

Annual Report 2022

ShaanGu



ANNUAL REPORT 2022

EKOL, spol. s r.o.

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1. SELECTED FINANCIAL INDICATORS

INDICATOR (CZK '000)	2022	2021	2020	2019
PRODUCTION AND SALE OF GOODS	1 021 863	865 927	632 360	1 568 759
PRODUCTION CONSUMPTION	1 080 478	780 318	451 260	1 194 867
NET PROFIT/LOSS	11 167	13 684	13 264	28 832
TOTAL ASSETS	1 144 770	1 198 222	1 098 188	1 126 470
CURRENT ASSETS	923 732	1 025 456	878 343	898 947
LIABILITIES	629 500	568 559	459 833	595 857
EQUITY	504 220	493 053	481 913	468 649

2. DEVELOPMENT BETWEEN 2012 AND 2022

Inventory including work in progress (CZK '000)

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
75 271	235 914	189 380	120 161	125 541	517 317	605 558	332 359	265 190	282 753	409 147

Average number of employees

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
161	167	163	163	164	164	143	128	114	125	130

Equity (CZK '000)

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
619 540	620 899	616 122	634 387	590 670	449 743	439 817	468 649	481 913	493 051	504 220

Production and sale of goods (CZK '000)

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1 354 721	1 207 045	587 591	817 374	810 529	551 080	745 854	1 568 759	632 360	865 927	1 021 863

3. ORGANISATIONAL STRUCTURE OF THE COMPANY

Board of Statutory Executives

Liu Haijun

Ing. Jaroslav Zapletal

Wang Hui

Lei Chen

Song Xuanli

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 není součástí konsolidovaného celku

Valea lui Mihaj, Rumunsko

-99.9%-

POWER ELECTRIC

Bielsko Biala, Polsko

-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 each customer, which means understanding their needs, finding a common solution, and optimizing each project.

The Company's specialization 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 2022, the activities of the Research and Development Department (R&D) comprised the following:

1/ EKOL R&D Programme

- ✓ TREND program: "Development of advanced technological elements of EKOL steam turbines of the next generation", focused on the design and execution of experimental tests of low-cycle blade fatigue, aerodynamic and tensometric tests of the prototype of 2 turbine stage configurations (including the new series with Z-bandage) in a high-speed wind tunnel

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

- ✓ Final design data – complete calculation and construction design and drawing documentation of the group of last twisted stages of turbine blades produced by ShaanGu

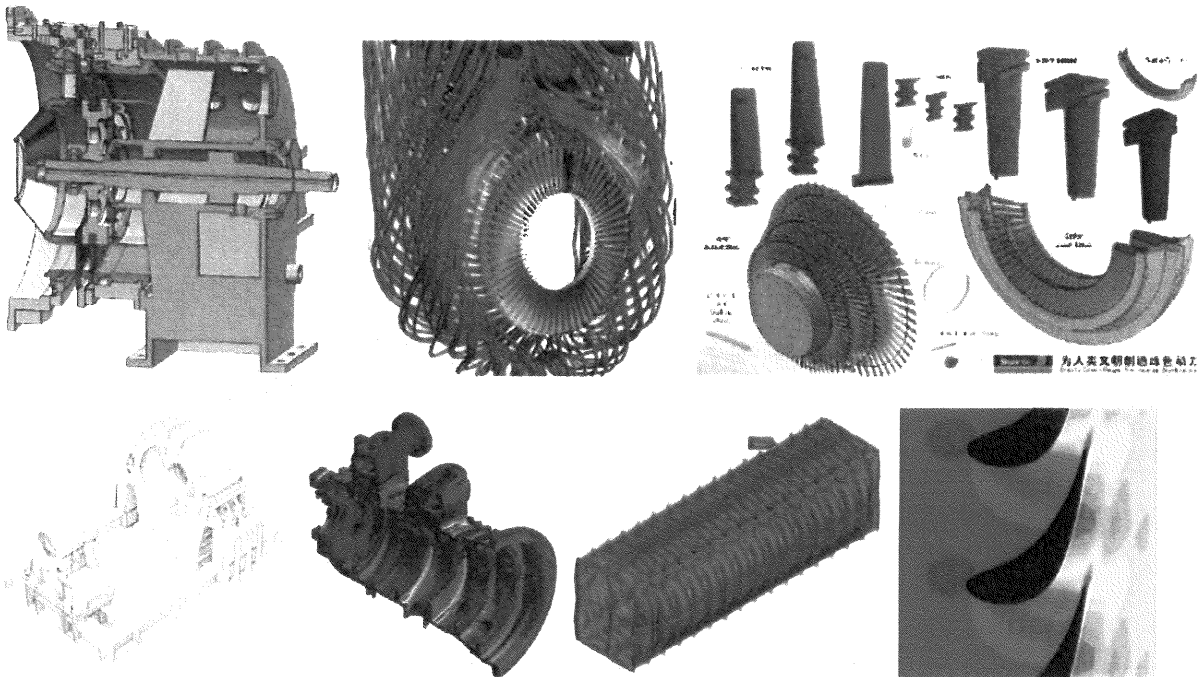
3/ Technical expertise and support for offers implementation and servicing of steam/combustion turbines and boilers

- ✓ Participation and implementation of R&D outputs on real projects: THAILAND 1, LUBLIN, MINGSHUI 2, GDAŃSK, SYNTHOS DWORY, ECO_RAVEN, LSBG, HUAFENG 2, ERDEMIR, MALEIC, ZBIERSK, JINGYUAN, BUDIMEX, KS KOUŘIM, AZOTY, DOMORADICE, BORKEN, JSOL INDIA, ŽILINA, SARPI

4/ Implementation of the cost reduction program - CSP

- ✓ Optimization of construction nodes with the potential of material savings (base frames) and savings resulting from standardization (quick-closing valves)

In the following year, the R&D department will continue to apply outputs to implemented projects and focus on the key long-term tasks of development programs with the aim of technical development of the company and strengthening know-how, increasing the reliability, technical and economic efficiency of EKOL's products and orienting itself to the technological challenges of the future, such as the realization of the final verified version of the Digital Twin of the Steam Turbine and the development of automation tools to streamline the creation of drawing documentation.



