

ANNUAL REPORT 2021

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EKOL, spol. s r.o.

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1. SELECTED FINANCIAL INDICATORS

INDICATOR (CZK '000)	2021	2020	2019	2018
PRODUCTION AND SALE OF GOODS	865 927	632 360	1 568 759	745 854
PRODUCTION CONSUMPTION	780 318	451 260	1 194 867	788 617
NET PROFIT/LOSS	13 684	13 264	28 832	-9 926
TOTAL ASSETS	1 198 222	1 098 188	1 126 470	1 157 946
CURRENT ASSETS	1 025 456	878 343	898 947	932 081
LIABILITIES	568 559	459 833	595 857	594 496
EQUITY	493 054	481 913	468 649	439 817

2. DEVELOPMENT BETWEEN 2011 AND 2021

Inventory including work in progress (CZK '000)

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
262 135	75 271	235 914	189 380	120 161	125 541	517 317	605 558	332 359	265 190	282 753

Average number of employees

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
140	161	167	163	163	164	164	143	128	114	125

Equity (CZK '000)

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
519 238	619 540	620 899	616 122	634 387	590 670	449 743	439 817	468 649	481 913	493 054

Production and sale of goods (CZK '000)

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
839 870	1 354 721	1 207 045	587 591	817 374	810 529	551 080	745 854	1 568 759	632 360	865 927

3. ORGANISATIONAL STRUCTURE OF THE COMPANY

Board of Statutory Executives

Liu Haijun

Jaroslav Zapletal

Wang Hui

Sui Zengqiang

SUBSIDIARIES

EKOL ENERGO s. r. o.

BRNO

– 100% equity investment –

AEZ, s. r. o.

BRNO

– 100% equity investment –

EKOL, spol. s r. o. Martin

MARTIN

– 100% equity investment –

EKOL TURBO a. s.

BRNO

– 100% equity investment –

BIOVAL Rumunsko not included in the consolidated group

Valea lui Mihaj, Romania

-99.9%-

POWER ELECTRIC

Bielsko Biala, Poland

-51%-

4. SPECIALISATION OF THE GROUP

EKOL, spol. s r.o. is a flexible and evolving company established in 1991, which grew into a respected European manufacturer and supplier of heat- and electricity-producing equipment.

The Company is based on the activities of top scientists with long-term experience in the field.

The group has currently reached a level where it is able to provide design, construction, production and commissioning of complete energy units, coming to the forefront of leading European manufacturers and suppliers of energy equipment.

The main asset of the Company is its focus on the specific requirements of every customer, which means understanding their needs, finding a common solution, and optimising every project.

The Company's specialisation comprises the following segments:

- Energy units
- Steam turbines
- Service
- Steam, hot water, warm water and electrical boilers
- Research and development
- Technical division – design of steam and combustion turbines, project department
- Production and assembly

5. RESEARCH AND DEVELOPMENT ACTIVITIES

In 2021, the activities of the Research and Development Department (R&D) comprised the following:

1/ EKOL R&D Programme

- Task 4 - Blading - specification of the methodology for the evaluation of low-cycle fatigue (NCU), elaboration of design and production documentation of samples for experimental measurements in the testing laboratory and verification of the methodology.
- Task 8 - Modular system - created beta versions of applications for CAD automation - flow channel creation (sw / CHANNEL) and 2D / 3D production documentation of twisted blades (sw / TWISTEDBLADE).

2/ ShaanGu East EU R&D Center – LSBG project

- Design data - 10 size groups of the last stages of twisted blades, a total of 60 blades, grade detail design data (blade geometry, Campbell, Goodman, CFD, database, operating characteristics).

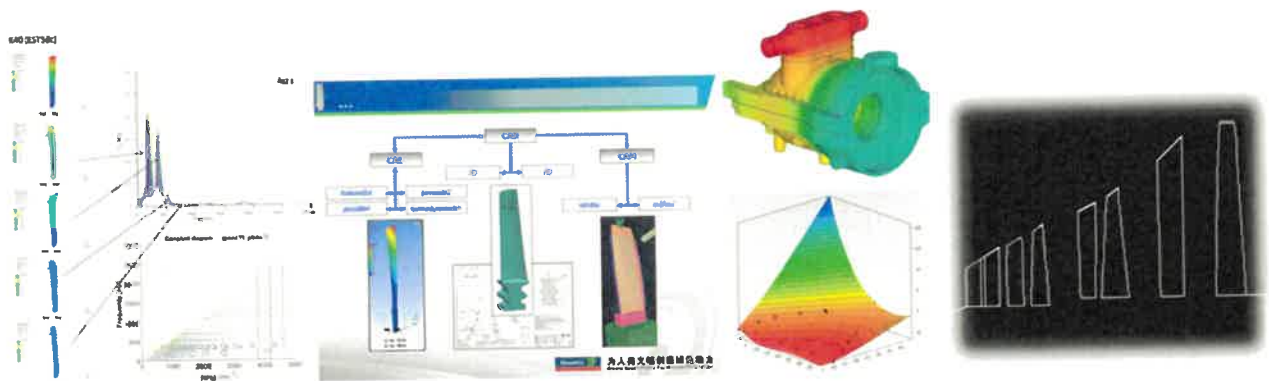
3/ Development subsidy programme TREND supported by the state, TA ČR: – "Development of advanced technological elements of EKOL new generation steam turbines"

- New technologies - pilot design and implementation of Digital Twin Technology by creating a functional system of interconnection of a virtual model of the turbine body and a real turbine control system for monitoring, prediction and control of the life of key turbine components. Trial implementation on the basis of a memorandum in the operation of the Domoradice biopower plant.
- Investment - new CFD Cluster with 288 computational cores for advanced numerical analysis.

4/ Technical support of supplies, implementation and service of steam turbines

- participation and implementation of R&D outputs in real turbine projects: LOMŽA, LUBLIN, JINAN, FUJIAN, MINGSHUI 2, GDANSK, SYNTHOS, ECO RAVEN, DOMORADICE STUDIE, LSBG, HUAFENG 2, ERDEMIR, MALEIC, ZBIERSK- SERVIS GT750-6.

In the following year, the R&D department will continue with the implementation of outputs into actual projects, focusing on the key long-term objectives of development programmes aimed at technical development of the Company, increase in know-how, reliability, technical and economic efficiency of the products of EKOL and orientation in the technological challenge of future such as the implementation of the *Digital Twin* of the Steam Turbine.



From the left: 1. Calculation of shape factor for turbine blade dynamics control, 2. Modular system - concept of tools for generating 3D models and 2D production documentation, 3. Metamodel of reference Digital twin turbine EKOL, 4. Semi automatic software - implementation of unified NT blades in thermodynamic calculation of turbine.

6. IMPORTANT CONTRACTS IN 2021

Steam turbines and energy units:

CUSTOMER OF SUPPLY	SUBJECT OF SUPPLY – PROJECTS IN PROGRESS	PLACE
KERNEL Group	Commissioning of a steam condensing turbine to drive a 13.6 MW generator	Bandurka / Ukraine
KERNEL Group	Assembly and preparation for commissioning of a steam condensing turbine to drive a 12.1 MW generator	Volchansk / Ukraine
KERNEL Group	Installation on the construction of a steam condensing turbine to drive a 23.75 MW generator	Pridneprovskiy / Ukraine
ENERGOSERWIS LUBLIN	Design, construction and production of a 12 MW back-pressure steam turbine with suppressed vacuum for MEGATERM LUBLIN	Lublin / Poland
ENERGIKA, JAWNA	Design, construction and production of a condensing 3,3MW turbine for Biomas CHP-LOMŽA	Lomža / Poland
ShaanGu	Design, construction and production of a steam condensing turbine to drive a 42.5 MW compressor for the JINAN project	ShaanGu/ China
ShaanGu	Design, construction and production of a steam condensing turbine to drive a 28 MW compressor for the MINGSHUI project	ShaanGU/ China
Termomeccanica	Design, construction and manufacture of a steam condensing turbine 17.8 MWe for the Gdańsk waste incinerator	GDAŃSK/ Poland
SYNTHOS DWORY	Design, construction and production of backpressure turbine with an output of 30 MWe	Dwory/ Poland
ECO RAVEN	Design, construction and production of a 7MWe steam condensing turbine	Kostrzyn/ Poland
ShaanGu	Design, construction and production of a steam condensing turbine to drive a 10.7 MW compressor for the HUAFENG project	ShaanGu/ China
ShaanGu / Procon	Design, construction and production of a steam condensing turbine to drive an 18.7 MW compressor for the ERDEMIR project, Turkey	Turkey
AWW Zbiersk	Design, construction and manufacture of a backpressure steam turbine 9.8 MWe	Zbiersk/ Poland
ShaanGu	Design, construction and production of a backpressure turbine to drive a 20.6 MW compressor for the MALEIC project	ShaanGu/ China

Boilers:

