434	23 002	7 039
B. I. 1.	Development	4	3 970	- 3 970		
B. I. 2.	Intellectual property rights	5	130 439	- 116 359	14 080	3 891
B. I. 2. 1.	Software	6	98 743	- 84 710	14 033	3 813
B. I. 2. 2.	Other intellectual property rights	7	31 696	- 31 649	47	78
B. I. 4.	Other intangible fixed assets	8	2 105	- 2 105		
B. I. 5.	Advance payments for intangible fixed assets and intangible fixed assets under construction	9	8 922		8 922	3 615
B. I. 5. 2.	Intangible fixed assets under construction	10	8 922		8 922	3 615
B. II.	Tangible fixed assets	11	5 520 264	-3 255 441	2 264 823	1 743 431
B. II. 1.	Land and buildings	12	1 880 798	- 645 139	1 235 659	1 011 048
B. II. 1. 1.	Land	13	104 098		104 098	104 098
B. II. 1. 2.	Buildings	14	1 776 700	- 645 139	1 131 561	906 950
B. II. 2.	Plant and equipment	15	3 046 294	-2 580 298	465 996	536 281
B. II. 3.	Adjustments to acquired fixed assets	16	317 694	- 30 004	287 690	
B. II. 5.	Advance payments for tangible fixed assets and tangible fixed assets under construction	17	275 478		275 478	196 102
B. II. 5. 1.	Advance payments for tangible fixed assets	18	28 893		28 893	38 125
B. II. 5. 2.	Tangible fixed assets under construction	19	246 585		246 585	157 977
C.	**Current assets**	**20**	**8 221 628**	**- 516 675**	**7 704 953**	**5 873 544**
C. I.	Inventories	21	3 107 187	- 210 920	2 896 267	2 119 157
C. I. 1.	Raw materials	22	1 125 650	- 156 132	969 518	659 815
C. I. 2.	Work-in-progress and semi-finished products	23	1 342 332	- 20 487	1 321 845	990 667
C. I. 3.	Finished goods and goods for resale	24	590 352	- 34 301	556 051	468 675
C. I. 3. 1.	Finished goods	25	308 577	- 7 288	301 289	248 021
C. I. 3. 2.	Goods for resale	26	281 775	- 27 013	254 762	220 654
C. I. 5.	Advance payments for inventories	27	48 853		48 853	
C. II.	Receivables	28	5 036 931	- 305 755	4 731 176	3 741 845
C. II. 1.	Long-term receivables	29	247 216		247 216	163 843
C. II. 1. 4.	Deferred tax asset	30	156 964		156 964	151 358
C. II. 1. 5.	Receivables - other	31	90 252		90 252	12 485
C. II. 1. 5. 4.	Other receivables	32	90 252		90 252	12 485
C. II. 2.	Short-term receivables	33	4 789 715	- 305 755	4 483 960	3 578 002
C. II. 2. 1.	Trade receivables	34	4 018 672	- 292 461	3 726 211	2 897 949
C. II. 2. 2.	Receivables - group undertakings	35	338 056		338 056	336 537
C. II. 2. 4.	Receivables - other	36	432 987	- 13 294	419 693	343 516
C. II. 2. 4. 3.	Tax receivables	37	13 389	- 13 294	95	42 413
C. II. 2. 4. 4.	Short-term advances paid	38	32 821		32 821	145 375
C. II. 2. 4. 5.	Estimated receivables	39	1 501		1 501	682
C. II. 2. 4. 6.	Other receivables	40	385 276		385 276	155 046
C. IV.	Cash	41	77 510		77 510	12 542
C. IV.1.	Cash in hand	42	109		109	332
C. IV.2.	Bank accounts	43	77 401		77 401	12 210
D.	**Deferrals**	**44**	**30 787**		**30 787**	7 563
D. 1.	Prepaid expenses	45	9 745		9 745	4 948
D. 3.	Accrued revenues	46	21 042		21 042	2 615

Ident.	LIABILITIES (in TCZK)	line	Current period	Prior period
a	b	c	5	6
	TOTAL LIABILITIES AND EQUITY	47	**10 023 565**	**8 054 388**
A.	**Equity**	48	**2 073 513**	**2 215 613**
A. I.	Registered capital	49	400 000	400 000
A. I. 1.	Registered capital	50	400 000	400 000
A. II.	Premium and capital contributions	51	65 000	65 000
A. II. 2.	Capital contributions	52	65 000	65 000
A. II. 2. 1.	Other capital contributions	53	65 000	65 000
A. III.	Funds from profit	54	40 000	40 000
A. III.1.	Other reserve funds	55	40 000	40 000
A. IV.	Retained earnings (+/-)	56	563 118	750 824
A. IV.1.	Retained profits or accumulated losses (+/-)	57	563 118	750 824
A. V.	Profit (loss) for the current period (+/-)	58	1 005 395	959 789
B. + C.	**Liabilities**	**59**	**7 938 372**	**5 827 305**
B.	**Provisions**	**60**	**1 011 483**	**1 007 410**
B. 4.	Other provisions	61	1 011 483	1 007 410
C.	**Liabilities**	**62**	**6 926 889**	**4 819 895**
C. I.	Long-term liabilities	63	5 980	15 992
C. I. 9.	Liabilities - other	64	5 980	15 992
C. I. 9. 3.	Other payables	65	5 980	15 992
C. II.	Short-term liabilities	66	6 920 909	4 803 903
C. II. 3.	Short-term advances received	67	442 308	175 488
C. II. 4.	Trade payables	68	2 135 618	1 807 765
C. II. 6.	Liabilities - group undertakings	69	3 514 338	2 190 000
C. II. 8.	Liabilities - other	70	828 645	630 650
C. II. 8. 1.	Liabilities to shareholders/members	71	576	
C. II. 8. 3.	Payables to employees	72	131 560	118 969
C. II. 8. 4.	Social security and health insurance liabilities	73	71 332	64 302
C. II. 8. 5.	Tax liabilities and subsidies	74	57 201	6 017
C. II. 8. 6.	Estimated payables	75	493 413	369 213
C. II. 8. 7.	Other payables	76	74 563	72 149
D.	**Accruals**	**77**	**11 680**	**11 470**
D. 1.	Accrued expenses	78	10 838	10 377
D. 2.	Deferred revenues	79	842	1 093