6. SIGNIFICANT CONTRACTS OF 2022

Steam turbines and power units:

Purchaser	SUBJECT OF PERFORMANCE – ONGOING PROJECTS	PLACE
KERNEL Group	Commissioning of a steam condensing turbine to drive a 13.6 MW generator	Bandurka / Ukraine
ENERGOSERWIS LUBLIN	Installation on the construction site of a 12 MWe back pressure steam turbine with vacuum pressure for MEGATERM LUBLIN	Lublin/Poland
ENERGIKA, JAWNA	On-site assembly and commissioning of a 3.3 MWe condensing turbine for Biomass CHP-LOMŻA	Lomza/Poland
Termomeccanica	Design, construction, and production of a steam condensing turbine 17.8 MWe for the Gdansk waste incineration plant.	GDAŃSK/Poland
SYNTHOS DWORY	Design, construction, and production of a counter-pressure 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 2 project.	China
ShaanGu / Procon	Design, construction and production of a steam condensing turbine to drive an 18.7 MW compressor for the ERDEMIR project.	Turkey
AWW Zbiersk	Design, construction and production of a steam back pressure turbine 9.8 MWe.	Zbiersk/Poland
ShaanGu	Design, construction and production of a counter-pressure intake turbine to drive a 20.6 MW compressor for the MALEIC project.	China
ShaanGu	Design, construction, and production of a condensing steam turbine to drive a 35.6 MW compressor for the JINGYUAN project.	China

Boilers

KERNEL Group	Design, construction, production assurance, delivery, and commissioning 2 pcs Steam boiler RFK 35	35/485/6,7	Sunflower husks	Bandurka, Ukraine
KERNEL Group	Design, construction, production assurance, delivery, and commissioning 3 pcs Steam boiler RFK 35	35/485/6,7	Sunflower husks	Pridneprovskyi, Ukraine
KERNEL Group	Design, construction, production assurance, delivery and commissioning Steam boiler RFK 35	35/485/6,7	Sunflower husks	Volchansk, Ukraine
EC Žerán / Budimex	Design, construction, production assurance, delivery and commissioning 2 x hot water boilers (HWB-130) for the Žerán heating plant, Warszawa	130 MW	Natural Gas	Budimex/Poland
ZAK Kedzierzyn /	Design, construction, production assurance, delivery and commissioning steam boiler	100t/h, 75 bar, 495 °C	Natural Gas	Kedzierzyn/Poland
ECO RAVEN / Energika	Design, construction, production assurance, delivery and commissioning of a steam boiler for burning wood chips	30t/h, 65 bar, 485 °C	Chip	Kostrzyn/Poland
PGNiG Termika/ Budimex/	Design, construction, production assurance, delivery, and commissioning 2 x hot water boilers (HWB-110)	2x 110 MW	Natural Gas	KAWENCZYN /Poland

AWW ZBIERSK / Energoserwis Lublin	Design, construction, production assurance, 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 assurance, delivery and commissioning Steam boiler PK 25	25t/h, 30 bar, 360 °C	Natural Gas	OSTRAVA / Czech Republic
Pfeifer Langen / Energoserwis Lublin	Design, construction, production assurance, delivery and commissioning two PK 23 steam gas boilers	32 t/h, 40 bar, 440/105 °C	Natural Gas	Pfeifer Langen / Poland



BUREAU
VERITAS

Bureau Veritas Certification

Certificate

Awarded to

EKOL energo s.r.o.

Registered address: Křenová 65, 602 00 Brno, Czech Republic

Site: Zaoralova 7, Brno, Czech Republic

BUREAU VERITAS CERTIFICATION CZ, s.r.o. certifies that the Management System of the above organisation has been audited and found to be in accordance with the requirements of the management system standard detailed below:

Standard

ČSN EN ISO 9001:2016

Scope of supply

(The scope of supply is valid only for site)

**ASSEMBLY PLANNING, DESIGN, CALCULATION AND PERFORMANCE TESTING
OF STEAM TURBINE EQUIPMENTS, GAS TURBINE EQUIPMENTS,
CO-GENERATION UNITS, STEAM AND HOT WATER BOILERS.
PRODUCTION, ASSEMBLY, COMMISSIONING AND SERVICE OF STEAM TURBINES,
COMPONENTS OF GAS TURBINES AND BOILERS.
POWER AND HEATING PLANT INSTALLATION, COMMISSIONING AND SERVICE.
PRECISION MACHINING OF MECHANICAL PARTS.**

Original Approval Date: **30-04-1998**

Certification / Recertification Cycle Start Date: **14-06-2022**

Certification / Recertification Cycle End Date: **13-06-2025**

Subject to the continued satisfactory operation of the organisation's

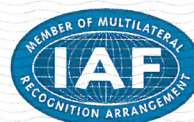
Management System, this certificate is valid until: **13-06-2025**

To check this certificate validity please call: +420 210 088 215

Further clarifications regarding the scope of this certificate and the applicability of the management system requirements may be obtained by consulting the organisation.