CUSTOMER OF SUPPLY	SUBJECT OF SUPPLY – PROJECTS IN PROGRESS	SPECIFICATION	TYPE	PLACE
KERNEL Group	Design, construction, securing production, supply and commissioning of two RFK 35 steam boilers	35/485/6,7	Sunflower husks	Bandurka / Ukraine
KERNEL Group	Design, construction, securing production, supply and commissioning of three RFK 35 steam boilers	35/485/6,7	Sunflower husks	Pridneprovskiy / Ukraine
KERNEL Group	Design, construction, securing production, supply and commissioning of a RFK 35 steam boiler	35/485/6,7	Sunflower husks	Volchansk/ Ukraine
EC Żerąń/Budimex	Design, construction, securing production, supply and commissioning of two hot water boilers (HWB-130) for heating plant Żerąń, Warsaw	130 MW	Natural gas	Budimex/ Poland
ZAK Kedzierzyn	Design, construction, production, delivery and commissioning steam boiler	100t/h, 75 bar, 495 °C	Natural gas	Kedzierzyn/ Poland
ECO RAVEN / Energika	Design, construction, production, delivery and commissioning steam boiler for burning wood chips	30t/h, 65 bar, 485 °C	Wood chips	Kostrzyn/ Poland
PGNiG Termika/ Budimex	Design, construction, production, delivery and commissioning 2 x hot water boilers (HWB-110)	2x 110 MW	Natural gas	KAWENCZYN/ Poland
AWW ZBIERSK / Energoserwis Lublin	Design, construction, production, delivery and commissioning steam gas boiler PK 23	23t/h, 70 bar, 485 °C	Natural gas	ZBIERSK/ Poland
BorsodChem MCHZ s.r.o. / Prospect	Design, construction, production, delivery and commissioning Steam boiler PK 25	25t/h, 30 bar, 360 °C	Natural gas	OSTRAVA/ Czech Republic

7. ISO CONFIRMATION CERTIFICATES

BUREAU VERITAS
Certification

Certifikát
udělovací organizaci

EKOL, spol. s r.o.
Sídlo a provozovna: Brno, Křenová 65
Provozovna: Kolín, Havlíčkova 260
Česká republika

Bureau Veritas tímto certifikuje, že systém managementu výše uvedené organizace byl posouzen a shledán ve shodě s požadavky následující systémové normy:

Norma
ČSN ISO 45001:2018

Oblast certifikace
(Oblast certifikace je stejná pro sídlo a každou provozovnu)

VÝVOJ, PROJEKTOVÁNÍ, KONSTRUKCE, VÝPOČTY, PROVOZNI A PŘEDÁVACÍ ZKOUŠKY PARNÍCH TURBINOVÝCH ZAŘÍZENÍ, PAROVÝCH TURBIN, KOGENERAČNÍCH JEDNOTEK, PARNÍCH A HORKOVODNÍCH KOTLŮ.
VÝROBA, MONTÁŽ, UVÁDĚNÍ DO PROVOZU A SERVIS PARNÍCH TURBIN, KOMPONENT PLYNOVÝCH TURBIN A KOTLŮ.
MONTÁŽ, UVÁDĚNÍ DO PROVOZU A SERVIS TEPELNĚ ENERGETICKÝCH ZAŘÍZENÍ.
EPC KONTRAKTOR PRO DODÁVKY TEPELNĚ ENERGETICKÝCH ZAŘÍZENÍ.

Datum předchozího přezkoušení: 28. ČERVENEC 2019 Přesledná data certifikace vyprší: 25. ČERVENEC 2019
Konečná data certifikace vyprší: 24. ČERVENEC 2022

Tento certifikát platí na předloženou dokumentaci a systém řízení kvality, systémy managementu a IS 24. ČERVENEC 2022
Pro certifikaci platí podmínky: +420 210 088 215
Důležitost: Vydání tohoto certifikátu a splnění podmínek předchozího přezkoušení musí být shodné se shledáním k certifikaci.

14. ČERVENA 2019
Číslo certifikátu: CZ008413-1

IAF **S 3100**

Podpis: 

BUREAU VERITAS
Certification

Certifikát
udělovací organizaci

EKOL, spol. s r.o.
Sídlo a provozovna: Brno, Křenová 65
Provozovna: Kolín, Havlíčkova 260
Česká republika

Bureau Veritas tímto certifikuje, že systém managementu výše uvedené organizace byl posouzen a shledán ve shodě s požadavky následující systémové normy:

Norma
ČSN EN ISO 14001:2016

Oblast certifikace
(Oblast certifikace je stejná pro sídlo a každou provozovnu)

VÝVOJ, PROJEKTOVÁNÍ, KONSTRUKCE, VÝPOČTY, PROVOZNI A PŘEDÁVACÍ ZKOUŠKY PARNÍCH TURBINOVÝCH ZAŘÍZENÍ, PAROVÝCH TURBIN, KOGENERAČNÍCH JEDNOTEK, PARNÍCH A HORKOVODNÍCH KOTLŮ.
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MONTÁŽ, UVÁDĚNÍ DO PROVOZU A SERVIS TEPELNĚ ENERGETICKÝCH ZAŘÍZENÍ.
EPC KONTRAKTOR PRO DODÁVKY TEPELNĚ ENERGETICKÝCH ZAŘÍZENÍ.

Datum předchozího přezkoušení: 28. ČERVENA 2007 Přesledná data certifikace vyprší: 14. ČERVENA 2019
Konečná data certifikace vyprší: 13. ČERVENA 2022

Tento certifikát platí na předloženou dokumentaci a systém řízení kvality, systémy managementu a IS 13. ČERVENA 2022
Pro certifikaci platí podmínky: +420 210 088 215
Důležitost: Vydání tohoto certifikátu a splnění podmínek předchozího přezkoušení musí být shodné se shledáním k certifikaci.

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Podpis: 

BUREAU VERITAS
Certification

Certifikát
udělovací organizaci

EKOL, spol. s r.o.
Sídlo a provozovna: Brno, Křenová 65
Provozovna: Kolín, Havlíčkova 260
Česká republika

Bureau Veritas tímto certifikuje, že systém managementu výše uvedené organizace byl posouzen a shledán ve shodě s požadavky následující systémové normy:

Norma
ČSN EN ISO 9001:2016

Oblast certifikace
(Oblast certifikace je stejná pro sídlo a každou provozovnu)

VÝVOJ, PROJEKTOVÁNÍ, KONSTRUKCE, VÝPOČTY, PROVOZNI A PŘEDÁVACÍ ZKOUŠKY PARNÍCH TURBINOVÝCH ZAŘÍZENÍ, PAROVÝCH TURBIN, KOGENERAČNÍCH JEDNOTEK, PARNÍCH A HORKOVODNÍCH KOTLŮ.
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EPC KONTRAKTOR PRO DODÁVKY TEPELNĚ ENERGETICKÝCH ZAŘÍZENÍ.

Datum předchozího přezkoušení: 30. DUBEN 1998 Přesledná data certifikace vyprší: 14. ČERVENA 2019
Konečná data certifikace vyprší: 13. ČERVENA 2022

Tento certifikát platí na předloženou dokumentaci a systém řízení kvality, systémy managementu a IS 13. ČERVENA 2022
Pro certifikaci platí podmínky: +420 210 088 215
Důležitost: Vydání tohoto certifikátu a splnění podmínek předchozího přezkoušení musí být shodné se shledáním k certifikaci.

14. ČERVENA 2019
Číslo certifikátu: CZ008413-1

IAF **S 3100**

Podpis: 

8. OTHER MATTERS

In the area of employment relations, there are no claims from current or former employees, or their family members, which could have an adverse effect on the Company's operations.

The Company has no organisational branch or another part of business abroad. Its production activities do not adversely affect the environment.

The Company did not acquire any treasury shares or treasury holdings.

9. POST BALANCE SHEET DATE EVENTS

On 21 February 2022, the following shares were sold:

Stanislav Veselý	13,385%
Gustav Poslušný	11,115%
Jaromír Kříž	0,5%

100% owner of Ekol, spol. s r.o. became Shaangu Power (Luxemburg) S.A.

On 23 February 2022, the manner of negotiating in the Articles of Association of Ekol, spol. s r.o. was amended. The original content "At least two (2) executives act jointly on behalf of the company in all matters, provided that one (1) of them will always be Executive A and one (1) of them will always be Executive B or Executive C." was replaced with effect from 23 February 2022 by new content "The Chairman of the Board of Directors or an agent authorized by the Chairman of the Board of Directors in accordance with the requirements set by the Board of Directors acts on behalf of the Company and is authorized to (i) sign documents on behalf of the Company; ii) concluding contracts on behalf of the Company or (iii) exercising other powers according to the deed of incorporation. The Managing Director of the Company signs by attaching his / her handwritten signature and information on the position in the Company to the printed or written business name of the Company. "

The chairman of the board of directors is Mr. Liu Haijun, who authorized until 30.4. 2022 to act on his behalf Mr. Leie Chen.

10. INDEPENDENT AUDITOR’S REPORT

INDEPENDENT AUDITOR'S REPORT
on the financial statements as at 31 December 2021 of
EKOL, spol. s r.o.

Identification data:

Company name: EKOL, spol. s r.o.