Income statement as at 31. 12. 2022

Ident.	INCOME STATEMENT (in TCZK)	line	Current period	Prior period
a	b	c	1	2
I.	Revenue from products and services	1	10 802 797	9 513 038
II.	Revenue from goods	2	2 326 012	2 123 086
A.	Cost of sales	3	9 507 107	8 012 501
A. 1.	Cost of goods sold	4	1 859 784	1 712 131
A. 2.	Materials and consumables	5	5 333 347	4 152 049
A. 3.	Services	6	2 313 976	2 148 321
B.	Change in inventory of own production (+/-)	7	- 398 769	- 200 057
C.	Own work capitalised (-)	8	- 62 301	- 32 722
D.	Personnel expenses	9	2 760 536	2 506 726
D. 1.	Wages and salaries	10	2 015 775	1 826 138
D. 2.	Social security, health insurance and other expenses	11	744 761	680 588
D. 2. 1.	Social security and health insurance expenses	12	665 731	608 689
D. 2. 2.	Other expenses	13	79 030	71 899
E.	Adjustments relating to operating activities	14	251 984	220 281
E. 1.	Adjustments to intangible and tangible fixed assets	15	254 993	217 107
E. 1. 1.	Depreciation and amortisation of intangible and tangible fixed assets	16	254 993	217 107
E. 2.	Adjustments to inventories	17	32 373	15 228
E. 3.	Adjustments to receivables	18	- 35 382	- 12 054
III.	Other operating revenues	19	212 708	166 904
III.1.	Proceeds from disposals of fixed assets	20	874	8 086
III.2.	Proceeds from disposals of raw materials	21	96 180	71 588
III.3.	Miscellaneous operating revenues	22	115 654	87 230
F.	Other operating expenses	23	352 927	297 215
F. 1.	Net book value of fixed assets sold	24	121	6 069
F. 2.	Net book value of raw materials sold	25	67 257	49 210
F. 3.	Taxes and charges	26	3 521	2 870
F. 4.	Provisions relating to operating activity and complex prepaid expenses	27	9 976	39 107
F. 5.	Miscellaneous operating expenses	28	272 052	199 959
*	**Operating profit (loss) (+/-)**	**29**	**930 033**	**999 084**
VI.	Interest revenue and similar revenue	30	580	24
VI.1.	Interest revenue and similar revenue - group undertakings	31	580	24
J.	Interest expense and similar expense	32	186 777	28 093
J. 1.	Interest expense and similar expense - group undertakings	33	186 777	28 093
VII.	Other financial revenues	34	1 530 198	846 534
K.	Other financial expenses	35	1 020 779	679 786
*	**Profit (loss) from financial operations**	**36**	**323 222**	**138 679**
**	**Profit (loss) before tax (+/-)**	**37**	**1 253 255**	**1 137 763**
L.	Income tax	38	247 860	177 974
L. 1.	Current tax	39	253 466	193 629
L. 2.	Deferred tax (+/-)	40	- 5 606	- 15 655
**	**Profit (loss) after tax (+/-)**	**41**	**1 005 395**	**959 789**
***	**Profit (loss) for the accounting period (+/-)**	**42**	**1 005 395**	**959 789**
*	**Net turnover for the accounting period = I. + II. + III. + IV. + V. + VI. + VII.**	**43**	**14 872 295**	**12 649 586**