Version 1 Issue Date: **14-06-2022**

Certificate Number: **CZ010947**



MANAGING OFFICE: BUREAU VERITAS CERTIFICATION CZ, s.r.o., Olbrachtova 1, 140 02 Praha 4, Czech Republic

ISSUING OFFICE ADDRESS: BUREAU VERITAS CERTIFICATION CZ, s.r.o., Olbrachtova 1, 140 02 Praha 4, Czech Republic



BUREAU
VERITAS

Bureau Veritas Certification

Certificate

Awarded to

EKOL energo s.r.o.

Registered address: Křenová 65, 602 00 Brno, Czech Republic

Site: Zaoralova 7, Brno, Czech Republic

BUREAU VERITAS CERTIFICATION CZ, s.r.o. certifies that the Management System of the above organisation has been audited and found to be in accordance with the requirements of the management system standard detailed below:

Standard

ČSN EN ISO 14001:2016

Scope of supply

(The scope of supply is valid only for site)

**ASSEMBLY PLANNING, DESIGN, CALCULATION AND PERFORMANCE TESTING
OF STEAM TURBINE EQUIPMENTS, GAS TURBINE EQUIPMENTS,
CO-GENERATION UNITS, STEAM AND HOT WATER BOILERS.
PRODUCTION, ASSEMBLY, COMMISSIONING AND SERVICE OF STEAM TURBINES,
COMPONENTS OF GAS TURBINES AND BOILERS.
POWER AND HEATING PLANT INSTALLATION, COMMISSIONING AND SERVICE.
PRECISION MACHINING OF MECHANICAL PARTS.**

Original Approval Date: **04-07-2008**

Certification / Recertification Cycle Start Date: **14-06-2022**

Certification / Recertification Cycle End Date: **13-06-2025**

Subject to the continued satisfactory operation of the organisation's

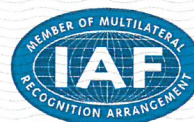
Management System, this certificate is valid until: **13-06-2025**

To check this certificate validity please call: +420 210 088 215

Further clarifications regarding the scope of this certificate and the applicability of the management system requirements may be obtained by consulting the organisation.

Version 1 Issue Date: **14-06-2022**

Certificate Number: **CZ010948**



MANAGING OFFICE: BUREAU VERITAS CERTIFICATION CZ, s.r.o., Olbrachtova 1, 140 02 Praha 4, Czech Republic

ISSUING OFFICE ADDRESS: BUREAU VERITAS CERTIFICATION CZ, s.r.o., Olbrachtova 1, 140 02 Praha 4, Czech Republic



BUREAU
VERITAS

Bureau Veritas Certification

Certificate

Awarded to

EKOL energo s.r.o.

Registered address: Křenová 65, 602 00 Brno, Czech Republic

Site: Zaoralova 7, Brno, Czech Republic

BUREAU VERITAS CERTIFICATION CZ, s.r.o. certifies that the Management System of the above organisation has been audited and found to be in accordance with the requirements of the management system standard detailed below:

Standard

ČSN ISO 45001:2018

Scope of supply

(The scope of supply is valid only for site)

ASSEMBLY PLANNING, DESIGN, CALCULATION AND PERFORMANCE TESTING
OF STEAM TURBINE EQUIPMENTS, GAS TURBINE EQUIPMENTS,
CO-GENERATION UNITS, STEAM AND HOT WATER BOILERS.
PRODUCTION, ASSEMBLY, COMMISSIONING AND SERVICE OF STEAM TURBINES,
COMPONENTS OF GAS TURBINES AND BOILERS.
POWER AND HEATING PLANT INSTALLATION, COMMISSIONING AND SERVICE.
PRECISION MACHINING OF MECHANICAL PARTS.

Original Approval Date: 25-07-2019

Certification / Recertification Cycle Start Date: 14-06-2022

Certification / Recertification Cycle End Date: 13-06-2025

Subject to the continued satisfactory operation of the organisation's

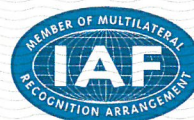
Management System, this certificate is valid until: 13-06-2025

To check this certificate validity please call: +420 210 088 215

Further clarifications regarding the scope of this certificate and the applicability of the management system requirements may be obtained by consulting the organisation.

Version 1 Issue Date: 14-06-2022

Certificate Number: CZ010949



MANAGING OFFICE: BUREAU VERITAS CERTIFICATION CZ, s.r.o., Olbrachtova 1, 140 02 Praha 4, Czech Republic

ISSUING OFFICE ADDRESS: BUREAU VERITAS CERTIFICATION CZ, s.r.o., Olbrachtova 1, 140 02 Praha 4, Czech Republic

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.

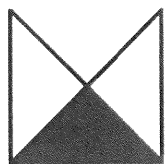
The Company has no organisational branch or another part of business abroad. Its production activities do not adversely affect the environment.

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

9. SUBSEQUENT EVENTS

No significant events occurred after the date of the financial statements.

10. INDEPENDENT AUDITOR'S REPORT



MOORE

EKOL, spol. s r.o.

**INDEPENDENT AUDITOR'S REPORT
AS AT 31 DECEMBER 2022**

INDEPENDENT AUDITOR'S REPORT
on the financial statements as at 31 December 2022 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 2022
Audited period:	from 1 January 2022 to 31 December 2022
Financial reporting framework:	Czech accounting regulations
Date of issue auditor's report:	26 April 2023
Auditor:	Erik Ďurkán 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 2022, 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 2022 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 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, 26 April 2023

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
Erik Ďurkán
Statutory auditor, Licence No. 2407

11. FINANCIAL STATEMENTS

Financial statements as at 31 December 2022

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

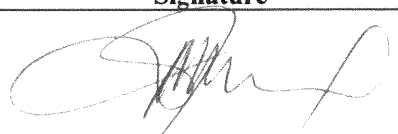

Company adress: Křenová 211/65
Brno
602 00

Legal form: Limited liability company

Registration number: 416 00 983

Object of business: project activity in construction, implementation of buildings, their changes and removal, production, trade and services not listed in Appendices 1 to 3 of the Trade Act, activities of accounting advisers, bookkeeping, tax records, assembly, repairs, revisions and tests of pressure equipment and containers for gases

Date: 25 April 2023

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

BALANCE SHEET

full version

at 31 December 2022
(in thousands of Czech crowns)

Name and registered office of the entity

EKOL, spol. s r.o.