Registration number: 416 00 983

Company address: Křenová 211/65, Trnitá
602 00 Brno

Balance sheet date: 31 December 2021

Audited period: from 1 January 2021 to 31 December 2021

Financial reporting framework: Czech accounting regulations

Date of issue auditor's report: 10 April 2022

Auditor: Erik Ďurkáň
Licence No. 2407

Moore Audit CZ s.r.o.
Licence No. 599

Independent Auditor's Report for the associates of EKOL, spol. s r.o.

Opinion

We have audited the accompanying financial statements of EKOL, spol. s r.o. (hereinafter also the "Company") prepared in accordance with accounting principles generally accepted in the Czech Republic, which comprise the balance sheet as at 31 December 2021, the income statement, statement of changes in equity and statement of cash flows 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 financial statements give a true and fair view of the financial position of EKOL, spol. s r.o. as at 31 December 2021 and of its financial performance and its cash flows 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 Matter

The financial statements of Company for the year ended 31 December 2020 were audited by another auditor who expressed an unmodified opinion on those statements on 3 September 2021.

Other Information in the Annual Report

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

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

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

- The other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- The other information is prepared in compliance with applicable law or regulation.

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

Responsibilities of the Company's Executives for the Financial Statements

The Executives are 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 Executives determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the above mentioned laws and 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 scepticism 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 Executives.
- Conclude on the appropriateness of the Executives' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Prague, 10 April 2022

Moore Audit CZ s.r.o.

Moore Audit CZ s.r.o.
Licence No. 599
Karolinská 661/4
186 00 Praha 8

Represented by Erik Ďurkán



Erik Ďurkán
Statutory auditor, Licence No. 2407

11. FINANCIAL STATEMENTS

Financial statements as at 31 December 2021

Company name: EKOL, spol. s r.o.


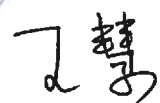
Company adress: Křenová 211/65, Trnitá
Brno
602 00

Legal form: Limited liability company

Registration number: 416 00 983

Object of business: project activity in construction
Construction, alteration and removal

Date: 10 April 2022

Authorized body of accounting unit	Signature
Ing. JAROSLAV ZAPLETAL Executive	
HUI WANG Executive	

BALANCE SHEET

full version

at 31 December 2021
(in thousands of Czech crowns)

Name and registered office of the entity

EKOL, spol. s r.o.
Křenová 211/65, Trnité
Brno
602 00

Year	Month	ID no
2021	12	416 00 983

Réf a	ASSETS b	Row c	Current period			Previous Period Net 4
			Gross 1	Adjustment 2	Net 3	
	TOTAL ASSETS	001	1 308 597	217 229	1 091 368	1 095 837
B.	Fixed assets	003	358 431	163 588	194 843	182 437
B.I.	Intangible fixed assets	004	63 015	62 646	369	409
B.I.2.	Patents, copyrights and trademarks	006	56 951	56 582	369	409
B.I.2.1.	Software	007	44 218	43 849	369	409
B.I.2.2.	Other patents, copyrights and trademarks	008	12 733	12 733	0	0
B.I.4.	Other intangible fixed assets	010	6 064	6 064	0	0
B.II.	Tangible fixed assets	014	128 700	100 303	28 397	15 951
B.II.1.	Land and structures	015	48 170	38 955	9 215	10 843
B.II.1.2.	Structures	017	48 170	38 955	9 215	10 843
B.II.2.	Equipment	018	80 266	61 348	18 918	4 909
B.II.5.	Advance payments for tangible fixed assets and unfinished tangible fixed assets	024	264	0	264	199
B.II.5.2.	Unfinished tangible fixed assets	026	264	0	264	199
B.III.	Long-term financial assets	027	166 716	639	166 077	166 077
B.III.1.	Shares and investments - controlled or controlling enterprises	028	166 716	639	166 077	166 077
C.	Current assets	037	918 595	53 647	864 948	878 343
C.I.	Inventory	038	303 797	21 044	282 753	265 190
C.I.1.	Raw materials	039	30 263	2 810	27 453	6 773
C.I.2.	Work-in-progress and semi-finished products	040	273 534	18 234	255 300	258 417
C.II.	Receivables	046	398 587	28 603	369 984	416 873
C.II.1.	Long-term receivables	047	30 424	0	30 424	33 451
C.II.1.1.	Trade receivables	048	12 046	0	12 046	12 623
C.II.1.4.	Deferred tax receivables	051	18 378	0	18 378	20 828
C.II.2.	Short-term receivables	057	368 163	28 603	339 560	383 422
C.II.2.1.	Trade receivables	058	251 077	25 999	225 078	289 416
C.II.2.4.	Other receivables	061	117 086	2 604	114 482	94 006
C.II.2.4.3.	Due from state - tax receivables	064	7 539	1 476	6 063	6 297
C.II.2.4.4.	Short-term advances paid	065	102 639	1 128	101 511	87 687
C.II.2.4.6.	Other receivables	067	6 908	0	6 908	22
C.III.	Short-term financial assets	072	11 779	4 000	7 779	7 779
C.III.2.	Other short-term financial assets	074	11 779	4 000	7 779	7 779
C.IV.	Cash	075	204 432	0	204 432	188 501
C.IV.1.	Cash in hand	076	1 936	0	1 936	1 694
C.IV.2.	Cash at bank	077	202 496	0	202 496	186 807
D.	Accruals	078	31 571	0	31 571	35 057
D.1.	Deferred expenses	079	1 897	0	1 897	1 635
D.2.	Comprehensive deferred expenses	080	29 674	0	29 674	33 422

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186 00 Praha 8

Réf. a	LIABILITIES b	Row c	Current period 5	Previous period 6
	TOTAL LIABILITIES	082	1 091 368	1 095 837
A.	Equity	083	493 051	479 562
A.I.	Registered capital	084	5 000	5 000
A.I.1.	Registered capital	085	5 000	5 000
A.II.	Share premium and capital funds	088	7 170	7 170
A.II.2.	Capital funds	090	7 170	7 170
A.II.2.1.	Other capital funds	091	7 170	7 170
A.III.	Funds from net profit	096	500	500
A.III.1.	Other reserve funds	097	500	500
A.IV.	Profit / loss - previous year (+/-)	099	466 698	455 979
A.IV.1.	Retained profit and accumulated losses of previous years (+/-)	100	481 065	470 346
A.IV.2.	Other comprehensive income of previous periods (+/-)	101	-14 367	-14 367
A.V.	Profit / loss - current year (+/-)	102	13 683	10 913
B. + C.	Liabilities	104	461 707	459 833
B.	Reserves	105	29 398	45 495
B.4.	Other reserves	109	29 398	45 495
C.	Payables	110	432 309	414 338
C.I.	Long-term payables	111	4 145	10 739
C.I.4.	Trade payables	117	4 145	10 739
C.II.	Short-term payables	126	428 164	403 599
C.II.2.	Payables to credit institutions	130	20 000	0
C.II.3.	Short-term advances received	131	124 149	119 581
C.II.4.	Trade payables	132	257 181	251 026
C.II.6.	Payables - controlled or controlling enterprises	134	154	154
C.II.8.	Other short-term payables	136	26 680	32 838
C.II.8.3.	Payables to employees	139	5 148	3 586
C.II.8.4.	Payables to social security and health insurance	140	2 804	2 074
C.II.8.5.	Due from state - tax payables and subsidies	141	8 705	8 403
C.II.8.6.	Estimated payables	142	9 930	14 766
C.II.8.7.	Other short-term payables	143	93	4 009
D.	Accruals	147	136 610	156 442
D.2.	Deferred revenues	149	136 610	156 442

PROFIT / LOSS ACCOUNT

full version for period

from 1 January 2021 to 31 December 2021

(in thousands of Czech crowns)