Cash flow statement as at 31. 12. 2022

Ident.	CASH FLOW STATEMENT (in TCZK)	Current period	Prior period
P.	**Cash and cash equivalents, beginning of period**	**12 542**	**9 381**
	Net operating cash flow		
Z:	Accounting profit (loss) from ordinary activities	1 253 255	1 137 763
A. 1.	Non-cash transactions	441 510	290 994
A. 1. 1.	Depreciation and amortisation of fixed assets	233 814	208 282
A. 1. 2.	Change in:	22 242	51 106
A. 1. 2. 1.	goodwill and adjustments to acquired assets	21 179	8 825
A. 1. 2. 2.	provisions and other adjustments	1 063	42 281
A. 1. 3.	Profit(-) Loss(+) on sale of fixed assets	- 753	- 2 017
A. 1. 5.	Expense and revenue interests accounted for	186 197	28 069
A. 1. 6.	Other non-cash transactions	10	5 554
A*.	**Net operating cash flow before taxation and changes in working capital**	**1 694 765**	**1 428 757**
A. 2.	Changes in working capital	-1 062 303	407 244
A. 2. 1.	Change in receivables from operating activities, estimated receivables and deferrals	- 970 048	428 066
A. 2. 2.	Change in short-term liabilities from operating activities, estimated payables and accruals	718 746	346 964
A. 2. 3.	Change in inventories	- 809 482	- 419 924
A. 2. 4.	Change in short-term financial assets, other than cash and cash equivalents	- 1 519	52 138
A.**	**Net operating cash flow before taxation**	**632 462**	**1 836 001**
A. 3.	Interest paid excluding amounts capitalised	- 186 777	- 28 093
A. 4.	Interest received	580	24
A. 5.	Income tax paid on ordinary income and income tax relating to prior periods	- 189 922	- 394 870
A.***	**Net operating cash flow**	**256 343**	**1 413 062**
	Investing activities		
B. 1.	Acquisition of fixed assets	- 369 667	- 611 737
B. 1. 1.	Acquisition of tangible fixed assets	- 348 254	- 292 497
B. 1. 2.	Acquisition of intangible fixed assets	- 21 413	- 1 546
B. 1. 3.	Acquisition of adjustments to acquired assets		- 317 694
B. 2.	Proceeds from sales of fixed assets	874	8 086
B. 2. 1.	Proceeds from sales of tangible and intangible fixed assets	874	8 086
B.***	**Cash and cash equivalents, end of period**	**- 368 793**	**- 603 651**
	Financing activities		
C. 1.	Change in long-term resp.short-term liabilities from financing	1 324 914	815 000
C. 2.	Increase and decrease in equity from cash transactions	-1 147 496	-1 621 250
C. 2. 6.	Dividends paid, including withholding tax paid and bonuses paid to board members	-1 147 496	-1 621 250
C.***	**Net cash flow from financing activities**	**177 418**	**- 806 250**
F.	**Net increase or decrease in cash balance**	**64 968**	**3 161**
R.	**Cash and cash equivalents, end of period**	**77 510**	**12 542**

Statement of changes in equity for the year ended 31 December 2022

	Registered capital	Other capital contributions	Other reserve funds	Retained profits or accumulated losses (+/-)	Profit (loss) for the current period	Total
Balance as at 1. 1. 2022 (in TCZK)	**400 000**	**65 000**	**40 000**	**750 824**	**959 789**	**2 215 613**
Transfer of the profit (loss) of prior year period	--	--	--	959 789	-959 789	--
Dividends	--	--	--	-1 147 496	--	-1 147 496
Other adjustments	--	--	--	1	--	1
Profit (loss) for the current period	--	--	--	--	1 005 395	1 005 395
Balance as at 31. 12. 2022 (in TCZK)	**400 000**	**65 000**	**40 000**	**563 118**	**1 005 395**	**2 073 513**

	Registered capital	Other capital contributions	Other reserve funds	Retained profits or accumulated losses (+/-)	Profit (loss) for the current period	Total
Balance as at 1. 1. 2021 (in TCZK)	**400 000**	**65 000**	**40 000**	**1 501 400**	**870 550**	**2 876 950**
Transfer of the profit (loss) of prior year period	--	--	--	870 550	-870 550	--
Dividends	--	--	--	-1 621 250	--	-1 621 250
Other adjustments	--	--	--	124	--	124
Profit (loss) for the current period	--	--	--	--	959 789	959 789
Balance as at 31. 12. 2021 (in TCZK)	**400 000**	**65 000**	**40 000**	**750 824**	**959 789**	**2 215 613**

ABB s.r.o.
Notes to the financial statements for the period from 1 January 2022 to 31 December 2022

1.
Charakteristika a hlavní aktivity

Establishment and description of the Company
ABB s.r.o. ("the Company") was incorporated on 20 July 1993 by being recorded in the Commercial Register maintained by the Municipal Court in Prague, under file number 79391, section C. The Company's principal activities comprise comprehensive deliveries, manufacture, construction and modernisation of buildings; manufacture of equipment for the transmission, distribution and monitoring of electricity, high-voltage equipment, as well as measurement and regulation devices and control systems; and products and services related to automation, electrical installation materials, low-voltage devices and maintenance.

Ownership structure
The owner of the Company as at 31 December 2022 was:

ABB Asea Brown Boveri Ltd	100.0 %

Registered office
ABB s.r.o.
Vyskočilova 1561/4a
Michle, 140 00 Praha 4
Czech Republic

Identification number
496 82 563

As at 31 December 2022, Messrs Vítězslav Lukáš, Aleš Rychetský and Tomáš Čejchan were the Company's statutory representatives.

These financial statements were prepared as ordinary financial statements ("the financial statements") as at 31 December 2022 for the accounting period from 1 January 2022 to 31 December 2022.