Křenová 211/65

Bmo

602 00

Year	Month	ID no
2022	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	1 395 113	250 343	1 144 770	1 091 368
B.	Fixed assets	003	361 819	169 092	192 727	194 843
B.I.	Intangible fixed assets	004	66 039	63 085	2 954	369
B.I.2.	Patents, copyrights and trademarks	006	59 975	57 021	2 954	369
B.I.2.1	Software	007	47 242	44 288	2 954	369
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	129 064	105 367	23 697	28 397
B.II.1.	Land and structures	015	48 170	40 582	7 588	9 215
B.II.1.2.	Structures	017	48 170	40 582	7 588	9 215
B.II.2.	Equipment	018	80 684	64 785	15 899	18 918
B.II.5.	Advance payments for tangible fixed assets and unfinished tangible fixed assets	024	210	0	210	264
B.II.5.2.	Unfinished tangible fixed assets	026	210	0	210	264
B.III.	Long-term financial assets	027	166 716	640	166 076	166 077
B.III.1.	Shares and investments - controlled or controlling enterprises	028	166 716	640	166 076	166 077
C.	Current assets	037	1 004 983	81 251	923 732	864 948
C.I.	Inventory	038	457 795	48 648	409 147	282 753
C.I.1.	Raw materials	039	16 934	2 810	14 124	27 453
C.I.2.	Work-in-progress and semi-finished products	040	440 861	45 838	395 023	255 300
C.II.	Receivables	046	406 908	28 603	378 305	369 984
C.II.1.	Long-term receivables	047	22 979	0	22 979	30 424
C.II.1.1.	Trade receivables	048	3 066	0	3 066	12 046
C.II.1.4.	Deferred tax receivables	051	19 913	0	19 913	18 378
C.II.2.	Short-term receivables	057	383 929	28 603	355 326	339 560
C.II.2.1.	Trade receivables	058	227 493	25 999	201 494	225 078
C.II.2.4.	Other receivables	061	156 436	2 604	153 832	114 482
C.II.2.4.3.	Due from state - tax receivables	064	18 012	1 476	16 536	6 063
C.II.2.4.4.	Short-term advances paid	065	93 155	1 128	92 027	101 511
C.II.2.4.6.	Other receivables	067	45 269	0	45 269	6 908
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	128 501	0	128 501	204 432
C.IV.1.	Cash in hand	076	2 334	0	2 334	1 936
C.IV.2.	Cash at bank	077	126 167	0	126 167	202 496
D.	Accruals	078	28 310	0	28 310	31 571
D.1.	Deferred expenses	079	2 385	0	2 385	1 897
D.2.	Comprehensive deferred expenses	080	25 925	0	25 925	29 674

PRO IDENTIFIKACI
FOR IDENTIFICATION
Moore Audit CZ s.r.o.
Ev. číslo oprávnění 599
Karolínská 661/4, Karlín
186 00 Praha 8

Réf. a	LIABILITIES b	Row c	Current period 5	Previous period 6
	TOTAL LIABILITIES	082	1 144 770	1 091 368
A.	Equity	083	504 220	493 051
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	480 383	466 698
A.IV.1.	Retained profit and accumulated losses of previous years (+/-)	100	494 750	481 065
A.IV.2.	Other comprehensive income of previous periods (+/-)	101	-14 367	-14 367
A.V.	Profit / loss - current year (+/-)	102	11 167	13 683
B. + C.	Liabilities	104	629 500	461 707
B.	Reserves	105	40 343	29 398
B.4.	Other reserves	109	40 343	29 398
C.	Payables	110	589 157	432 309
C.I.	Long-term payables	111	7 144	4 145
C.I.4.	Trade payables	117	7 144	4 145
C.II.	Short-term payables	126	582 013	428 164
C.II.2.	Payables to credit institutions	130	0	20 000
C.II.3.	Short-term advances received	131	222 931	124 149
C.II.4.	Trade payables	132	342 670	257 181
C.II.6.	Payables - controlled or controlling enterprises	134	154	154
C.II.8.	Other short-term payables	136	16 260	26 680
C.II.8.3.	Payables to employees	139	5 502	5 148
C.II.8.4.	Payables to social security and health insurance	140	2 868	2 804
C.II.8.5.	Due from state - tax payables and subsidies	141	610	8 705
C.II.8.6.	Estimated payables	142	7 191	9 930
C.II.8.7.	Other short-term payables	143	89	93
D.	Accruals	147	11 050	136 610
D.2.	Deferred revenues	149	11 050	136 610

