



Informe Financiero

Sofía, 30 de Septiembre de 2015

Muy Señores Nuestros,

En cumplimiento de lo dispuesto en la Circular 9/2010 del Mercado Alternativo Bursátil y para su puesta a disposición del público, remitimos el informe financiero semestral relativo a los seis primeros meses del ejercicio 2015 de EBIOS Energy AD.

El informe que se expone a continuación, hace referencia a los estados financieros intermedios individuales y consolidados de EBIOS Energy AD a 30 de junio de 2015.

Índice

- Informe de evolución semestral y grado de cumplimiento de las previsiones.
- Información sobre la evolución del Negocio durante el primer semestre del ejercicio 2015.
- Estados Financieros intermedios individuales y consolidados de EBIOS Energy AD a 30 de junio de 2015

EBIOS Energy AD.

José Óscar Leiva Méndez

Presidente de EBIOS Energy AD.

- **Informe de evolución semestral y grado de cumplimiento de las previsiones.**

El pasado mes de marzo del presente ejercicio entró en vigor una enmienda y complementación de la Ley de Energía y de la Ley de Energía Renovable de Bulgaria, que provocó que la Compañía adaptase su Plan de Negocio el 30 de abril teniendo en cuenta, además de las modificaciones implantadas por la Ley de Energía Renovable en Bulgaria, las perspectivas de mayor expansión internacional, la previsión de captación de recursos a través de la emisión de deuda, y la evolución de la integración de nuevos servicios en el Grupo.

Posteriormente, en el mes de julio la incertidumbre acumulada por el marco regulatorio de la Ley de Energía Renovable en Bulgaria ante un nuevo cambio legislativo, llevó a la empresa a reorientar definitivamente su modelo de negocio en aquel país en aras de salvaguardar los activos de la Compañía y el valor para sus accionistas de los efectos de cualquier nuevo cambio regulatorio en la Ley de Energía Renovable, potenciando para ello el negocio industrial de Biomass Distribution en detrimento del negocio energético. Es importante señalar que el peso de Bulgaria en el negocio futuro esperado por la compañía era reducido (entre un 4% y un 7%).

Como consecuencia de lo anterior, el Consejo de Administración de la Compañía celebrado el 28 de agosto de 2015 aprobó por unanimidad el Plan de Negocio publicado el pasado 31 de agosto de 2015 y completado mediante hecho relevante de 11 de septiembre de 2015. El cambio regulatorio en Bulgaria, que a su vez ha motivado el retraso en el calendario de emisión de deuda y la consolidación de la expansión internacional de la Compañía fueron los principales factores en los que se basó la actualización del Plan de Negocio.

El presente informe muestra un análisis de la situación de los estados financieros intermedios consolidados de EBIOS Energy a 30 de junio de 2015, con respecto a lo previsto en el Plan de Negocio publicado mediante hecho relevante el pasado 31 de agosto y ampliado el 11 de septiembre.

Por último se adjuntan los estados financieros consolidados del grupo y los estados financieros individuales de EBIOS relativos al primer semestre del ejercicio.

Es importante reflejar que estos estados financieros no incorporan el impacto de la salvedad relacionada con el tratamiento contable del beneficio intragrupo que ya fue objeto de opinión por parte del auditor en las auditorías anuales cerradas.

A continuación se presentan los estados financieros consolidados a 30 de junio de 2015, realizando una comparativa con el mismo periodo del año anterior (estados financieros a 30 de junio de 2014) y analizando el grado de cumplimiento respecto al presupuesto estimado para el cierre del ejercicio 2015e recogido en el Plan de Negocio de la Compañía:

EBIOSS Energy				
Consolidated income statement (million €)	30-jun-14	30-jun-15	2015 F	% Degree of fulfillment
Revenue	0,14	1,50	9,97	15%
Other revenues	0,00	0,09	0,00	-
Work performed by the entity and capitalized	3,69	3,81	3,98	96%
Gain on a bargain purchases	2,74	0,00	0,00	-
Materials, goods for resale and expenses hired services	3,32	4,83	10,08	48%
Employee benefit expenses	0,68	1,47	2,52	58%
Depreciation and amortization	0,02	0,24	0,56	44%
Other expenses	0,19	0,48	0,92	52%
Impairments	0,00	0,00	1,53	-
Results from operating activities	2,35	-1,60	-1,66	97%
Net finance costs	0,03	0,12	0,55	22%
Profit/Loss before tax	2,33	-1,73	-2,21	78%
Income tax	0,01	0,11	0,06	190%
Net Profit/Loss	2,34	-1,61	-2,27	71%