The data for the current accounting period relate to the period from 1 January 2022 to 31 December 2022 and the comparative information for the previous accounting period is taken from the accounting period from 1 January 2021 to 31 December 2021.

The consolidated financial statements of the narrowest group of entities to which the Company as a consolidated entity belongs are prepared by ABB Asea Brown Boveri Ltd, with its registered office at Affolternstrasse 44, 8050 Zurich, Switzerland. The Company is part of the consolidating entity ABB Ltd. The consolidated financial statements of the parent company are stored at the parent company's registered office.

The consolidated financial statements of the widest group of entities to which the Company as a consolidated entity belongs are prepared by ABB Ltd, with its registered office at Affolternstrasse 44, 8050 Zurich, Switzerland. The consolidated financial statements are available at the consolidating entity's registered office.

2.
General accounting principles, accounting policies and their changes and deviations

These financial statements have been prepared in compliance with Act No. 563/1991 Coll., on Accounting, as amended, ("the Act on Accounting") and Decree of the Czech Ministry of Finance No. 500/2002 Coll., implementing certain provisions of the Act on Accounting, as amended, for business entities using double-entry bookkeeping, ("the Decree").

The financial statements have been prepared on a going concern basis.

a) Tangible and intangible fixed assets
Tangible and intangible fixed assets are stated at acquisition cost. Tangible fixed assets costing up to TCZK 40 and intangible fixed assets costing up to TCZK 60 are not recognised in the balance sheet and are expensed in the year that they are acquired.

The cost of internally produced fixed assets includes direct materials, direct wages and overheads directly related to the creation of the asset until it is put into use.

Assets are depreciated using the following methods over the following periods:

Assets	Method	Period
Buildings	Straight-line	15-50 years
Machinery and equipment	Straight-line	3-15 years
Vehicles	Straight-line	5 years
Fixtures and fittings	Straight-line	8 years
Patents and other intangibles	Straight-line	3-5 years
Software	Straight-line	3-5 years
Adjustments to acquired fixed assets	Straight-line	15 years
Intellectual property rights	Straight-line	As per contract

In the income statement, depreciation is presented in "Depreciation and amortisation of intangible and tangible fixed assets".

Leasehold improvements are depreciated on a straight-line basis over the shorter of the lease term and their estimated useful lives.

b) Inventories
Raw materials are stated at cost, which includes the purchase price of the materials and related customs duties and in-transit storage and freight costs incurred in delivering the materials to the manufacturing facility. Cost is determined using the weighted average method.

Work-in-progress and finished goods inventories are stated at actual cost, which includes direct production costs and, where applicable, allocable indirect production costs. Direct costs include the cost of materials and consumables, and other costs directly incurred in connection with the production process.

Goods for resale are stated at cost, which includes the purchase price of the goods and related customs duties and in-transit storage and freight costs incurred in delivering the goods to the warehouse. Cost is determined using the weighted average method.

c) Establishment of adjustments and provisions

Tangible fixed assets

The Company establishes adjustments to tangible fixed assets to reduce the net book value of buildings and land to their recoverable amount. In the income statement, the establishment and release of adjustments is presented in "Impairment of intangible and tangible fixed assets".

Receivables

The Company establishes adjustments for doubtful receivables based on an analysis of the credit status of customers and the ageing structure of receivables. In the income statement, the establishment and release of adjustments is presented in “Adjustments to receivables”.

Inventories

Adjustments are established to reduce the cost of inventory to net realisable value.
In the income statement, the establishment and release of adjustments is presented in “Adjustments to inventories”.

The cost of redundant, obsolete and slow-moving inventory is reduced to realisable value via an adjustment account, which is presented in the accompanying balance sheet in the “Adjust.” column. The adjustment has been determined by the Company’s management based on accounting policies applied by ABB group entities.

Provisions

The Company establishes provisions for losses and risks in cases where the title, amount and timing of the performance can be determined with a high degree of probability while respecting the accrual principle.

In particular, the Company establishes provisions for warranty repairs, untaken holidays, long-term project costs and other specific business-related risks and liabilities.

A provision for long-term project costs is established where, at the time of partial invoicing, the Company generates a higher profit margin in respect of a project than the project’s total expected profit margin.

As at the balance sheet date, a provision for untaken holidays is established based on an analysis of untaken holidays in the accounting period and average payroll expenses, including social security and health insurance expenses per employee.

A provision for warranty repairs is established based on an analysis of historical costs incurred for warranty repairs, taking into account the composition of warranties provided and claimed.

An income tax provision is established as the financial statements are prepared before the tax liability is determined. In the subsequent accounting period, the Company releases this provision and records the actual tax liability determined.

In the balance sheet, the income tax provision is reduced by income tax prepayments, and the net receivable (if any) is recorded in tax receivables.

d) Foreign currency translation
At the beginning of each calendar month the Company sets a fixed exchange rate based on the Czech National Bank official rate for the first working day of the month, which is applied to transactions recorded during the month.