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Minimum compulsory information under Regulation 500/2002 Coll.		PROFIT / LOSS ACCOUNT full version for period from 1 January 2022 to 31 December 2022 (in thousands of Czech crowns)			Name and registered office of the entity EKOL, spol. s r.o. Křenová 211/65 Brno 602 00	
		Year	Month	ID no		
		2022	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	1 021 863	865 927		
A.	Production consumption	03	1 080 478	780 319		
A.2.	Consumption of material and energy	05	831 141	599 029		
A.3.	Services	06	249 337	181 290		
B.	Change in inventory of own products (+/-)	07	-167 327	-600		
C.	Capitalization (-)	08	0	-12 922		
D.	Personnel expenses	09	108 206	92 084		
D.1.	Wages and salaries	10	79 368	67 255		
D.2.	Social security, health insurance and other costs	11	28 838	24 829		
D.2.1.	Social security and health insurance expenses	12	26 440	22 450		
D.2.2.	Other costs	13	2 398	2 379		
E.	Value adjustments relating to operating income	14	30 051	8 382		
E.1.	Value adjustments relating to intangible and tangible assets	15	5 519	3 671		
E.1.1.	Value adjustments relating to intangible and tangible assets - permanent	16	5 519	3 671		
E.2.	Value adjustments relating to inventories	18	24 532	0		
E.3.	Value adjustments relating to receivables	19	0	4 711		
III.	Other operating revenues	20	12 196	6 530		
III.2.	Revenues from sale of material	22	1 182	1 241		
III.3.	Other operating revenues	23	11 014	5 289		
F.	Other operating expenses	24	23 131	-10 682		
F.2.	Sold material	26	1 131	806		
F.3.	Taxes and fees	27	233	348		
F.4.	Provisions relating to operating income and comprehensive deferred expenses	28	17 765	-13 824		
F.5.	Other operating expenses	29	4 002	1 988		
*	Operating profit / loss	30	-40 480	15 876		
IV.	Revenues from long-term financial assets - shares	31	11 825	1 131		
IV.1.	Revenues from shares - controlled or controlling enterprises	32	11 825	1 131		
J.	Interest paid and related expenses	43	2 235	49		
J.2.	Other interest paid and related expenses	45	2 235	49		
VII.	Other financial revenues	46	75 296	32 241		
K.	Other financial expenses	47	34 774	33 066		
*	Profit / loss from financial operations	48	50 112	257		
**	Profit / loss before tax (+/-)	49	9 632	16 133		
L.	Income tax	50	-1 535	2 450		
L.2.	Deferred tax	52	-1 535	2 450		
**	Profit / loss after tax (+/-)	53	11 167	13 683		
***	Profit / loss of current accounting period (+/-)	55	11 167	13 683		
*	Net turnover	56	1 121 180	905 829		

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STATUTORY OF CHANGES IN EQUITY

31.12.2022

Name and registered office of the entity

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

(in thousands of Czech crowns)

Year	Month	ID no
2022	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 as at 1 January 2021	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
Others - reclassification	0	0	0	-194	0	-194
Profit or loss for the current period	0	0	0	0	13 683	13 683
Balance as at 31 December 2021	5 000	7 170	500	466 698	13 683	493 051
Distribution of profit or loss	0	0	0	13 683	-13 683	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	11 167	11 167
Balance as at 31 December 2022	5 000	7 170	500	480 383	11 167	504 220

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CASH FLOW STATEMENT

from 1 January 2022 to 31 December 2022
(in thousands of Czech crowns)

Name and registered office of the entity

EKOL, spol. s r.o.

Křenová 211/65

Brno

602 00

Year	Month	ID no
2022	12	416 00 983

Réf. a	Cash flow statement b	Accounting period	
		current 1	previous 2
P.	Opening balance of cash and cash equivalents	204 432	188 501
Cash flows from ordinary activities (operating activities)			
Z.	Profit or loss from ordinary activities before tax	9 634	16 133
A.1.	Adjustments for non-cash transactions	31 406	-8 797
A.1.1.	Depreciation of fixed assets	5 519	3 671
A.1.2.	Change in provisions and reserves	35 477	-11 386
A.1.4.	Revenues from profit shares	-11 825	-1 131
A.1.5.	Interest expense and interest income	2 235	49
A.*	Net operating cash flow before changes in working capital	41 040	7 336
A.2.	Change in working capital	-92 422	3 590
A.2.1.	Change in operating receivables and other assets	-3 526	43 014
A.2.2.	Change in operating payables and other liabilities	62 030	-21 861
A.2.3.	Change in inventories	-150 926	-17 563
A.**	Net cash flow from operations before tax	-51 382	10 926
A.3.	Interest paid	-2 235	-49
A.***	Net operating cash flows	-53 617	10 877
Cash flows from investing activities			
B.1.	Fixed assets expenditures	-3 398	-16 077
B.4.	Received profit shares (+)	1 084	1 131
B.***	Net investment cash flows	-2 314	-14 946
Cash flows from financial activities			
C.1.	Change in payables from financing	-20 000	20 000
C.***	Net financial cash flows	-20 000	20 000
F.	Net increase or decrease in cash and cash equivalents	-75 931	15 931
R.	Closing balance of cash and cash equivalents	128 501	204 432

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

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 (equaling or exceeding 20% of the registered share capital)

Since 1 July 2015, the 100% 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.	100%
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Investments of shareholders in the share capital are fully paid up.

A) MEMBERS OF THE STATUTORY BODY

Statutory Executives

Liu Haijun - Chairman of the Board

Hui Wang - statutory executive

Ing. Jaroslav Zapletal - statutory executive

Lei Chen – statutory executive

Xuanli Song - statutory executive

Manner of acting:

The chairman of the board or the statutory executive authorized by the chairman of the board in accordance with the requirements established by the board of directors acts on behalf of the company and is authorized to (i) sign documents on behalf of the company, (ii) conclude contracts on behalf of the company or (iii) exercise other powers according to the articles of incorporation documents. The executive signs on behalf of the company by attaching his handwritten signature and information on his position in the company to the printed or written company name.

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

New executives Lei Chen and Xuanli Song were registered in the commercial register in 2022. The structure of the statutory body and the course of acting (above) were changed. Since 21 February 2022, Shaangu Power (Luxemburg) S.A. is the sole shareholder of the Company.