Name and registered office of the entity

EKOL, spol. s r.o.
Křenová 211/65, Trnitá
Brno
602 00

Year	Month	ID no
2021	12	416 00 983

Réf. a	Profit / Loss Account b	Row c	Accounting period	
			current 1	previous 2
I.	Revenues from own products and services	01	865 927	593 949
II.	Revenues from goods sold	02	0	38 411
A.	Production consumption	03	780 319	451 260
A.1.	Cost of goods sold	04	0	35 593
A.2.	Consumption of material and energy	05	599 029	235 232
A.3.	Services	06	181 290	180 435
B.	Change in inventory of own products (+/-)	07	-600	65 278
C.	Capitalization (-)	08	-12 922	0
D.	Personnel expenses	09	92 084	84 590
D.1.	Wages and salaries	10	67 255	61 925
D.2.	Social security, health insurance and other costs	11	24 829	22 665
D.2.1.	Social security and health insurance expenses	12	22 450	20 632
D.2.2.	Other costs	13	2 379	2 033
E.	Value adjustments relating to operating income	14	-2 679	6 823
E.1.	Value adjustments relating to intangible and tangible assets	15	3 671	4 219
E.1.1.	Value adjustments relating to intangible and tangible assets - permanent	16	3 671	4 219
E.3.	Value adjustments relating to receivables	19	-9 875	2 604
III.	Other operating revenues	20	6 530	12 242
III.1.	Revenues from sale of fixed assets	21	0	450
III.2.	Revenues from sale of material	22	1 241	1 930
III.3.	Other operating revenues	23	5 289	9 862
F.	Other operating expenses	24	379	21 793
F.1.	Net book value of sold fixed assets	25	0	38
F.2.	Sold material	26	806	1 930
F.3.	Taxes and fees	27	348	347
F.4.	Provisions relating to operating income and comprehensive deferred expenses	28	-13 824	16 140
F.5.	Other operating expenses	29	13 049	3 338
*	Operating profit / loss	30	15 876	14 858
IV.	Revenues from long-term financial assets - shares	31	1 131	603
IV.1.	Revenues from shares - controlled or controlling enterprises	32	1 131	603
VI.	Interest received and related revenues	39	0	1
VI.1.	Interest received and related revenues - controlled or controlling enterprises	40	0	1
J.	Interest paid and related expenses	43	49	337
J.2.	Other interest paid and related expenses	45	49	337
VII.	Other financial revenues	46	32 241	34 515
K.	Other financial expenses	47	33 066	41 713
*	Profit / loss from financial operations	48	257	-6 931
**	Profit / loss before tax (+/-)	49	16 133	7 927
L.	Income tax	50	2 450	-2 986
L.2.	Deferred tax	52	2 450	-2 986
**	Profit / loss after tax (+/-)	53	13 683	10 913
***	Profit / loss of current accounting period (+/-)	55	13 683	10 913
*	Net turnover	56	905 829	679 721

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CASH FLOW STATEMENT

31.12.2021

(in thousands of Czech crowns)

Name and registered office of the entity

EKOL, spol. s r.o.
Křenová 211/65, Třetá
Brno
602 00

Year	Month	ID no
2021	12	416 00 983

Réf. a	Cash flow statement b	Accounting period	
		current 1	previous 2
P.	Opening balance of cash and cash equivalents	188 501	38 043
Cash flows from ordinary activities (operating activities)			
Z.	Profit or loss from ordinary activities before tax	16 133	7 927
A.1.	Adjustments for non-cash transactions	-19 858	35 278
A.1.1.	Depreciation of fixed assets	3 671	4 219
A.1.2.	Change in provisions and reserves	-22 447	14 995
A.1.3.	Profit/(loss) on the sale of fixed assets	0	-412
A.1.4.	Revenues from profit shares	-1 131	-603
A.1.5.	Interest expense and interest income	49	336
A.1.6.	Adjustments for other non-cash transactions	0	16 743
A.*	Net operating cash flow before changes in working capital	-3 725	43 205
A.2.	Change in working capital	14 651	160 002
A.2.1.	Change in operating receivables and other assets	57 600	98 368
A.2.2.	Change in operating payables and other liabilities	-21 861	-5 535
A.2.3.	Change in inventories	-21 088	67 169
A.**	Net cash flow from operations before tax	10 926	203 207
A.3.	Interest paid	-49	-337
A.4.	Interest received	0	1
A.7.	Received profit shares	0	603
A.***	Net operating cash flows	10 877	203 474
Cash flows from investing activities			
B.1.	Fixed assets expenditures	-16 077	-1 137
B.2.	Proceeds from fixed assets sold	0	450
B.4.	Received profit shares (+)	1 131	0
B.***	Net investment cash flows	-14 946	-687
Cash flows from financial activities			
C.1.	Change in payables from financing	20 000	-52 329
C.***	Net financial cash flows	20 000	-52 329
F.	Net increase or decrease in cash and cash equivalents	15 931	150 458
R.	Closing balance of cash and cash equivalents	204 432	188 501

STATUTORY OF CHANGES IN EQUITY

Minimum compulsory information under Regulation 500/2002 Coll.

31.12.2021

(in thousands of Czech crowns)

Name and registered office of the entity

EKOL, spol. s r.o.
Křenová 211/65, Trnita
Brno
602 00

Year	Month	ID no
2021	12	416 00 983

	Registered capital	Share premium and capital funds	Funds from net profit	Profit / loss - previous year (+/-)	Profit / loss - current year (+/-)	TOTAL EQUITY
Balance at 1 January 2020	5 000	7 170	500	427 147	28 832	468 649
Distribution of profit or loss	0	0	0	28 832	-28 832	0
Change in share capital	0	0	0	0	0	0
Profit shares paid	0	0	0	0	0	0
Profit share prepayments declared	0	0	0	0	0	0
Payments from capital funds	0	0	0	0	0	0
Profit or loss for the current period	0	0	0	0	0	0
Balance at 31 December 2020	5 000	7 170	500	455 979	10 913	479 562
Distribution of profit or loss	0	0	0	10 913	-10 913	0
Change in share capital	0	0	0	0	0	0
Profit shares paid	0	0	0	0	0	0
Profit share prepayments declared	0	0	0	0	0	0
Payments from capital funds	0	0	0	0	0	0
Profit or loss for the current period	0	0	0	0	0	0
Balance at 31 December 2021	5 000	7 170	500	466 698	13 683	493 051

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186 00 Praha 8

12. REPORT ON RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED 31 DECEMBER 2021

pursuant to Section 82 et seq. of Act No. 90/2012 Coll., on Business Corporations and Cooperatives ("Business Corporations Act")

EKOL, spol. s r.o., Křenová 65, Brno – Trnitá, 602 00

Represented by the Statutory Executives: Jaroslav Zapletal and Hui Wang

Preamble

In accordance with Section 82 et seq. of Act No. 90/2012 Coll., on Business Corporations and Cooperatives, as amended ("Business Corporations Act") and based on its statutory obligation, the statutory body of EKOL, spol. s r.o. prepared a report that describes the relations between related parties, i.e. relations between the controlled entity and the controlling entity and relations between the controlled entity and other entities controlled by the same controlling entity, as defined by the Business Corporations Act. The relations are described in a manner that takes into consideration the provisions of Section 504 of Act No. 89/2012 Coll., the Civil Code, concerning trade secret.

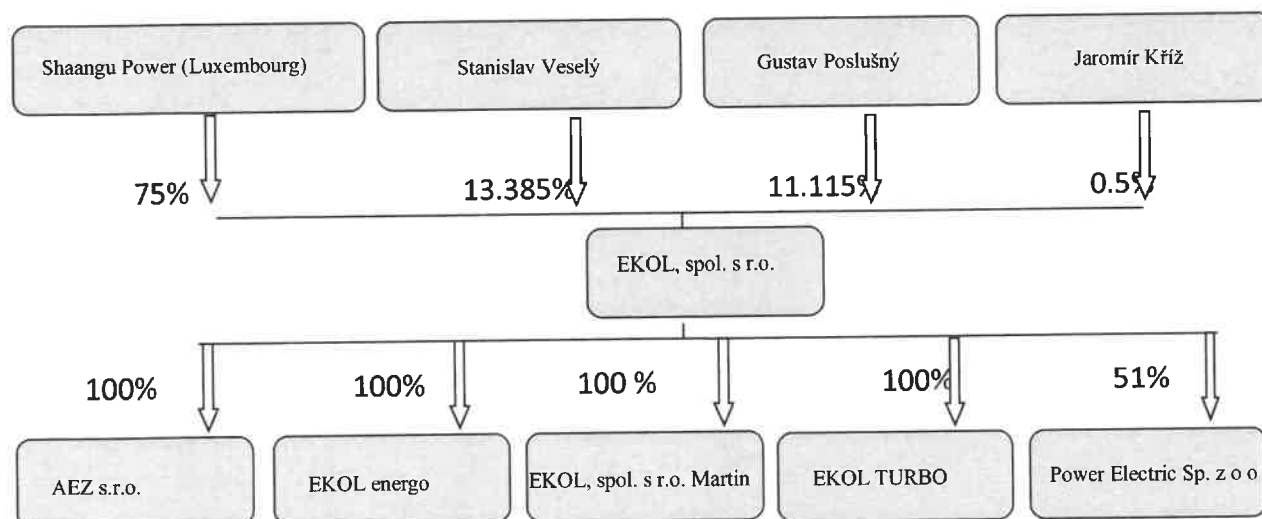
I. Related Parties

1.1 Controlling entities:

With reference to the provisions of Section 74 et seq. of the Business Corporations Act, the controlling entities are:

Shaangu Power (Luxemburg) S.A.
Stanislav Veselý (minority shareholder)
Gustav Poslušný (minority shareholder)
Jaromír Kříž (minority shareholder)

Entities in the group with which the Company has business contacts:



Since 1 July 2015, the controlling entity has been part of the Shaangu group, i.e. via Shaangu Power (Luxemburg) S.A. and consequently Shaangu Power (HONG KONG) Co., Limited, EKOL, spol s r.o. is controlled by Xi'An Shaangu Power Co., Ltd., and consequently Shaanxi Blower (Group) Co., Ltd.

1.2 Entities controlled by the Company's controlling entity:

From all the information that is known to the statutory body of the Company, the controlling entities listed in Article 1.1 of this report in accordance with the provisions of Section 78 (2) (a) and/or Section 78 (2) (d) of the Business Corporations Act, together with the entities acting in concert with them, control only EKOL, spol. s r.o.