As at the balance sheet date, foreign currency monetary assets and liabilities are translated at the prevailing Czech National Bank official rates. Unrealised foreign exchange gains and losses are recognised in profit or loss.

e) Derivatives
A derivative is a financial instrument that meets all of the following conditions.
- Its fair value changes in response to the change in a specified interest rate, price of a security, commodity price, foreign exchange rate, price index, credit rating or credit index, or other variable (“the underlying asset”).
- It requires a small or no initial net investment compared with other types of contract based on a similar response to changes in market factors. It is settled at a future date, with the period from the trade date to the settlement date exceeding that of a spot transaction.

- Derivatives are recognised in the balance sheet at fair value. Positive fair values of derivatives are recognised in assets under “Other receivables (short-term)” and “Other receivables (long-term)”. Negative fair values of derivatives are recognised in liabilities under “Other payables (short-term)” and “Other payables (long-term)”. The fair value of financial derivatives is the present value of expected cash flows from these transactions. Receivables and payables arising from derivatives concluded with the same counterparty are presented on a net basis.

Trading derivatives

Derivatives held for trading are recognised in the balance sheet at fair value. Gains/losses from changes in fair value are recorded in the income statement under “Other financial revenues”/“Other financial expenses”.

f) Research and development
Research costs are incurred for the purpose of acquiring new technical knowledge which may lead to improved products or processes in the future but for which economic viability has not been established. Research costs are charged to the income statement in the year in which they are incurred.

Development costs are incurred to convert new technical knowledge or methods into new or substantially improved products or production processes. Such costs are expensed in the period in which they are incurred.

g) Leased assets
Lease payments are expensed on a straight-line basis over the lease term. Where an asset is purchased at the end of the lease, it is recorded at its purchase price.

h) Recognition of revenues and expenses
Revenues and expenses are recognised on an accrual basis, i.e. in the period to which they relate in terms of substance and timing.

In accordance with the concluded contracts, revenue and profit from long-term construction/assembly contracts is recognised on a partial basis at the time of partial (progress, milestone) or final invoicing.

If, at the time of partial (progress) invoicing, the Company generates a profit that is higher than the total expected profit, a provision for project costs is established to reduce the profit to the expected level, taking into consideration the stage of completion of the project and the principle of prudence.

The Company debits to expenses the establishment of provisions and adjustments to cover all risks, losses and impairment known as at the date of preparation of the financial statements.

Bonuses provided to customers for goods sold are recognised in the period in which revenue from the respective sale is recorded. In the income statement, bonuses are recognised as a reduction of revenue from goods.

i) Income tax
Income tax for the period comprises current tax and the change in deferred tax.

Current tax comprises an estimate of tax payable calculated based on the taxable income, using the tax rate valid as at the first day of the accounting period, and any adjustments to taxes payable for previous periods.

Deferred tax is based on all temporary differences between the carrying and tax value of assets and liabilities, and other temporary differences (tax losses carried forward, if any), multiplied by the tax rate expected to be valid for the period in which the tax asset/liability is utilised.

A deferred tax asset is recognised only if it is probable that it will be utilised in future accounting periods.

j) Classification of liabilities
The Company classifies as short-term any part of long-term liabilities, bank loans and overdrafts that is due within one year of the balance sheet date.

3.
Intangible and tangible fixed assets

a) Intangible fixed assets (in TCZK)

	Research and development	Software	Other intellectual property rights	Other intangible fixed assets	Intang. fixed assets under constr.	Total 31. 12. 2022	Total 31. 12. 2021
Acquisition cost							
Opening balance	3 970	83 837	31 696	2 105	3 148	**124 756**	**127 506**
Additions	--	15 639	--	--	5 774	**21 413**	**1 546**
Disposals	--	-733	--	--	--	**-733**	**-4 296**
Transfers	--	--	--	--	--	**0**	**0**
Closing balance	3 970	98 743	31 696	2 105	8 922	**145 436**	**124 756**
Accumulated amortisation							
Opening balance	3 970	80 024	31 618	2 105	--	**117 717**	**118 664**
Additions	0	5 419	31	--	--	**5 450**	**3 349**
Disposals	0	-733	--	--	--	**-733**	**-4 296**
Transfers	--	--	--	--	--	**0**	**0**
Closing balance	3 970	84 710	31 649	2 105	0	**122 434**	**117 717**
Net book value 1. 1. 2022	0	3 813	78	0	3 148	**7 039**	**8 842**
Net book value 31. 12. 2022	0	14 033	47	0	8 922	**23 002**	**7 039**

b) Tangible fixed assets (in TCZK)