C) ORGANIZATIONAL STRUCTURE OF THE COMPANY

Financial Divisions	Wang Hui
Boiler Division	Ing. Miroslav Jedlička
Commerce Division	Jiřina Fu
Technical Division	Ing. Jan Saňka
Implementation Division	Ing. Roman Hančl

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	305 613	-3 259
AEZ s.r.o.	Zaoralova 2832/7 Brno	100	22 429	484
EKOL, spol. s r.o.	Hečkova 2 Martin Slovensko	100	26 792	5 402
Ekol Turbo a.s.	Křenová 65 Brno	100	1 791	-3
POWER ELECTRIC SP. Z O.O.	Ks. Londzina 7, Bielsko-Biala, Polsko	51	9 346	4 131

The equity and accounting profit or loss are drawn from unaudited financial statements as of 31 December 2022, 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, an adjustment to 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 2022	CZK (37) thousand

As of 31 December 2022, and 2021, the accounting adjustment to equity investments amounts to CZK 4,000 thousand.

II. Information on Accounting Policies and General Accounting Principles

IGNIFICANT 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 2022, 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 adjustments.

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 adjustments.

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 Assets Adjustments

Adjustments of inventory

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

Adjustments of receivables

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

Type of adjustment/provision	31 Dec 2021	Change	31 Dec 2022
Adjustment of non-current financial assets	640	0	640
Adjustment of current financial assets	4 000	0	4 000
Adjustment of inventory	21 044	27 604	48 648
Adjustment of short-term prepayments made	1 128	0	1 128
Provision against tax receivables	1 478	0	1 478
Adjustment of trade receivables	25 999	0	25 599

Provision against tax receivables in the amount of CZK 1,478 thousand is created for an invoice claimed from VAT with the Romanian tax authority and represents 100% of the claimed amount.

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

Provisions 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 2021	31 Dec 2022
Cash on hand and cash equivalents	1 936	2 334
Cash at bank	202 496	126 167
Total cash and cash equivalents	204 432	128 501

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 2022	Additions/ rebilling	Disposals	31 Dec 2022
Cost				
Software	44 218	3 023	0	47 241
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	80 266	434	16	80 684
Tangible FA under construction	264	-54	0	210
Total	191 715	3 403	16	195 102
Accumulated depreciation/amortisation				
Software	43 849	439	0	44 288
Valuable rights	12 733	0	0	12 733
Other intangible investment assets	6 064	0	0	6 064
Buildings	38 955	1 627	0	40 582
Tangible movable assets and sets of movable assets	61 348	3 454	16	64 786
Total	162 949	5 519	16	168 453
Net book value	28 766			26 649

(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		0	0	48 170
Tangible movable assets and their sets	48 170			
Tangible FA under construction	65 314	16 012	1 060	80 266
Cost	176 698	16 077	1 060	191 715
Software	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	1 061	61 348
Total	160 338	3 671	1 061	162 949
Net book value	16 360			28 766

Low-value off-balance sheet assets as of 31 December 2022 amount to CZK 6,589 thousand (31 December 2021: CZK 6,554 thousand).

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

(CZK '000)	1 Jan 2022	Additions/ rebilling	Disposals	31 Dec 2022
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 adjustment of 100% against equity investments of CZK 640 thousand was recognised for the financial investment in EKOL GmbH Energiesysteme.

1.2 INVENTORY (in CZK '000):

	31.12.2021	31.12.2022
Material (gross)	30 263	16 934
Work in progress (gross)	273 534	440 861
Total	303 797	457 795

1.3. RECEIVABLES (in CZK '000):**A) TOTAL AMOUNT OF TRADE RECEIVABLES**

	2022	2021
	230 559	263 123
Total	230 559	263 123

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

Receivables past their due dates outside related parties as of 31 December 2022 amount to CZK 135,923 thousand (31 December 2021: CZK 45,965 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 31.12.2022.

Short-term prepayments made of CZK 93,155 thousand as of 31 December 2022 (31 December 2021: CZK 102,639 thousand) primarily include prepayments from Kop flex of CZK 44,213 thousand.

B) OF WHICH: INTERCOMPANY RECEIVABLES:

Group entity	Amount in CZK '000	
	2022	2021
Ekol energo s.r.o.	5 318	1 209
Ekol, spol.s.r.o. Martin	554	71
AEZ s.r.o.	0	0
ShaaGu Power Hongkonf Co., Limited	0	48
Xian Shaangu Power Co., LTD	43 247	33 103
Power electric Sp. z.o.o.	0	51
Total	49 119	34 482

1.4 PAYABLES**A) AGGREGATE AMOUNT OF TRADE PAYABLES**

	Amount in CZK '000	
	2022	2021
	349 806	261 326
Total	349 806	261 326

Short-term prepayments received of CZK 222,931 thousand primarily include prepayments received from Xian Shaangu of CZK 80,995 thousand and prepayments from Budimex of CZK 28,938 thousand. Short-term prepayments received of CZK 124,149 thousand as of 31 December 2021 primarily include two prepayments from Xian Shaangu of CZK 31,851 thousand and from Luteba of CZK 24,900 thousand.

B) OF WHICH: INTERCOMPANY PAYABLES

Group entity	Amount in CZK '000	
	2022	2021
Ekol energo s.r.o.	149 117	135 818
AEZ s.r.o.	20 574	20 663
Power electric SP. Z O.O.	6 865	2 414
Ekol, spol. s r.o., Martin	0	0
Total	176 556	158 895

Payables past their due dates to companies outside the Group as of 31 December 2022 amount to CZK 48,618 thousand (31 December 2021: CZK 37,957 thousand).