EBIOSS Energy				
Balance Sheet (million €)	30-jun-14	30-jun-15	2015 F	% Degree of fulfillment
Assets				
Non Current Assets	27,26	41,18	52,45	79%
Current Assets	18,87	13,86	11,09	125%
Total Assets	46,13	55,04	63,53	87%
Equity and Liabilities				
Equity	40,22	36,45	35,89	102%
Non Current Liabilities	2,60	11,37	22,73	50%
Current Liabilities	3,31	7,22	4,91	147%
Total Equity and Liabilities	46,13	55,04	63,53	87%

- **Información sobre la evolución del Negocio durante el primer semestre del ejercicio 2015.**

El volumen de negocio generado a lo largo del primer semestre provino fundamentalmente de avances en proyectos propios del grupo y de los trabajos realizados para terceros por parte de la ingeniería, así como de la filial portuguesa TNL.

Gran parte de la facturación estimada para el cierre del ejercicio 2015 se concentrará en el segundo semestre del ejercicio debido al retraso en la emisión de deuda que la Compañía incorporó ya en las previsiones actualizadas en abril y ajustadas en agosto. Teniendo en cuenta la evolución de las gestiones comerciales de la Compañía y la previsión de disponibilidad de recursos financieros, a fecha del presente documento se mantienen las previsiones estimadas en su Plan de Negocio. En caso de darse algún nuevo retraso que afecte a la previsión recientemente actualizada, se revisarían de nuevo las previsiones en cuanto se tenga conocimiento de ello.

Es importante señalar que tanto la acumulación de cambios regulatorios como el retraso en la captación de recursos financieros a través de la emisión de deuda prevista – que no ha sido ajena a la incertidumbre generada por el citado cambio regulatorio – han motivado que las previsiones que se manejaban el pasado mes de abril quedasen totalmente desfasadas y por tanto desvirtuada cualquier comparación con la evolución de los primeros seis meses del ejercicio.

Ello no es óbice para que este primer semestre haya significado un gran período comercial para las expectativas de la Compañía a corto, medio y largo plazo. Se relacionan a continuación algunos de los hitos que han contribuido a ello y que han sido objeto de comunicación al mercado con anterioridad:

- Si bien la finalización de las plantas de Karlovo y Heat Biomass no llegaron a tiempo de no verse afectadas por los cambios normativos en Bulgaria, sí se finalizaron en estado técnico adecuado para servir a la reorientación estratégica del grupo hacia la peletización en Biomass Distribution, sirviendo al autoconsumo energético del grupo en esta actividad y compensando con ella el déficit de negocio eléctrico que se pretendía encarar bajo el anterior marco normativo.
- En cuanto a la evolución de las filiales, EQTEC Iberia y su actividad de ingeniería siguen liderando la generación de ingresos del grupo, mientras que TNL consolida sus perspectivas comerciales y Syngas Italy continúa la venta de electricidad en el segundo semestre tras su puesta a punto.

- El pasado 1 de abril la Compañía anunció la firma de un contrato entre su filial EQTEC Iberia y la compañía INTEL TRADE de Croacia para la construcción de una planta de una planta de gasificación llave en mano con una capacidad de tratamiento anual de 8.000 toneladas de residuos forestales.
- El pasado 21 de abril la Compañía anunció un acuerdo con la compañía comercializadora de electricidad que opera en España CONECTA2 ENERGÍA, S.L. por el que opta a su control mediante la suscripción de sucesivas ampliaciones de capital hasta mayo de 2016 en función del éxito y el ritmo de captación de recursos financieros. La operación comportará una nueva fuente de ingresos recurrentes para el grupo y aportará diversificación al negocio.
- El 27 de mayo la Compañía publicó la firma de un acuerdo con CIN International para construir una planta con una potencia eléctrica de 9,8MWe y una capacidad de tratamiento de hasta 85.000 toneladas anuales de residuos sólidos urbanos en Bangkok, lo que supuso la entrada de en el mercado del sureste asiático para EBIOS.
- El 8 de junio la Compañía anunció la firma de un acuerdo con la compañía catari Al-Haya Enviro W.L.L. (Qatar) para colaborar en la creación de proyectos conjuntos que tengan como objeto la obtención de permisos para construir plantas de gasificación de residuos así como su construcción y operación futura. Supuso la entrada en otra región con enorme potencial de mercado a futuro.
- Por último el 18 de junio la Compañía anunció una primera emisión de bonos corporativos sénior por 3 millones de euros a través de una colocación privada, del total de 16 millones de euros previstos en el ejercicio.