1.3. Entities controlled by EKOL, spol. s r.o.

AEZ s.r.o.

EKOL GmbH

EKOL energo s.r.o.

EKOL, spol. s r.o., Martin

EKOL TURBO a.s.

Power Electric Sp. z o o

S.C. CENTRALA BIOVAL S.R.L.

II.

The role of the controlled entity EKOL, spol. s r.o.

The controlled entity is primarily an organisation involved in construction, manufacture and sale of steam turbines, combustion turbines, boilers, and supplies of turnkey energy units. It enters into business relations with controlling and controlled entities as the seller or the purchaser in relation to its construction, manufacture or commercial activities related to its business activities. The controlled entity has ownership interests in other legal entities as disclosed in Item I.1.3.

III.

Manner and means of control

The control over the Company is exercised through the powers of the General Meeting.

IV.

Contracts concluded between the related parties

1. Contractual relations with AEZ s.r.o.:

A) Performance resulting from contracts concluded in prior reporting periods, based on which performance was provided in 2021:

Lease agreements for AEZ s.r.o.:

In 2021, performance was provided based on the following agreement with AEZ s.r.o. as the lessee:

- Lease of telephone connection
- Lease of office premises

Commercial contracts: Sales contracts / Contracts for Work / Orders

EKOL, spol. s r.o. provided performance on the basis of the following contracts:

- General agreement on the provision of services of the Automation & Control Division

B) Performance resulting from contracts concluded in the 2021 reporting period, based on which performance was provided in 2021:

Commercial contracts: Sales contracts / Contracts for Work / Orders

AEZ s.r.o. provided performance based on the following contracts:

- Assembly and disassembly works
- Spare parts supply
- Switchboard manufacturing
- Cabling adjustments
- Revision

Lease agreements for EKOL, spol. s r.o.:

In 2021, performance was provided based on the following agreement with AEZ s.r.o. as the lessor:

- Lease of car

C) Performance resulting from contracts concluded in the 2021 reporting period, based on which performance will be provided in the upcoming years:

Commercial contracts: Sales contracts / Contracts for Work / Orders

AEZ s.r.o. will provide performance based on the following contracts:

- Assembly and disassembly works
- Switchboard manufacturing

2. Contractual relations with EKOL energo s.r.o.:

A) Performance resulting from contracts concluded in prior reporting periods, based on which performance was provided in 2021:

Lease agreements for EKOL energo s.r.o.:

In 2021, performance was provided based on the below agreements with EKOL energo s.r.o. as the lessee:

- Lease of warehouse premises
- Lease of software licences
- Lease of telephone and data connection
- Lease of hardware

Commercial contracts: Sales contracts / Contracts for Work / Orders

EKOL, spol. s r.o. provided performance on the basis of the following contracts:

- Economic, IT, and OHS services
- Postal and reception services
- Ancillary work for the ROTEZ construction
- General agreement on the provision of services of the Technical Service Division
- General agreement on the provision of services of the Automation & Control Division
- General agreement on the provision of projection services

Lease agreements for EKOL, spol. s.r.o.:

In 2021, performance was provided based on the below agreements with EKOL energo s.r.o. as the lessor:

- Lease of a server room

Commercial contracts: Sales contracts / Contracts for Work / Orders

EKOL energo s.r.o. provided performance based on the following contracts:

- Manufacture of turbines
- Assembly works
- General construction and construction management
- Revision, repairs and service of turbines
- Supply of spare parts
- Technical assistance

Other performance:

Transfer pricing based on intercompany rules related to the use of transfer prices between EKOL, spol. s r.o. and EKOL energo s.r.o. (see the Directive of the General Manager no. 1/08).

- B) Performance resulting from contracts concluded in the 2021 reporting period, based on which performance was provided in 2021:

Lease agreements for EKOL energo s.r.o.:

In 2021, performance was provided based on the below agreements with EKOL energo s.r.o. as the lessee:

- None

Commercial contracts: Sales contracts / Contracts for Work / Orders

EKOL spol. s r.o. provided performance on the basis of the following contracts:

- Supply and assembly of spare parts
- Technical assistance and revision
- Sale of warehouse inventory

Commercial contracts: Sales contracts / Contracts for Work / Orders

EKOL energo s.r.o. provided performance based on the following contracts:

- Assembly works
- Revision, repairs and service of turbines
- General construction and construction management
- Spare parts manufacturing

- C) Performance resulting from contracts concluded in the 2021 reporting period, based on which performance will be provided in the upcoming years:

Commercial contracts: Sales contracts / Contracts for Work / Orders

EKOL energo s.r.o. will provide performance based on the following contracts:

- Manufacture of turbines
- Assembly works
- General construction and construction management
- Technical assistance

3. Contractual relations with EKOL, spol. s r.o., Martin:

- A) Performance resulting from contracts concluded in prior reporting periods, based on which performance was provided in 2021:

Commercial contracts: Sales contracts / Contracts for Work / Orders

- Technical assistance

- B) Performance resulting from contracts concluded in the 2021 reporting period, based on which performance was provided in 2021:

Commercial contracts: Sales contracts / Contracts for Work / Orders

- Technical assistance
- Spare parts supply
- Revision, repairs and service of turbines

Commercial contracts: Sales contracts / Contracts for Work / Orders

- Spare parts supply

- C) Performance resulting from contracts concluded in the 2021 reporting period, based on which performance will be provided in the upcoming years:

- None

4. Contractual relations with Power Electric Sp. z o o:

- A) Performance resulting from contracts concluded in prior reporting periods, based on which performance was provided in 2021:

- None

- B) Performance resulting from contracts concluded in the 2021 reporting period, based on which performance was provided in 2021:

Commercial contracts: Sales contracts / Contracts for Work / Orders

- Revision, repairs and service of turbines
- Spare parts supply

Commercial contracts: Sales contracts / Contracts for Work / Orders

- Technical assistance

C) Contracts concluded in the 2021 reporting period, based on which performance will be provided in the upcoming years:

- None

5. Contractual relations with EKOL GmbH, EKOL TURBO a.s., ETE ooo and S.C. CENTRALA BIOVAL S.R.L.

- None

6. Contractual relations with Shaangu Power (Luxemburg) S.A.:

- None

7. Contractual relations with ShaanGu Power (Hongkong) Co., Limited.:

- None

8. Contractual relations with Xian ShaanGu Power Co., Ltd.:

A) Performance resulting from contracts concluded in prior reporting periods, based on which performance was provided in 2021:

Commercial contracts: Sales contracts / Contracts for Work / Orders

- Manufacture and supply of turbines
- Spare parts supply

B) Performance resulting from contracts concluded in the 2021 reporting period, based on which performance was provided in 2021:

- Spare parts supply
- Specific components supply

C) Performance resulting from contracts concluded in the 2021 reporting period, based on which performance will be provided in the upcoming years:

- Specific components supply

9. Contractual relationships with Stanislav Veselý and Gustav Poslušný

A) Performance resulting from contracts concluded in prior reporting periods, based on which performance was provided in 2021:

Lease agreements for EKOL, spol. s.r.o.

- Lease of non-residential premises

B) Performance resulting from contracts concluded in the 2021 reporting period, based on which performance was provided in 2021:

- None

C) Performance resulting from contracts concluded in the 2021 reporting period, based on which performance will be provided in the upcoming years:

- None

V.

Other legal acts made in the interest or at the instigation of the controlling entities

In 2021, EKOL spol. s r.o. made no other legal acts related to the controlling entities.

VI.

Other measures adopted or made by the controlling entity in the interest or at the instigation of related entities

In 2021, there were no measures adopted or made in the interest or at the instigation of the related entities, except for those already disclosed in this report.

VII.

Assessment of detriment to the controlled entity

Performance under the above contractual relationships between EKOL spol. s r.o. and the controlling entity did not result in a detriment to the controlled entity.

VIII.

Assessment of advantages and disadvantages resulting from the relations among the entities

In general, it can be stated that the advantages resulting from the relations among the entities significantly outweigh any disadvantages. The statutory executives declare that they are unaware of any substantial risks resulting from the relations among the entities.

IX.

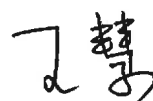
Declaration of the statutory body

As the statutory body of EKOL, spol. s r.o., the statutory executives declare that the information contained in this report is correct and complete and that pursuant to Section 82 et seq. of the Business Corporations Act, the report was prepared to the full extent of all information and data which are available to the statutory body or which it has ascertained while acting with due managerial care.

In Brno on 31.3.2022



Jaroslav Zapletal
Statutory Executive



Wang Hui
Statutory Executive

**Notes to the Financial Statements for the Year Ended
31. December 2021**

EKOL, spol. s r.o.

Notes to the Financial Statements for the Year Ended 31 December 2021

full version (in CZK thousand)

The Notes are prepared in accordance with Regulation No. 500/2002 Coll., which provides implementation guidance on certain provisions of Act No. 563/1991 Coll., on Accounting, as amended. Information disclosed in the notes comes from the Company's accounting documentation and other underlying documents that the Company has available.