	Land	Buildings	Machin. and equip.	Vehicle + fixtures and fittings	Tang. fixed assets under constr.	Advances paid	Adjustments to acquired assets	Total 31. 12. 2022	Total 31. 12. 2021
Acquisition cost									
Opening balance	104 098	1 527 960	2 919 033	30 542	337 976	32 696	317 694	**5 269 999**	**4 735 849**
Additions	0	101 601	105 232	645	140 272	504	0	**348 254**	**648 067**
Disposals	0	-53 163	-44 272	-554	0	0	0	**-97 989**	**-113 917**
Transfers	0	200 302	35 620	48	-231 663	-4 307	0	0	0
Closing balance	104 098	1 776 700	3 015 613	30 681	246 585	28 893	317 694	**5 520 264**	**5 269 999**
Accumulated depreciation									
Opening balance	0	622 164	2 428 519	23 761	0	0	8 825	**3 083 269**	**2 971 930**
Additions	0	39 667	166 630	1 576	0	0	21 179	**229 052**	**213 758**
Disposals	0	-34 813	-42 001	-554	0	0		**-77 368**	**-102 419**
Transfers		0	0	0	0	0		**0**	**0**
Closing balance	0	627 018	2 553 148	24 783	0	0	30 004	**3 234 953**	**3 083 269**
Adjustments									
Opening balance	--	18 121	2 367	--	0	0	--	**20 488**	**20 488**
Change in adjustments	--	0	0	--	0	0		**0**	**0**
Closing balance	0	18 121	2 367	0	0	0		**20 488**	**20 488**
Net book value 1. 1. 2022	104 098	887 675	488 147	6 781	337 976	32 696	308 869	**2 166 242**	**1 743 431**
Net book value 31. 12. 2022	104 098	1 131 561	460 098	5 898	246 585	28 893	287 690	**2 264 823**	**2 166 242**

Additions to tangible fixed assets for the period from 1 January 2022 to 31 December 2022 primarily comprise investment in expanding and replacing manufacturing equipment.

Adjustments to acquired fixed assets relates to the transfer of production from Italy to the Czech Republic as part of the Lotus project.

4.
Inventories

At the stocktaking held on 31 December 2022 the Company identified raw materials of TCZK 1 125 650 (31 December 2021 – TCZK 791 136), work-in-progress and semi-finished products of TCZK 1 342 332 (31 December 2021 – TCZK 1 003 366), finished goods of TCZK 308 577 (31 December 2021 – TCZK 254 693) and goods for resale of TCZK 281 775 (31 December 2021 – TCZK 248 510).

5.
Trade receivables and payables

a) Short-term trade receivables total TCZK 4 018 672 (31. December 2021 – TCZK 3 225 792), of which TCZK 1 224 540 (31. December 2021 – TCZK 1 121 529) is overdue. An adjustment of TCZK 292 461 (31. December 2021 – TCZK 327 843) was set up at 31. December 2022 for doubtful receivables.

b) Short-term trade payables total TCZK 2 135 618 (31. December 2021 – TCZK 1 807 765), of which TCZK 152 537 (31. December 2021 – TCZK 142 293) is overdue.

6.
Short-term advances paid and received

As at 31 December 2022 and 31 December 2021, short-term advances paid of TCZK 32 821 (31 December 2021 – TCZK 145 375) primarily comprised payments to suppliers relating to long-term projects.

As at 31 December 2022 and 31 December 2021, short-term advances received, totalling TCZK 442 308 (31 December 2021 – TCZK 175 488) primarily comprised payments from customers relating to long-term projects.

7.
Accrued revenues

Accrued revenues of TCZK 21 042 (31 December 2021 – TCZK 2 615) include in particular uninvoiced deliveries of engineering services and services connected with development.

8.
Prepaid expenses

Prepaid expenses amounting to TCZK 9 745 (31 December 2021 – TCZK 4 948) primarily comprise deferrals in respect of finance lease payments, insurance, royalties, quarterly management fees, and are expensed in the period to which they relate in terms of substance and timing

9. Derivatives

As at the balance sheet date, the Company held the following derivatives for trading (in TCZK):

	Fair value at 31. 12. 2022		Fair value at 31. 12. 2021	
	Positive	Negative	Positive	Negative
Commodity contracts	3 196	-8 520	16 250	-2 163
Currency contracts	--	--	--	--
Swaps	179 145	-34 229	43 313	-25 288
Forwards	290 524	-31 455	109 409	-56 980
Subtotal	472 865	-74 204	152 722	-82 268
Total derivatives for trading	398 661	--	84 541	--

10. Adjustments

	Adjustment to fixed assets	Adjustment to inventories	Adjustment to tax receivables	Adjustment to receivables	Total
Balance at 1. 1. 2022 (in TCZK)	20 488	178 548	13 294	327 843	540 173
Additions (in TCZK)	--	32 372	--	--	32 372
Release/utilisation (in TCZK)	--	--	--	-35 382	-35 382
Balance at 31. 12. 2022 (in TCZK)	20 488	210 920	13 294	292 461	537 163

11. Equity

The current year's profit will be distributed as decided by the Company's owner.

12. Provisions

	Provision for costs*	Provision for warranty repairs	Other provisions**	Total
Balance at 1. 1. 2022 (in TCZK)	324 526	288 477	394 407	1 007 410
Additions (in TCZK)	37 302	1 107	--	38 409
Utilisation (in TCZK)	--	--	-34 336	-34 336
Balance at 31. 12. 2022 (in TCZK)	361 828	289 584	360 071	1 011 483

* Provisions for costs relating to long-term projects (see note 2c).

** Other provisions are established based on the Company's internal accounting policies, and primarily comprise provisions for specific warranty repairs and other business-related liabilities (provisions for untaken holidays, bonuses, provided bank guarantees and high-risk contracts).