- **Estados Financieros intermedios individuales y consolidados de EBIOS Energy AD a 30 de junio de 2015.**

EBIOSS ENERGY AD

INTERIM SEPARATE FINANCIAL
STATEMENTS

For the six months ended 30 June 2015
UNAUDITED

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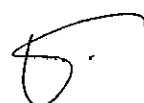
INTERIM SEPARATE FINANCIAL STATEMENTS

For the six months ended 30 June 2015

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DIRECTORS AND OTHER OFFICERS

Executive Directors

Jose Oscar Leiva Mendez
Luis Sanchez Angrill

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Link Securities SV S.A., Spain
UniCredit Bulbank AD, Bulgaria
United Bulgarian Bank, Bulgaria
Raiffeisen Bank, Bulgaria
Banco de Sabadell S.A, Spain
Banco Popular Portugal S.A.

Auditor

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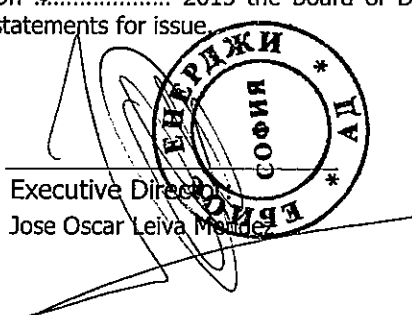


**INTERIM SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the six months ended 30 June

	Note	2015 EUR'000	2014 EUR'000
Revenue from services	3	92	-
Depreciation expense	10,11	(6)	-
Expenses for hired services	4	(228)	(200)
Employee benefit expenses	5	(289)	(203)
Other expenses	6	(300)	(236)
Results from operating activities		(731)	(639)
Finance income	7	350	136
Finance cost	7	(21)	(17)
Net finance income		329	119
Loss before income tax		(402)	(520)
Income tax benefit	19	28	44
Loss for the year		(374)	(476)
Other comprehensive income		-	-
Total comprehensive income for the year		(374)	(476)
Basic earnings per share (in EUR)	16	(0.01)	(0.01)

On 29.09 2015 the Board of Directors of EBIOSS ENERGY AD authorised these interim separate financial statements for issue.



Executive Director

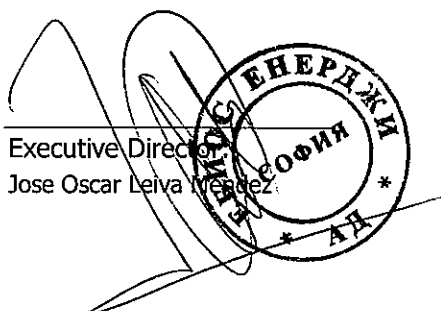
Jose Oscar Leiva Méndez

INTERIM SEPARATE STATEMENT OF FINANCIAL POSITION

ASSETS	Note	30.06.2015 EUR'000	31.12.2014 EUR'000
Non-current assets			
Investment in subsidiaries	8	15,218	15,218
Other investments	9	100	-
Loans provided to related parties	12	4,273	3,146
Deferred tax asset	19	148	120
Property, plant and equipment	10	120	7
Intangible assets	11	4	5
Total non-current assets		19,863	18,496
Current assets			
Cash and cash equivalents	12	1,150	2,457
Loans provided to related parties	13	16,419	13,882
Trade and other receivables	14	102	115
Deferred expenses		6	30
Total current assets		17,677	16,484
Total assets		37,540	34,980
EQUITY AND LIABILITIES			
Equity			
Share capital	15.1	20,918	20,918
Share premium		15,274	15,351
Reserve for own shares	15.2	(718)	(668)
Retained earnings/(Accumulated losses)		(1,233)	(859)
Total equity		34,241	34,742
Non-current liabilities			
Loans and borrowings	17	3,060	-
Total non-current liabilities		3,060	-
Current liabilities			
Trade and other payables	18	151	93
Other payables to related parties	21.3	35	145
Loans and borrowings	17	53	-
Total current liabilities		239	238
Total liabilities		3,299	238
Total equity and liabilities		37,540	34,980

On 29.09. 2015 the Board of Directors of EBIOSS ENERGY AD authorised these Interim Separate Financial Statements for issue.