I. General information

1. DESCRIPTION OF THE REPORTING ENTITY

1.1. Company

NAME: EKOL, spol. s r.o. (the "Company")
REGISTERED OFFICE: Křenová 211/65, Trnitá, 602 00 Brno
CORPORATE ID: 41600983
LEGAL STATUS: Limited liability company
DATE OF INCORPORATION: 31 July 1991
REGISTRATION: File number C 1070 kept at the Regional Court in Brno

BUSINESS ACTIVITIES: Project activities in the construction, implementation of buildings, their changes and removal, production, trade and services not specified in annexes 1 to 3 trade act, the activities of accounting advisors, bookkeeping, keeping of tax records, installation, repair, revision and testing of pressure equipment and gas containers.

1.2. Individuals and entities holding a significant or controlling influence in the Company (equalling or exceeding 20% of the registered share capital)

Since 1 July 2015, the 75% equity investment in the Company has been held by the Chinese entity Xi'an Shaangu Power Co., Ltd. through Shaangu Power (Hong Kong) Co., Ltd. The consolidated financial statements of the narrowest group are prepared by Ekol, spol. s r.o. The consolidated financial statements of the broadest group are prepared by Xi'an Shaangu Power Co.

Individual/entity	Amount of the equity investment (in %)
Shaangu Power (Luxemburg) S.A.	75%
Stanislav Veselý	13.385%
Gustav Poslušný	11.115%
Jaromír Kříž	0.5%

Equity investments of the above shareholders amount to 100%.

Investments of shareholders in the share capital are fully paid up.

A) MEMBERS OF THE STATUTORY BODY

Statutory Executives

Liu Haiun - statutory executive B

Jaroslav Zapletal - statutory executive A

Hui Wang - statutory executive B

Sui Zengqiang - statutory executive B

Manner of acting:

No fewer than two (2) statutory executives act jointly on behalf of the Company regarding all matters; one (1) of them will always be statutory executive A and one (1) will always be statutory executive B or statutory executive C.

B) CHANGES IN AND AMENDMENTS TO THE REGISTER OF COMPANIES IN THE PRIOR REPORTING PERIOD

There were no changes during 2021.

C) ORGANISATIONAL STRUCTURE OF THE COMPANY

Financial Divisions	Wang Hui
Boiler Division	Miroslav Jedlička
Commerce Division	Petr Vališ
Technical Division	Jan Saňka
Implementation Division	Roman Hančl

2. EQUITY INVESTMENTS OF THE COMPANY

2.1. Subsidiaries or Associates of the Company (with Equity Investment Equal to or Greater than 20% of the Share Capital)

Name	Registered office	Ownership percentage (%)	Equity (CZK '000)	Profit or loss (CZK '000)
EKOL energo s.r.o.	Křenová 65, Brno	100	319 615	9 042
AEZ s.r.o.	Zaoralova 2832/7, Brno	100	21 948	56
EKOL, spol. s r.o.	Hečkova 2, Martin, Slovakia	100	23 269	2 834
Ekol Turbo a.s.	Křenová 65, Brno	100	1 796	-4
POWER ELECTRIC SP. Z O.O.	Ks. Londzina 7, Bielsko-Biala, Poland	51	8 195	2 402

The equity and accounting profit or loss are drawn from unaudited financial statements as of 31 December 2021, except for EKOL energo s.r.o. whose financial statements were audited.

The Company additionally exercises significant or controlling influence in the businesses as follows:

EKOL GmbH Energiesysteme

Ownership percentage (%)	70%
Equity investment	CZK 639 thousand
Loss for 2001	CZK (7,685) thousand

Given that the Company has not received financial statements from EKOL GmbH Energiesysteme since 2001, a provision against equity investments in the amount of CZK 639 thousand was recognised in 2011.

S.C. Centrala Bioval S.R.L.

Ownership percentage (%)	99.9%
Equity investment	CZK 11,779 thousand
Loss for 2021	CZK (37) thousand

As of 31 December 2021 and 2020, the accounting provision against equity investments amounts to CZK 4,000 thousand.

II. Information on Accounting Policies and General Accounting Principles

1. SIGNIFICANT ACCOUNTING INFORMATION

1.1. Accounting Policies

The Company's accounting books and records are maintained and the financial statements were prepared in accordance with Accounting Act No. 563/1991 Coll., as amended; Regulation No. 500/2002 Coll. which provides implementation guidance on certain provisions of the Accounting Act for reporting entities that are businesses maintaining double-entry accounting records, as amended; and Czech Accounting Standards for Businesses, as amended.

The accounting records are maintained in compliance with general accounting principles, specifically the historical cost valuation basis (unless stated otherwise), the accruals principle, the prudence concept and the going concern assumption.

The Company's financial statements are prepared as of the balance sheet date, i.e. 31 December 2021, for the 2021 calendar year.

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

1.2. Valuation Method

A) PURCHASED INVENTORY AND SELF-PRODUCED PRODUCTS

Purchased inventory is valued at acquisition cost. Self-produced products:

- Work in progress is valued at internal production costs (direct costs + production overheads).
- Material and construction that are directly attributable to individual construction solutions are charged directly to the consumption of individual projects using the B method.
- Material purchased for internal processing is recognised using the A method.

Types of indirect acquisition costs

- Related to purchased inventory: transportation costs, external assembly services, customs duty; and
- Internally developed inventory: material consumption, wages, social security and health insurance, transportation costs, external assembly services, other direct costs, production overheads.

B) TANGIBLE AND INTANGIBLE FIXED ASSETS

Purchased: purchase price + acquisition costs (transportation costs, external assembly services, customs)

Low-value assets with acquisition costs of less than CZK 20 thousand are expensed on a one-time basis for tax and accounting purposes and subsequently recorded as part of operational records, except for software, information technology and office equipment with acquisition costs of less than CZK 5 thousand which is expensed on a one-time basis for tax and accounting purposes.

C) FINANCIAL ASSETS

Non-current financial assets include financial assets with maturity or intent to hold exceeding one year. Current financial assets include financial assets with maturity or intent to hold of less than one year.

Valuation of financial assets upon acquisition

Equity investments, securities and derivatives are stated at acquisition cost at the date of acquisition, including premium and related costs.

Valuation of financial assets at the balance sheet date

Securities held for trading, other available-for-sale securities and derivatives are stated at fair value. If the fair value cannot be determined objectively, securities are stated at acquisition cost less provisions.

Securities with a fixed revenue held to maturity are stated at acquisition cost increased or decreased by an interest income or expense.

Equity investments in subsidiaries and associates are stated at acquisition cost less provisions.

D) DERIVATIVES

As of the balance sheet date, trading derivatives are measured at fair value. The fair value of financial derivatives is determined as the present value of anticipated cash flows arising from these transactions. Present value is determined with the use of usual models accepted on the market. Parameters identified on an active market such as foreign exchange rate, yield curves, volatility of relevant financial instruments, etc. are then entered in these valuation models. All financial derivatives are reported as assets, if they have positive fair values, and as liabilities, if they have negative fair values. Changes in fair values of trading derivatives are recognised in profit or loss for the reporting period.

The Company does not use hedging derivatives.

1.3. Provisioning of Assets

Provisions against inventory

Provisions against slow-moving and obsolete inventory or otherwise temporarily impaired inventory are made based on an inventory turnover analysis and individual assessment of inventory.

Provisions against receivables

Upon origination, receivables are stated at their nominal value. Purchased receivables are stated at acquisition cost. Doubtful receivables are stated at cost less provisions to the recoverable value and expensed on the basis of an individual assessment of individual debtors and aging structure of receivables.

Type of provision	31 Dec 2020	Change	31 Dec 2021
Provision against non-current financial assets	639	0	639
Provision against current financial assets	4 000	0	4 000
Provision against inventory	17 519	3 525	21 044
Provision against short-term prepayments made	1 128	0	1 128
Provision against tax receivables	1 476	0	1 476
Provision against trade receivables	37 350	-11 062	25 999

1.4. Depreciation of Fixed Assets

Depreciation plan of fixed assets is related to the actual useful life of individual items. Depreciation begins in the month subsequent to the putting into operation and terminates in the month of disposal.

1.5. Foreign Currency Translation

For the translation of business operations throughout the reporting period, the exchange rate of the Czech National Bank on the first working day of the month used; at the end of the reporting period, the exchange rate of the Czech National Bank as of 31 December is used.

1.6. Provisions

Reserves are intended to cover future risks and expenditure, the nature of which is clearly defined, and which are likely to be incurred, but which are uncertain as to the amount or the date on which they will arise.

1.7. Revenue Recognition

Revenues from the sale of own products and services are recognised based on the accruals principle. Revenues are recognised in the appropriate prices of received supply or supply to be received and represent amounts that will be collected for supplied goods and services provided in the course of the reporting period as part of business activity net of rebates, VAT and other sale-related taxes.

Work in progress is recognised in terms of all manufacturing projects in line with the Accounting Act. The accruals principle by means of deferred income applies to projects where the billing is realised before costs are incurred (including calculated profit).