Estimated payables amounting to CZK 7,191 thousand (31 December 2021: CZK 9,930 thousand) primarily include an estimate of internal rebilling of transfer prices with Ekol energo s.r.o. of CZK 6,799 thousand (31 December 2021: CZK 9,280 thousand) and an estimate for unbilled costs of 2022 amounting to CZK 392 thousand.

The number 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 31.12.2022.

C) OTHER PAYABLES

None.

D) PAYABLES TO CREDIT INSTITUTIONS

In the year ended 31 December 2022, payables to credit institutions amount to CZK 0 thousand (31 December 2021: CZK 20 000 thousand).

E) DUE AMOUNTS ARISING FROM SOCIAL SECURITY CONTRIBUTION AND CONTRIBUTION TO THE STATE EMPLOYMENT POLICY CZK 1,983 thousand (31 December 2021: CZK 1,984 thousand) – the amounts are before due dates.

F) DUE AMOUNTS ARISING FROM PUBLIC HEALTH INSURANCE – CZK 897 thousand (31 December 2021: CZK 856 thousand) – the amounts are before due dates.

G) TAX PAYABLES

Tax payables of CZK 610 thousand (31 December 2010: CZK 8,705 thousand)

H) RECORDED TAX ARREARS

As of 31 December 2022, and 2021, the Company records no tax arrears.

1.5 EQUITY

Pursuant to the resolution of the General Meeting of 28.6.2022, the accounting profit for 2021 of CZK 13,684 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 2022 and as of 31 December 2021 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 provision	Balance at 31 Dec 2021	Recognition	Use	Balance at 31 Dec 2022
Additional costs provision	20 521	10 443		30 964
Legal disputes provision	2 750			2 751
Complaints and EPC projects provision	6 127	502		6 628
Total	29 398	10 945		40 343

Type of provision	Balance at 31 Dec 2020	Recognition	Use	Balance at 31 Dec 2021
Additional costs provision	26 006	18 605	24 090	20 521
Legal disputes provision	13 168	2 750	13 168	2 750
Complaints and EPC projects provisi	6 321		194	6 127
Total	45 495	21 355	37 452	29 398

1.8 BREAKDOWN OF THE DEFERRED TAX LIABILITY OF ASSET

Recognised deferred tax assets and liabilities (CZK '000)

Deferred tax	2022	2021
Fixed assets ARV - TRV	568	786
Receivables	15 892	15 892
Tax loss*	15 147	29 605
Accounting reserves	40 343	29 398
Inventory	48 648	21 044
Outstanding contractual penalties	0	0
Total	120 598	96 725
Deferred tax asset	22 726	18 738

In line with accounting principles, a 19% tax rate for 2022 was used for the calculation of the deferred tax.

* Total unutilised tax losses amount to CZK 42,886 thousand as of 31 December 2022.

1.9 DEFERRED INCOME

Deferred income as of 31 December 2022 amounts to CZK 11,050 thousand (31 December 2021: CZK 136,610 thousand).

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

Principal activities	In-country	Cross-border	Total
	2022	2022	2022
Sale of own products and services	182 752	839 111	1 021 863
Sale of goods			
Total	182 752	839 111	1 021 863

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			
Principal activities	0	0	0
Total	83 396	782 531	865 927

1.10.1. INCOME GENERATED WITH RELATED PARTIES

2022

	(CZK '000)					
Entity	Services	Material	Products	Assets	Other	Total
EKOL energo s.r.o.	10 874	1 181	58	0	12 748	24 861
EKOL, spol.s.r.o. Martin	557	0	0	0	0	557
AEZ s.r.o.	356	0	0	0	152	508
Power Electric Sp.z o o	760	0	155	0	1 205	2 120
ShaangGu Power (Hongkong) Co., Limited	0	0	0	0	0	0
Xian Shaangu Power Co., Limited	5 028	0	348 964	0	2 241	356 233
Total	17 575	1 181	349 177	0	16 346	384 279

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
Shaangu Power Luxembourg	4 944	0	517 371	0	2 349	524 664
Total	10 233	774	522 260	0	2 362	535 630

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

1.10.2 OTHER OPERATING INCOME

Other operating income of CZK 11,014 thousand (31 December 2021: CZK 5,289 thousand) primarily includes the recognition of a subsidy provided from the state budget for the project Trend amounting to CZK 5,579 thousand (31 December 2021: CZK 4,370 thousand).

1.11. EXPENSES (CZK '000)

1.11.1 Purchases from Related Parties

2022

(CZK '000)					
Entity	Assets	Consumption	Services	Financial expenses	Total
EKOL energo s.r.o.	0	223 800	13 042	32	236 874
EKOL, spol.s.r.o. Martin	0	0	0	3	3
AEZ s.r.o.	0	6 377	2 668	2	9 047
Power Electric Sp.z o o	0	0	5 517	18	5 535
ShaangGu Power (Hongkong) Co., Limited	0	0	0	1	1
Xian Shaangu Power Co., Limited	0	0	0	2 526	2 526
Total	0	230 177	21 227	2 582	253 986

2021

(CZK '000)					
Entity	Assets	Consumption	Services	Financial expenses	Total
Subjekt	Majetek	Spotřeba	Služby	Fin. náklady	Celkem
EKOL energo s.r.o.	0	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
Celkem	0	85 784	34 244	2 950	122 978

1.11.2 CONSUMED MATERIAL AND ENERGY

(CZK '000)

	2022	2021
Consumed material	825 546	596 690
Consumed fuel	1 526	756
Consumed electricity	1 212	605
Consumed gas	2 369	493
Consumed water	139	124
Consumed heat	349	361
Total	831 141	599 029

1.11.3 SERVICES

(CZK '000)