Executive Director
Jose Oscar Leiva Velez



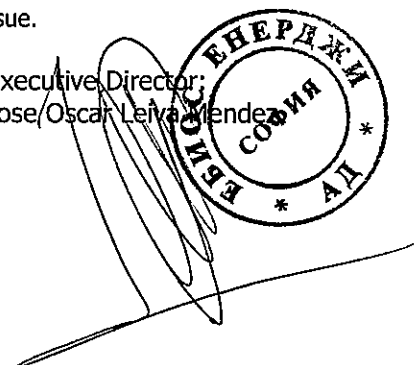
INTERIM SEPARATE STATEMENT OF CHANGES IN EQUITY

	Share capital EUR'000	Share premium EUR'000	Reserve for own shares EUR'000	Retained earnings EUR'000	Total EUR'000
For the six months ended 30 June 2014					
Balance at 1 January 2014	18,022	4,460	(21)	75	22,536
Total comprehensive income					
Loss for the year	-	-	-	(476)	(476)
Total comprehensive income	-	-	-	(476)	(476)
Transactions with owners of the Company					
Issue of ordinary shares	2,896	12,963	-	-	15,045
Share issue costs	-	(814)	-	-	(814)
Own shares acquired	-	(1,675)	(335)	-	(2,010)
Own shares sold	-	1,593	319	-	1,912
Total transactions with owners of the Company	2,896	12,067	(16)	-	14,947
Balance at 30 June 2014	20,918	16,527	(37)	(401)	37,007
For the six months ended 30 June 2015					
Balance at 1 January 2015	20,918	15,351	(668)	(859)	34,742
Total comprehensive income					
Loss for the year	-	-	-	(374)	(374)
Total comprehensive income	-	-	-	(374)	(374)
Transactions with owners of the Company					
Own shares acquired	-	(1,232)	(1,080)	-	(2,312)
Own shares sold	-	1,155	1,030	-	2,185
Total transactions with owners of the Company	-	(77)	(50)	-	(127)
Balance at 30 June 2015	20,918	15,274	(718)	(1,233)	34,241

On 29.09.2015 the Board of Directors of EBIOSS ENERGY AD authorised these Interim Separate Financial Statements for issue.

Executive Director:

Jose Oscar Leiva Mendez



INTERIM SEPARATE STATEMENT OF CASH FLOWS

For the six months ended 30 June

	Note	2015 EUR'000	2014 EUR'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the year before tax		(402)	(520)
Adjustment for:			
Depreciation expense		6	-
Interest expense		9	4
Interest income		(350)	(136)
Other financial expenses		12	13
		(725)	(639)
Changes in working capital:			
Trade and other payables		(52)	(153)
Trade and other receivables		13	(121)
Deferred expenses		24	(4)
Cash used in operating activities		(740)	(917)
Other financial expenses paid		(11)	(13)
Net cash used in operating activities		(751)	(930)
CASH FLOWS FROM INVESTING ACTIVITIES			
Loans provided to related parties		(3,597)	(2,720)
Repaid loans from related parties		280	-
Acquisition of subsidiaries		-	(650)
Acquisition of other investments		(100)	-
Acquisition of property, plant and equipment		(4)	(1)
Net cash used in investing activities		(3,421)	(3,371)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		-	15,859
Proceeds from issue of corporate bonds		3,000	-
Payments related to issue of corporate bonds		(4)	-
Repayment of loan from related party		-	(92)
Proceeds from sale of own shares		2,185	1,912
Repurchase of own shares		(2,312)	(2,010)
Payment of finance lease liabilities		(4)	-
Net cash from financing activities		2,865	15,669
Net increase/(decrease) in cash and cash equivalents		(1,307)	11,368
Cash and cash equivalents at 1 January		2,457	4,554
Cash and cash equivalents at 30 June	12	1,150	15,922

On 29.09.2015 the Board of Directors of EBIOSS ENERGY AD authorised these Interim Separate Financial Statements for issue.