1.8. Use of Estimates

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

1.9. Cash Flow Statement

The cash flow statement is prepared using the indirect method. Cash equivalents include current liquid assets easily convertible into cash in an amount agreed in advance.

Cash and cash equivalents can be analysed as follows:

	31 Dec 2020	31 Dec 2021
Cash on hand and cash equivalents	1 694	1 936
Cash at bank	186 807	202 496
Total cash and cash equivalents	188 501	204 432

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

III. Additional Information on the Balance Sheet and Profit and Loss Account

1. SIGNIFICANT ACCOUNTING INFORMATION

1.1. TANGIBLE AND INTANGIBLE FIXED ASSETS:

A) MOVEMENTS OF TANGIBLE AND INTANGIBLE FIXED ASSETS (in CZK '000):

(CZK '000)	1 Jan 2020	Additions/ rebilling	Disposals	31 Dec 2020
Cost				
Software	44 103	115	0	44 218
Valuable rights	12 733	0	0	12 733
Other intangible investment assets	6 064	0	0	6 064
Land	0	0	0	0
Buildings	48 170	0	0	48 170
Tangible movable assets and their sets	67 534	823	3043	65 314
Tangible FA under construction	0	199	0	199
Total	178 604	1 137	3 043	176 698
Accumulated depreciation/amortisation				
Software	43 615	194	0	43 809
Valuable rights	12 733	0	0	12 733
Other intangible investment assets	6 064	0	0	6 064
Buildings	35 701	1 626	0	37 327
Tangible movable assets and their sets	61 011	2 436	3 042	60 405
Total	159 124	4 256	3 042	160 338
Net book value	19 480			16 360

(CZK '000)	1 Jan 2021	Additions/ rebilling	Disposals	31 Dec 2021
Cost				
Software	44 218	0	0	44 218
Valuable rights	12 733	0	0	12 733
Other intangible investment assets	6 064	0	0	6 064
Land	0	0	0	0
Buildings	48 170	0	0	48 170
Tangible movable assets and their sets	65 314	16 012	1 060	80 266
Tangible FA under construction	199	65	0	264
Total	176 698	16 077	1 060	191 715
Accumulated depreciation/amortisation				
Software	43 809	40	0	43 849
Valuable rights	12 733	0	0	12 733
Other intangible investment assets	6 064	0	0	6 064
Buildings	37 327	1 627	0	38 955
Tangible movable assets and sets of movable assets	60 405	2 004	1 060	61 348
Total	160 338	3 671	1 060	162 949
Net book value	16 360			28 766

The acquisition of assets in 2021 consisted mainly of a mobile unit of plasma disposal technology worth CZK 12,922 thousand and a CFD Cluster HPE ProLiant DL560 computing server worth CZK 1,600 thousand.

Low-value off-balance sheet assets as of 31 December 2021 amount to CZK 6,654 thousand (31 December 2020: CZK 6,598 thousand).

C) MOVEMENTS IN NON-CURRENT FINANCIAL ASSETS (in CZK '000):

(CZK '000)	1 Jan 2020	Additions/ rebilling	Disposals	31 Dec 2020
EKOL energo s.r.o.	106 443	0	0	106 443
AEZ s.r.o.	27 500	0	0	27 500
EKOL, spol. s r.o. , Martin	26 273	0	0	26 273
Ekol Turbo a.s.	1 875	0	0	1 875
POWER ELECTRIC SP. Z O.O.	3 986	0	0	3 986
Total	166 077	0	0	166 077

(CZK '000)	1 Jan 2021	Additions/ rebilling	Disposals	31 Dec 2021
EKOL energo s.r.o.	106 443	0	0	106 443
AEZ s.r.o.	27 500	0	0	27 500
EKOL, spol. s r.o. , Martin	26 273	0	0	26 273
Ekol Turbo a.s.	1 875	0	0	1 875
POWER ELECTRIC SP. Z O.O.	3 986	0	0	3 986
Total	166 077	0	0	166 077

An accounting provision of 100% against equity investments of CZK 639 thousand was recognised for the financial investment in EKOL GmbH Energiesysteme.

1.2. INVENTORY (in CZK '000):

	31 Dec 2020	31 Dec 2021
Material (gross)	9 583	30 263
Work in progress (gross)	273 126	273 534
Total	282 709	303 797

1.3. RECEIVABLES (in CZK '000):

A) AGGREGATE AMOUNT OF TRADE RECEIVABLES

	2021	2020
	263 067	339 389
Total	263 067	339 389

The aggregate amount of trade receivables is stated in gross amounts. Provisions against these receivables are disclosed in chapter II, note 1.3 (see above).

Receivables past their due dates outside related parties as of 31 December 2021 amount to CZK 90,531 thousand (31 December 2020: CZK 84,280 thousand).

Short-term prepayments made of CZK 102,639 thousand as of 31 December 2021 (31 December 2020: CZK 88,815 thousand) primarily include prepayments from Renk of CZK 76,841 thousand.

Receivables are not covered by material guarantees and no receivables have a maturity of more than 5 years. The total amount of receivables not reported in the balance sheet is 0 thousand CZK as of 31.12.2021.

B) OF WHICH: INTERCOMPANY RECEIVABLES:

Group entity	Amount in CZK '000	
	2021	2020
Ekol energo s.r.o.	1 209	0
Ekol, spol.s.r.o. Martin	71	318
AEZ s.r.o.	0	16
ShaanGu Power Hongkong Co., Limited	48	50
Xian Shaangu Power Co., LTD	33 103	82 219

Power electric Sp. z.o.o.	51	84
Total	34 482	82 687

1.4. PAYABLES

A) AGGREGATE AMOUNT OF TRADE PAYABLES

	Amount in CZK '000	
	2021	2020
	261 326	261 765
Total	261 326	261 765

Short-term prepayments received of CZK 124,149 thousand primarily include prepayments received from Xian Shaangu of CZK 31,851 thousand and prepayments from Luteba of CZK 24,900 thousand. Short-term prepayments received of CZK 119,581 thousand as of 31 December 2020 primarily include two prepayments from Xian Shaangu of CZK 59,721 thousand and from Luteba of CZK 24,260 thousand.

B) OF WHICH: INTERCOMPANY PAYABLES

Group entity	Amount in CZK '000	
	2021	2020
Ekol energo s.r.o.	135 818	139 342
AEZ s.r.o.	20 663	21 072
Power electric SP. Z O.O.	2 414	302
Ekol, spol. s r.o., Martin	0	134
Total	156 896	160 850

Payables past their due dates to companies outside the Group as of 31 December 2021 amount to CZK 37,957 thousand (31 December 2020: CZK 22,145 thousand).

Estimated payables amounting to CZK 9,930 thousand (31 December 2020: CZK 14,766 thousand) primarily include an estimate of internal rebilling of transfer prices with Ekol energo s.r.o. of CZK 9,280 thousand (31 December 2020: CZK 6,279 thousand) and an estimate for unbilled costs of 2021 amounting to CZK 650 thousand.

The amount of debts that have a maturity of more than 5 years as at the balance sheet date is 0 thousand. CZK. The total amount of debts not reported in the balance sheet is 0 thousand CZK as of 31.12.2021.

C) OTHER PAYABLES

D) PAYABLES TO CREDIT INSTITUTIONS

In the year ended 31 December 2021, payables to credit institutions amount to CZK 20,000 thousand (31 December 2020: CZK 0 thousand).

E) DUE AMOUNTS ARISING FROM SOCIAL SECURITY CONTRIBUTION AND CONTRIBUTION TO THE STATE EMPLOYMENT POLICY CZK 1,948 thousand (31 December 2020: CZK 1,430 thousand) – the amounts are before due dates.

E) DUE AMOUNTS ARISING FROM PUBLIC HEALTH INSURANCE – CZK 856 thousand (31 December 2020: CZK 644 thousand) – the amounts are before due dates.

F) TAX PAYABLES

Tax payables of CZK 8,705 thousand (31 December 2020: CZK 8,403 thousand) include primarily payable arising from VAT to the Polish tax authority in the amount of CZK 7,524 thousand).

G) RECORDED TAX ARREARS

As of 31 December 2021 and 2020, the Company records no tax arrears.

1.5. EQUITY

Pursuant to the resolution of the General Meeting of 31 August 2021, the accounting profit for 2020 of CZK 10,913 thousand was transferred to retained earnings brought forward. The profit for the current period has not yet been distributed. It will be distributed at the general meeting based on a decision of the majority owner; the Company anticipates that it will be transferred to retained earnings brought forward.

1.6. CORRECTIONS OF PRIOR YEARS MISSTATEMENTS

Other profit or loss as of 31 December 2021 and as of 31 December 2020 includes a correction to misstatement from the prior period – an unrecognised reserve for complaints in 2013 of CZK 11,203 thousand and corresponding deferred tax of CZK (2,129) thousand. This reserve was further adjusted by an impact of 2014 involving a decrease in the reserve of CZK 2,590 thousand and decrease in the deferred tax of CZK 492 thousand. In addition, other profit or loss was used to decrease the contractual fine billed in 2014 by CZK 7,390 thousand.