13.
Estimated payables

Estimated payables of TCZK 493 413 (31 December 2021 – TCZK 369 213) primarily comprise uninvoiced deliveries of material.

14.
Segment information

The Company's revenue for the period from 1 January 2022 to 31 December 2022 can be analysed as follows (in TCZK):

	1–12/2022			1–12/2021
	Domestic	International	Total 2022	Total 2021
Revenue from own products, goods and services	4 133 700	8 995 109	13 128 809	11 636 124
Revenue from disposals of fixed assets and raw materials	44 476	52 578	97 054	79 674
Total revenue	4 178 176	9 047 687	13 225 863	11 715 978

15.
Services

Services for the period from 1 January 2022 to 31 December 2022 primarily comprised the following (in TCZK):

	1–12/2022	1–12/2021
Repairs and maintenance	101 975	105 373
Travel and meal expenses	104 782	58 573
Entertainment expenses	20 406	10 424
Cost of agency workers	130 360	123 627
Rental expense	203 059	172 067
Assembly work	234 668	191 440
Management fees	86 311	81 959
Transportation costs	160 541	142 391
Cost of ABB internal services	758 631	724 858
Other	513 243	537 609
Total	2 313 976	2 148 321

16.
Personnel expenses

1. 1. 2022 – 31. 12. 2022	Number of employees	Wages and salaries	Social security and health insurance expenses	Social expenses
Employees (in TCZK)	2 942	1 986 723	658 797	78 064
Executives (in TCZK)	8	29 052	6 934	966
Total (in TCZK)	2 950	2 015 775	665 731	79 030

* Wages and salaries for executives represent the remuneration of executives due to their function.

1. 1. 2021 – 31. 12. 2021	Number of employees	Wages and salaries	Social security and health insurance expenses	Social expenses
Employees (in TCZK)	2 942	1 785 314	599 982	70 422
Executives (in TCZK)	11	40 824	8 707	1 477
Total (in TCZK)	2 953	1 826 138	608 689	71 899

17. Income tax

a) Current tax

Due income tax includes the income tax reserve for 2022 equal to TCZK 249 417 (for the period from from 1 January 2021 to 31 December 2021 in the amount of TCZK 224 054).

Tax in the amount of TCZK 249 417 was set off with the paid income tax estimates of TCZK 229 758 (31. December 2021 – TCZK 263 926) and the resulting liability of TCZK 19 659 was reported under the heading State – tax liabilities (31. December 2021 - the resulting receivable amounting to TCZK 39 872 thousand was reported under the item State – tax receivables).

b) Deferred tax (in TCZK)

	Assets		Liabilities	
	31. 12. 2022	31. 12. 2021	31. 12. 2022	31. 12. 2021
Tangible and intangible fixed assets	--	--	-438 236	-437 400
Adjustment to receivables	21 469	27 575	--	--
Adjustment to inventories	210 920	178 548	--	--
Adjustment to fixed assets	20 488	20 488	--	--
Provisions	1 011 483	1 007 410	--	--
Subtotal asset/(liability)	1 264 360	1 234 022	-438 326	-465 061
Deferred tax asset/(liability)	156 964	151 358	--	--

In accordance with the accounting policy described in note 2i), a tax rate of 19% was used to calculate deferred tax (31 December 2021 – 19%).

18. Related parties

In the period from 1 January 2022 to 31 December 2022, members of statutory bodies and executives received no loans, guarantees, deposits or other benefits, nor do they hold any equity investments in the Company. Executives may use the Company's vehicles for both business and private purposes.

The Company sells products to related parties in the ordinary course of business. For the period from 1 January 2022 to 31 December 2022 such sales totalled TCZK 8 622 105 (from 1 January 2021 to 31 December 2021 – TCZK 7 423 501).

Short-term trade receivables from related parties as at 31 December 2022 and 31 December 2021 (in TCZK):

Related party	Due dates	31. 12. 2022	31. 12. 2021
ABB Group	30–90 days	2 860 386	2 174 342

As at 31. December 2022 and 31. December 2021 the Company recorded short-term liabilities towards affiliated parties amounting to CZKT 361 and CZKT 1 119. The Company recognised short-term advances made at year-end, which include advances to related entities as at 31. December 2022 and 31. December 2021 in the amount of CZKT 9 143 and CZKT 75 516.

At the end of the year the Company recognised short-term receivables from related entities, representing funds contributed to ABB Capital, AG and short-term deposits in the system of utilisation of free cash of individual Group companies within the 'Cash pool'. The balances of these funds as at 31. December 2022 and 31. December 2021 were CZKT 338 056 thousand and CZKT 336 537 thousand and are reported under the item 'Payables – controlled or controlling entity'.

The Company purchases products and utilises services of related parties as part of its regular business activities. For the period from 1 January 2022 to 31. December 2022, the purchases (including management fees) amounted to TCZK 5 964 721 (from 1 January 2021 to 31 December 2021 – TCZK 6 088 957).