Executive Director

Jose Oscar Leiva Méndez



EBIOSS ENERGY AD

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS

1. Incorporation and principal activities

Incorporation

EBIOSS ENERGY AD (the Company) is a joint stock company registered in Sofia, Bulgaria with EIC: 202356513. It was incorporated on 07 January 2011 as TETEVEN BIOMASS EOOD with Elektra Holding AD holding 100% of the issued share capital which was EUR 102 (BGN 200 comprising of 20 shares at nominal value BGN 10 each). On 28 March 2012 the name was changed from TETEVEN BIOMASS EOOD to EBIOSS ENERGY EOOD.

On 01 October 2012 EBIOSS ENERGY EOOD was transformed into EBIOSS ENERGY OOD and on the same date the share capital of EBIOSS ENERGY OOD was increased from EUR 102 (BGN 200) to EUR 12,391,414 (BGN 24,235,500), comprising 2,423,550 shares of a nominal value of EUR 5.11 (BGN 10) each, divided between the following shareholders:

Shareholders	Relative share %	Number of shares	Total share capital in BGN'000	Total share capital in EUR'000
Elektra Holding AD	75.95	1,840,654	18,407	9,411
Sofia Biomass EOOD	12.71	308,043	3,080	1,575
Sun Group Bulgaria EOOD	1.65	40,000	400	205
SPAX OOD	0.88	21,325	213	109
4 physical persons	8.81	213,528	2,136	1,092
Total:	100	2,423,550	24,236	12,392

The increase of the share capital of EBIOSS ENERGY OOD was performed through contributions in kind representing 100% of shares in the following subsidiaries, valued at fair values by licensed valuers at the date of the transaction, as follows:

	Fair value in EUR'000
Subsidiary	
Heat Biomass	3,500
Karlovo Biomass	3,500
Tvarditsa Biomass	2,045
Nova Zagora Biomass	1,278
Plovdiv Biomass	979
United Biomass	1,090
Total:	12,392

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS**1. Incorporation and principal activities (continued)****Incorporation (continued)**

On 12 December 2012 EBIOSS ENERGY OOD has been transformed into joint stock company EBIOSS ENERGY AD.

On 21 December 2012 according to Agreements for transfer of shares against repayment of receivables, Elektra Holding AD transferred 210,000 dematerialized shares from the registered capital of Ebioss Energy AD to Sungroup Bulgaria EOOD, 78,200 dematerialized shares from the registered capital of Ebioss Energy AD to Origina Bulgaria OOD and 19,500 dematerialized shares from the registered capital of Ebioss Energy AD to Antigona Bulgaria EOOD.

During 2013 the share capital of the Company was increased from EUR 12,392 thousand to EUR 18,022). During 2014 the share capital of the Company was increased from EUR 18,022 thousand to EUR 20,918 thousand (see note 15.1)

As at 31 December 2014 and 30 June 2015 the share capital of Ebioss Energy AD is owned by the following shareholders:

Basic shareholders	Relative share %	Number of shares	Total share capital in BGN'000	Total share capital in EUR'000
Elektra Holding AD	37.32	15,268,585	15,269	7,807
Sofia Biomass EOOD	7.53	3,080,430	3,080	1,575
Sun Group Bulgaria EOOD	5.88	2,407,110	2,407	1,231
Origina Bulgaria OOD	1.89	775,140	775	396
Antigona Bulgaria EOOD	1.25	509,265	509	260
Minority shareholders	<u>46.13</u>	<u>18,871,886</u>	<u>18,872</u>	<u>9,649</u>
Total:	<u>100</u>	<u>40,912,416</u>	<u>40,912</u>	<u>20,918</u>

The basic shareholders of the company are those who initially subscribed all the shares in the capital, upon the incorporation. These shareholders owned approximately 53.87% of the share capital of the Company as at 30.06.2015.

The minority shareholders are those who subscribed shares in two subsequent capital increases made in 2013 and 2014 by means of public offering of shares on the Spanish Alternative Stock Exchange Market – MAB. These shareholders own 46.13% of the share capital of the Company as at 30.06.2015.

Principal activities

The principal activity of the Company is the management of the engineering, construction and development of gasification Power Plants. As of June 30, 2015 the following Power Plant Projects are under development by each subsidiary of the Company:

- **Heat Biomass EOOD**, registered on 6 January 2011 with UIC 201384552 and with principal activity: the construction of a biomass gasification power plant. The Power Plant is going to be constructed on a site located near the town of Plovdiv. Initially the Power Plant was designed for a 5 MW capacity but due to the changes in legislation approved on 6th of March 2015 at present it is in a process of redesign with a power capacity of up to 1,5 MW. Upon commissioning of the Power Plant the Company will fully own and operate the facility. The Power Plant will sell electricity to EVN, the electricity distribution Company for South - Central part of Bulgaria. The construction of the external connection to the grid of the plant has started in March 2014 and electricity will start to be produced in 2016 (see also events after the reporting period).