1.7. STATUTORY AND OTHER (ACCOUNTING) PROVISIONS (CZK '000):

Type of reserve	Balance at 31 Dec 2020	Recognition	Use	Balance at 31 Dec 2021
Reserve for additional costs	26 006	18 605	24 090	20 521
Reserve for legal disputes	13 168	2 750	13 168	2 750
Reserve for complaints and EPC projects	6 321	0	194	6 127
Total	45 495	21 355	37 452	29 398

Type of reserve	Balance at 31 Dec 2019	Recognition	Use	Balance at 31 Dec 2020
Reserve for additional costs	4 511	26 006	4 511	26 006
Reserve for legal disputes	11 168	2 000	0	13 168
Reserve for complaints	17 425	0	11 104	6 321
Total	33 104	28 006	15 615	45 495

1.8. BREAKDOWN OF THE DEFERRED TAX LIABILITY OF ASSET

Recognised deferred tax assets and liabilities (CZK '000)

Deferred tax	2021	2020
Fixed assets ARV - TRV	786	1 768
Receivables	15 892	24 639
Tax loss*	29 605	29 605
Accounting reserves	29 398	46 971
Inventory	21 044	17 519
Outstanding contractual penalties	0	-12 008
Total	96 725	108 494
Deferred tax asset	18 738	20 828

In line with accounting principles, a 19% tax rate for 2021 was used for the calculation of the deferred tax.

* Total unutilised tax losses amount to CZK 91,324 thousand as of 31 December 2021.

1.9. DEFERRED INCOME

Deferred income as of 31 December 2021 amounts to CZK 136,610 thousand (31 December 2020: CZK 156,442 thousand).

This primarily includes deferred income in the Xian ShanGu Power project.

1.10. DETAILS OF INCOME BY PRINCIPAL ACTIVITY (in CZK '000):

Principal activities	In-country	Cross-border	Total
	2021	2021	2021
Sale of own products and services	83 396	782 531	865 927
Sale of goods	0	0	0
Total	83 396	782 531	865 927

Principal activities	In-country	Cross-border	Total
	2020	2020	2020
Sale of own products and services	180 714	413 235	593 946
Sale of goods	0	38 411	38 411
Total	180 714	451 646	632 460

1.10.1. INCOME GENERATED WITH RELATED PARTIES

2021

(CZK '000)

Entity	Services	Material	Products	Assets	Other	Total
EKOL energo s.r.o.	5 018	774	4 890	0	0	10 682
EKOL, spol.s.r.o. Martin	250	0	0	0	5	255
AEZ s.r.o.	21	0	0	0	0	21
Power Electric Sp.z o o	0	0	0	0	8	8
ShaangGu Power (Hongkong) Co., Limited	0	0	0	0	0	0
Xian Shaangu Power Co., Limited	4 944	0	517 371	0	2 349	524 664
Total	10 233	774	522 260	0	2 362	535 630

2020

(CZK '000)

Entity	Services	Material	Products	Assets	Other	Total
EKOL energo s.r.o.	7 379	1 930	414	0	619	10 342
EKOL, spol.s.r.o. Martin	689	0	1 036	0	16	1 741
AEZ s.r.o.	17	0	0	0	6	23
Power Electric Sp.z o o	98	0	58	0	614	770
ShaangGu Power (Hongkong) Co., Limited	0	0	0	0	45	45
Shaangu Power Luxembourg	0	0	152 267	38 411	2 285	192 963
Total	8 183	1 930	153 775	38 411	3 585	205 884

All income generated with related parties was under the arm's length principle.

1.10.2. OTHER OPERATING INCOME

Other operating income of CZK 5,289 thousand (31 December 2020: CZK 9,862 thousand) primarily includes the recognition of a subsidy provided from the state budget for the Trend and Plazma projects of CZK 4,370 thousand (31 December 2020: CZK 8,615 thousand).

1.11. EXPENSES (CZK '000)**1.11.1. Purchases from Related Parties**

2021

(CZK '000)

Entity	Assets	Consumption	Services	Financial expenses	Total
EKOL energo s.r.o.		85 784	30 169	7	115 960
EKOL, spol.s.r.o. Martin	0	0	2	8	10
AEZ s.r.o.	0	0	1 569	0	1 569
Power Electric Sp.z o o	0	0	2 504	5	2 509

ShaangGu Power (Hongkong) Co., Limited	0	0	0	3	3
Xian Shaangu Power Co., Limited	0	0	0	2 927	2 927
Total	0	85 784	34 244	2 950	122 978

2020

(CZK '000)					
Entity	Assets	Consumption	Services	Financial expenses	Total
EKOL energo s.r.o.	0	66 537	28 749	5	95 291
EKOL, spol.s.r.o. Martin	0	0	0	12	12
AEZ s.r.o.	0	3 820	868	0	4 688
Power Electric Sp.z.o.o	0	0	11	3	14
ShaangGu Power (Hongkong) Co., Limited	0	0	0	1	1
Xian Shaangu Power Co., Limited	0	0	0	381	381
Total	0	70 357	29 629	402	100 388

1.11.2. CONSUMED MATERIAL AND ENERGY

(CZK '000)		
	2021	2020
Consumed material	596 690	232 937
Consumed fuel	756	800
Consumed electricity	605	463
Consumed gas	493	599
Consumed water	124	135
Consumed heat	361	298
Total	599 029	235 232

1.11.3. SERVICES

(CZK '000)		
	2021	2020
Assembly work on projects	14 686	60 516
Rental	9 157	10 930
Travel costs	3 190	1 555
Interpreting and legal services	1 082	2 161
Repairs and maintenance	656	156
Trade expenses	8 733	3 510
IT costs, telephones	10 954	8 777
Transportation costs relating to project	10 543	13 619
Promotion, training	651	541
Projects	3 469	7 640
Other services, supervision, packaging costs, advisory services, technical assistance	117 639	69 906
Construction of EPC projects	0	1 124
Calculation work	529	0
Total	181 289	180 435

1.11.4. STAFF COSTS

	Employees	
	2021	2020
Average recalculated headcount	125	114
Staff costs (CZK '000)	92 084	84 590
- payroll costs	67 255	61 925
- costs of social security and health insurance	22 450	20 632
- social costs	2 379	2 033

Members of the statutory bodies did not receive any bonuses, loans, credits, guarantees or other supplies. Members of the management bodies did not receive any loans, credits, guarantees or other supplies except as disclosed above.

1.12. COMPREHENSIVE DEFERRED EXPENSES

Comprehensive deferred expenses include the Unifikace (Unification) project of CZK 29,674 thousand (31 December 2020: CZK 33,422 thousand).

1.13. COSTS OF AUDIT

The fee to the statutory auditor for the obligatory audit of the financial statements for the year ended 31 December 2021 amounted to CZK 495 thousand (31 December 2020: CZK 1,173 thousand).

1.14. Off-Balance Sheet Commitments

The Company records no other off-balance sheet commitments.

- a) Material contingent losses
The Company is not aware of any material contingent losses.
- b) Bills of exchange issued as a guarantee
The Company has no bills of exchange issued as a guarantee.
- c) Legal disputes
As of 31 December 2021, the company did not participate in any significant litigation, the resolution of which would have a material impact on the company.
- d) Contingent liabilities
The Company has no contingent liabilities.
- e) Environmental liabilities
The Company has no environmental liabilities.
- f) Bank guarantees
Open bank guarantees as of 31 December 2021 amount to CZK 215 million.

1.15. SUBSEQUENT EVENTS

On 21 February 2022, the following shares were sold:

Stanislav Veselý	13,385%
Gustav Poslušný	11,115%
Jaromír Kříž	0,5%

100% owner of Ekol, spol. s r.o. became Shaangu Power (Luxemburg) S.A.

On 23 February 2022, the manner of negotiating in the Articles of Association of Ekol, spol. s r.o. was amended. The original content *"At least two (2) executives act jointly on behalf of the company in all matters, provided that one (1) of them will always be Executive A and one (1) of them will always be Executive B or Executive C."* **was replaced with effect from 23 February 2022 by new content** *"The Chairman of the Board of Directors or an agent authorized by the Chairman of the Board of Directors in accordance with the requirements set by the Board of Directors acts on behalf of the Company and is authorized to (i) sign documents on behalf of the Company; ii) concluding contracts on behalf of the Company or (iii) exercising other powers according to the deed of incorporation. The Managing Director of the Company signs by attaching his / her handwritten signature and information on the position in the Company to the printed or written business name of the Company."*

The chairman of the board of directors is Mr. Liu Haijun, who authorized until 30.4. 2022 to act on his behalf Mr. Leie Chen.

Conflict in Ukraine: During 2021, the Company worked on contracts in Ukraine. At the end of the reporting period, ie 31 December 2021, there were no circumstances that would have any impact on the Company's financial statements. Due to the uncertainties that exist regarding the future development in Ukraine, it is possible that future developments will have an impact on the Company's operations. At present, however, neither the probability nor the quantification of the possible impact can be determined with certainty.