	2022	2021
Assembly work on projects	21 872	14 686
Rental	10 143	9 157
Travel costs	3 734	3 190
Interpreting and legal services	1 731	1 082
Repairs and maintenance	748	656
Trade expenses	6 306	8 733
IT costs, telephones	10 457	10 954
Transportation costs relating to project	13 272	10 543
Promotion, training	1 475	651
Projects	10 500	3 469
Other services, supervision, packaging costs, advisory services	168 505	117 639
Construction of EPC projects	0	0
Calculation work	594	529
Total	249 337	181 289

1.11.4 STAFF COSTS

	Employees	
	2022	2021
Average recalculated headcount	130	125
Staff costs (CZK '000)	108 206	92 084
- payroll costs	79 368	67 255
- costs of social security and health insurance	26 440	22 450
- social costs	2 398	2 379

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 25,925 thousand (31 December 2021: CZK 29,674 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 2022 amounted to CZK 421 thousand (31 December 2021: CZK 495 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 2022, 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 2022 amount to CZK 252,4 million.

1.15 SUBSEQUENT EVENTS

The Company's management is not aware of any further events that would have occurred since the balance sheet date that would have a material impact on the financial statements at 31 December 2022. The company's management assumes that the conflict in Ukraine will not have a negative impact on the company.

12. REPORT ON RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED 31 DECEMBER 2022

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.

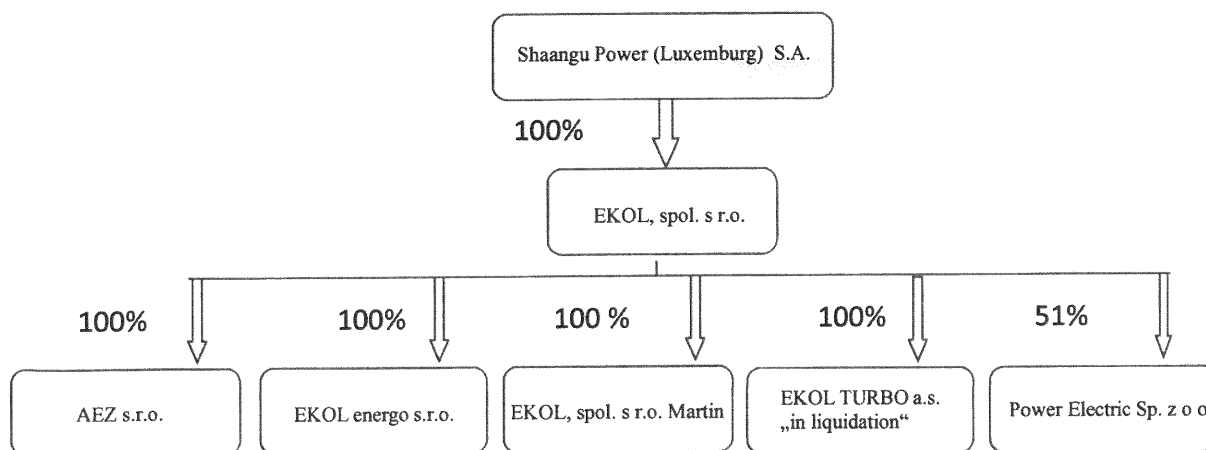
I. Related parties

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.

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. „v likvidaci“

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 the company AEZ s.r.o.:

A) Performance resulting from contracts concluded in prior reporting periods, based on which performance was provided in 2022:

Lease agreements for AEZ s.r.o.:

In 2022, 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

lease agreement for EKOL, spol. s.r.o.:

In 2022, performance took place on the basis of a contract where AEZ s.r.o. acting as lessor:

- car rental

business contracts: Purchase contracts / Work contracts / Orders

AEZ s.r.o. will perform on the basis of the contracts below:

- assembly and disassembly work
- production of switchboards

B) Performance resulting from contracts concluded in the 2022 reporting period, based on which performance was provided in 2022:

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

C) Performance resulting from contracts concluded in the 2022 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 2022:

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

In 2022, 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 2022, 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 2022 reporting period, based on which performance was provided in 2022:

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

In 2022, 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 2022 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 2022:

Commercial contracts: Sales contracts / Contracts for Work / Orders

- Technical assistance

- B) Performance resulting from contracts concluded in the 2022 reporting period, based on which performance was provided in 2022:

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 2022 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 2022:

- none

- B) Performance resulting from contracts concluded in the 2022 reporting period, based on which performance was provided in 2022:

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 2022 reporting period, based on which performance will be provided in the upcoming years:

- technical assistance

5. Contractual relations with EKOL GmbH, EKOL TURBO a.s. "in liquidation", 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 2022:

Commercial contracts: Sales contracts / Contracts for Work / Orders

- manufacture and supply of turbines
- spare parts supply

B) Performance resulting from contracts concluded in the 2022 reporting period, based on which performance was provided in 2022:

- spare parts supply
- specific components supply

C) Performance resulting from contracts concluded in the 2022 reporting period, based on which performance will be provided in the upcoming years:

- specific components supply

V.

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

In 2022, 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 2022, 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

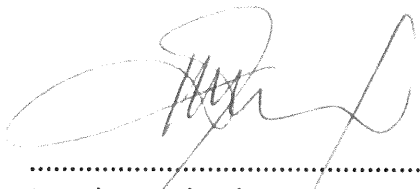
In general, it can be stated that the advantages resulting from the relations among the entities significantly outweigh any disadvantages. The statutory executives declare that they are unaware of any substantial risks resulting from the relations among the entities.

IX.

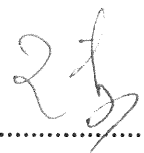
Declaration of the statutory body

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 24. February 2023



.....
Jaroslav Zapletal
Statutory Executive



.....
Wang Hui
Statutory Executive