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS

1. Incorporation and principal activities (continued)

Principal activities (continued)

- **Karlovo Biomass EOOD**, registered on 6 January 2011 with UIC 201384641 and with principal activity: the construction of a 5 MW biomass gasification power plant. The Power Plant is under construction on a site located near the town of Plovdiv. Initially it was designed for a 5 MW capacity and the construction has started in 2 phases. The construction of the first phase of 2MW has started in October 2013 and of the second phase of 3MW has started in March 2014. Due to the changes in legislation approved on 6th of March 2015 at present it is in a process of redesign and reorganization of its existing facilities with a power capacity of up to 1,5 MW. Upon commissioning of the Power Plant the Company will fully own and operate the facility. The Power Plant will sell electricity to EVN, the electricity distribution Company for South - Central part of Bulgaria. The electricity will start to be produced in 2015 (see also events after the reporting period).
- **Plovdiv Biomass EOOD**, registered on 7 January 2011 with UIC 201385444 and with principal activity: the construction of a 1.5 MW biomass gasification power plant. The Power Plant is going to be constructed on a site located near the town of Plovdiv. Upon commissioning of the Power Plant the Company will fully own and operate the facility. The Power Plant will sell electricity to EVN, the electricity distribution Company for South - Central part of Bulgaria. The plant should be completed and electricity production shall commence in 2017. Plovdiv Biomass has acquired in November 2012 a 100% subsidiary **Brila EOOD** which has the same principal activity: the construction of a 1.5 MW biomass gasification power plant near the town of Plovdiv (see also events after the reporting period).
- **Nova Zagora Biomass EOOD**, registered on 7 January 2011 with UIC 201385519 and with principal activity: the construction of a 1.5 MW biomass gasification power plant. The Power Plant is going to be constructed on a site located near the town of Nova Zagora. Upon commissioning of the Power Plant the Company will fully own and operate the facility. The Power Plant will sell electricity to EVN, the electricity distribution Company for South - Central part of Bulgaria. The plant should be completed and electricity production shall commence in 2017 (see also events after the reporting period).
- **Tvardica Biomass EOOD**, registered on 7 January 2011 with UIC 201384926 and with principal activity: the construction of a 1.5 MW biomass gasification power plant. The Power Plant is going to be constructed on a site located near the town of Tvarditza. Upon commissioning of the Power Plant the Company will fully own and operate the facility. The Power Plant will sell electricity to EVN, the electricity distribution Company for South - Central part of Bulgaria. The plant should be completed and electricity production shall commence in 2017. Tvardica Biomass EOOD has acquired in November 2012 a 100% subsidiary **Tvardica PV EOOD**, which has the same principal activity: the construction of a 1.5 MW biomass gasification power plant near the town of Tvarditza (see also events after the reporting period).
- **United Biomass EOOD**, registered on 6 January 2011 with UIC 201384562 and with principal activity: the construction of a 1.5 MW biomass gasification power plant. The Power Plant is going to be constructed on a site located near the town of Letnitza. Upon commissioning of the Power Plant the Company will fully own and operate the facility. The Power Plant will sell electricity to CEZ Distribution Bulgaria AD, the electricity distribution Company for the Western part of Bulgaria. The plant should be completed and electricity production shall commence in 2018 (see also events after the reporting period).

The Company also has the ownership of **Biomass Distribution EOOD**, registered on 12 November 2012 with UIC 201336098 and with principal activity: to provide the necessary raw materials and biomass sources to the biomass power plants of the subsidiaries of EBIOSS ENERGY AD and to produce pellets for export.