Short-term trade payables to related parties as at 31 December 2022 and 31 December 2021 (in TCZK):

Related party	Due dates	31. 12. 2022	31. 12. 2021
ABB Group	30–90 days	1 045 882	701 009

At the end of the year the Company received loans with the following balances from ABB Capital (in TCZK):

Related party	Due date/interest rate	31. 12. 2021	31. 12. 2020
ABB Capital, AG	Due on 20. 1. 2023, interest rate of 8,32%	3 500 000	--
ABB Capital, AG	Due on 21. 1. 2022, interest rate of 4,41 %	--	590 000
ABB Capital, AG	Due on 21. 1. 2022, interest rate of 4,27 %	--	1 600 000
Total		3 500 000	2 190 000

The loans from ABB Capital, AG are provided in CZK on a revolving basis and they are recorded in liabilities – group undertakings.

The interest expense related to loans from ABB Capital, AG as at 31 December 2022 was TCZK 186 541 (31. December 2021 – TCZK 28 093).

In addition, the Company entered into derivative transactions with ABB Capital, AG (see note 9).

At the end of the year the Company reported short-term advances received, including advances received from related parties as at 31. December 2022 and 31. December 2021 of TCZK 228 532 and TCZK 62 768, respectively.

At the end of the year the Company reported other payables, including payables from related parties as at 31. December 2021 and 31 December 2020 of TCZK 2 443 and TCZK 911, respectively.

As at 31. December 2022 the Company had incurred no pension liabilities to former members of management, supervisory and administrative bodies.

19.
Research and development

For the period from 1. January 2022 to 31. December 2022, TCZK 365 422 was spent on research and development and expensed (from 1. January 2021 to 31. December 2021 – TCZK 265 517).

20.
Leased assets

a) Finance leases

The Company is committed to payments under finance leases for IT equipment and machinery as follows (in TCZK):

	Total lease payments	Paid at 31. 12. 2022	Due within 1 year	Due in 1 to 5 years
Machinery, IT equipment	26 398	12 285	5 341	8 772
Total	26 398	12 285	5 341	8 772

	Total lease payments	Paid at 31. 12. 2021	Due within 1 year	Due in 1 to 5 years
Machinery, IT equipment	25 407	18 731	1 697	4 979
Total	25 407	18 731	1 697	4 979

b) Operating leases

The Company has an operating lease for buildings, land, cars and machinery. The annual cost of this lease for the period from 1. January 2022 to 31. December 2022 was TCZK 198 192 (from 1. January 2021 to 31. December 2021 – TCZK 172 067).

21.
Contingencies and commitments

As at 31. December 2022 and 31. December 2021, the Company had commitments not recognised in the balance sheet. These comprised bank guarantees provided of TCZK 134 456 (31. December 2021 – TCZK 122 247), maintained in off-balance sheet records.

As at 31 December 2022 the guarantees included provided warranty bonds, performance bonds and retention bonds issued by:

Citibank N.A. in the amount of ..... TCZK 23 483
ING Bank N.V. in the amount of ..... TCZK 72 462
Deutsche Bank AG in the amount of ..... TCZK 28 344
UniCredit Bank Czech Republic and Slovakia, a.s. in the amount of ..... TCZK 9 950
Commerzbank Aktiengesellschaft, in the amount of ..... TCZK 217

As at 31 December 2021 the guarantees included provided warranty bonds, performance bonds and retention bonds issued by:

ING Bank N.V. in the amount of ..... TCZK 69 096
Deutsche Bank AG in the amount of ..... TCZK 18 085
UniCredit Bank Czech Republic and Slovakia, a.s. in the amount of ..... TCZK 34 849
Commerzbank Aktiengesellschaft, in the amount of ..... TCZK 217

22.
Cash flow statement

For the purposes of the cash flow statement, cash and cash equivalents are defined to include cash in hand, cash in transit, cash at the bank and other financial assets whose valuation can be reliably determined and that can be readily converted to cash. Cash and cash equivalents as at year end are as follows (in TCZK):

	31. 12. 2021	31. 12. 2022
Cash and cash equivalents	12 542	77 510

23.
Other disclosures

Other expenses for the period from 1. January 2022 to 31. December 2022 mainly comprise expenses incurred on pension and life insurance and other social expenses provided to the Company's employees.

Other operating revenues for the period from 1. January 2022 to 31. December 2022 mainly comprise payments of contractual penalties from customers and revenue from the sale of waste.

Other operating expenses for the period from 1. January 2022 to 31. December 2022 primarily comprised payments of royalties and commissions.

Other financial revenues and other financial expenses for current and prior period primarily include realised and unrealised foreign exchange gains and losses, and fair value remeasurement of derivatives.

Audit fees payable to the statutory auditor for the period from 1. January 2022 to 31. December 2022 are disclosed in the consolidated financial statements of the ABB Group.

24.
Other information

The Company management has considered the risks and impacts of the current conflict situation in Ukraine and assessed these impacts as insignificant for ABB s.r.o.

25.
Significant subsequent event

As of 30. 6. 2023, ABB s.r.o. signed an agreement with Amphenol Tuchel Industrial GmbH in relation to the partial sale of the business for an approximate value of USD 15 million. The IPS – Industrial Plug and Socket product line is the subject of the sale.

Prepared on: 15. August 2023

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