On 30 November 2012 EbiOSS Energy AD has acquired control over **EQTEC IBERIA S.L.**, a Company registered in Spain. EQTEC IBERIA S.L. is an engineering company specializing in the design, complete construction, operation and maintenance of cogeneration plants heat and electricity power, gasification power plants and renewable energy, with experience in the market for more than 15 years. Since its founding, the company has implemented over 60 plant projects of production of electricity and / or heat, with capacities ranging from 60 kW to 10,000 kW. The company has developed and currently works on projects in Spain, Portugal, India, France, Germany, Italy, Croatia, Thailand and Bulgaria.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS

1. Incorporation and principal activities (continued)

Principal activities (continued)

In December 2013 the Company participated in the incorporation of the joint-stock company **Energotec-Eco AD** through subscription and acquisition of 215 shares with nominal value of EUR 51.12, representing 43% of the registered capital of the company Energotec-Eco AD. The Company has control over the financial and operating activity of Energotec Eco AD as it nominates the 2 CEO's and appoints 3 members of the Board of Directors out of 4 in total. The new incorporated company Energotec Eco AD plan to rent out a factory nearby village of Kaloianovec and manufacture part of the main equipment for the biomass power plants.

On 3 April 2014 according to agreement for transfer of shares Ebioss Energy AD acquired 100% of the shares of Sorgenia Bioenergy S.P.A in Italy (renamed at present to Syngas Italy S.R.L) with fiscal number 06337630963. The registered share capital of the company is EUR 120,000 comprising of 120,000 shares at nominal value EUR 1 each. The company was acquired for the price of EUR 650,000. The principal activity of the company is development of biomass power plants and its first power plant is located in municipality of Castiglione d'Orcia, Toscana region. As of 31st March 2015 the plant of Syngas Italy in Toscana Region of 1 MW has been put into operation and started to sell electricity.

On 10 April 2014 with decision of the General meeting of EBIOSS ENERGY AD the nominal value of the shares of the Company is changed from EUR 2.56 to EUR 0,51. There is a change in the number of the members of the Board of Directors from 3 to 4 and Meriden Group SAU, Company registered in the Principality of Andorra with tax number (NRT) – A – 706620-E, is appointed as a new member of the Board of Directors of the Company. The General meeting also takes decision to delegate and issues an explicit statutory mandate of the Board of Directors of EBIOSS ENERGY AD with the right to increase the share capital by issuing new emission of dematerialized shares with voting rights with nominal value of EUR 0,51 and comprising at total EUR 20,452 thousand.

On 1 August 2014 according to the Agreement for acquisition of quotas from the capital and subsequent capital increase, Ebioss Energy AD acquired 51% of the shares of TNL SGPS LDA in Portugal, dully registered and existing under the laws of Portugal, with VAT number 509543596. The registered share capital of the company is EUR 7,550,000. The Company's shares were acquired by Ebioss Energy AD for the amount of EUR 1,550 thousand. The main activity of the Company is equity management in other companies.

In addition, on 4 August 2014 additional 1,62% from share capital of TNL SGPS LDA have been acquired by Ebioss Energy AD, for the amount 50,000 euro, consequently reaching in total 52,62% of the shares of TNL SGPS LDA.

TNL SGPS LDA owns 100% of TNL SA which is a company domiciled in Porto (Portugal) and specializing in the development of technological solutions for comprehensive management of household waste, separate waste collection systems, and waste storage facilities. The company owns share participation in other companies domiciled in Spain, Portugal and Brazil, which have similar scope of commercial activity as TNL SA.

By decision of the extraordinary General Meeting of Ebioss Energy AD dated 13th of February 2015, a resolution was approved for the issuance of emission of freely transferable, interest-bearing, bonds, convertible or non-convertible, or any other debt instrument under the following parameters: overall nominal and emission value of the debt instruments: up to 60,000,000 BGN (in words: sixty million leva) or its equivalent in Euro, according to the official fixed exchange rate of the Bulgarian National Bank, with term for issuance of the emission up to 3 (three) and term for repayment up to 10 (ten) years as from the date of placement of the respective emission. The bond loan (or any other debt instrument) may be issued within several emissions of bonds or in one single emission, up to the amount specified above. (See note 17)

The General Meeting also adopted a resolution the shares of "EBIOSS ENERGY" AD to be admitted to trading on the alternative stock market in Paris, France – ALTERNEXT or on the alternative stock market in London, UK – AIM by making a private placement and/or dual listing.

On 5th March 2015, with act for registration No20150305112127 of the Registry Agency of the Republic of Bulgaria in the Trade registry was cancelled the participation of MERIDEN GROUP SAU as a board member in Ebioss Energy AD and the latter company was replaced by newly elected board member – Mr. Carlos Cuervo Arango Martinez.

On 6th March 2015 changes were made in the Renewable Energy Act /REA/ regarding the operating conditions related to renewable energy producers, which are applicable to the Company.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS

1. Incorporation and principal activities (continued)

Principal activities (continued)

According to the amended Act, the Company may produce electricity with power capacity up to 1,5 MW, using combined cycle and indirect use of biomass out of which total weight animal manure shall comprise not less than 50%. Thus the Company plans to produce electricity through thermal gasification with combined cycle from biomass of agricultural waste for power plants with power capacity up to 5MW become no longer applicable.

The feed-in tariff for production of electricity by way of combined cycle and indirect use of biomass of animal manure and agricultural substance for power plants with capacity up to 1,5MW is fixed to 447,43 BGN/MWh which is higher compared to the not applicable anymore feed-in tariff of 389,60 BGN/MWh for production of electricity through thermal gasification with combined cycle from biomass of agricultural waste for power plants with power capacity up to 5MW.

Following the above mentioned changes in the legislation, the Company has commenced to reorganize and redesign its existing power production facilities of Karlovo Biomass Power Plant and construction in progress of Heat Biomass Power Plant.

On 20th of April 2015 Ebioss Energy signed with the Spanish company CONECTA2 ENERGIA S.L, domiciled in the city of Barcelona, an Agreement for investment intention Ebioss to be admitted as shareholder in the capital of CONECTA2 ENERGIA SL. The parties agreed to perform within approximately 1-year term legal procedure of gradual capital increase of the registered capital of CONECTA2 ENERGIA S.L, whereat Ebioss shall consecutively subscribe certain portions of newly emitted shares up to 50,01% of the registered capital of CONECTA2 ENERGIA S.L, making an overall equity investment in the receiving company of EUR 1,500,000. As at 30 June 2015 Ebioss Energy AD has acquired 3.33% of the capital of CONECTA2 ENERGIA S.L for the amount of EUR 100 thousand.

Subsequently, on 26.06.2015 the Ordinary Annual General meeting of Ebioss Energy AD additionally approved a resolution in respect of accomplishment of private placement procedure for convertible bonds, under the following parameters: freely transferable, interest-bearing, convertible dematerialized bonds with overall nominal and emission value up to 20,000,000 BGN (in words: twenty million levs) or its equivalent in Euro, according to the official fixed exchange rate of the Bulgarian National Bank, with term for issuance of the emission up to 3 (three) years and term for repayment up to 10 (ten) years as from the date of placement of the respective emission. The emission convertible bonds, which is subject to the said resolution, is part of the overall approved amount of debt instruments, which the General meeting of "Ebioss Energy" AD has adopted for issuance, as per Minutes of the General meeting dated 13.02.2015. On the grounds of art. 194, para. 4 of the Commercial Act, in conjunction with art. 215, para. 1 and art. 196, para. 3 of the Bulgarian Commercial Act, the General meeting has delegated to the Board of Directors explicitly to waive the pre-emptive rights of the current shareholders of "Ebioss Energy" AD in respect to acquisition part of the emission convertible bonds, which corresponds to their share-stake in the capital of the Company.

2. Accounting policies

The principal accounting policies adopted in the preparation of these interim separate financial statements are set out below. These policies have been consistently applied to all periods presented in these interim separate financial statements unless otherwise stated.

Basis of preparation

(a) Statement of compliance

These interim separate financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

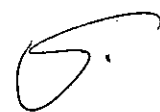
The interim separate financial statements were authorised for issue by the Board of Directors on ..29.09.....2015.

The interim separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by EU.

Basis of measurement

The interim financial statements have been prepared on the historical cost basis.

These interim financial statements are separate interim financial statements of the Company.



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS

The Company prepared interim consolidated financial statements in accordance with IAS 34 *Interim Financial Reporting*. The interim consolidated financial statements can be obtained from the Company at their registered office in Sofia, 49 Bulgaria Blvd.

2. Accounting policies (continued)

Basis of measurement (continued)

Users of these interim separate financial statements of the parent company should read them together with the interim consolidated financial statements of the Company and its subsidiaries as at and for the period ended 30 June 2015 in order to obtain a proper understanding of the financial position, the financial performance and the cash flows of the Company and its subsidiaries.

Use of estimates and judgements

The preparation of the interim separate financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Although these estimates are based on Management's best knowledge of current events and actions, actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Going concern basis of accounting

The interim separate financial statements of the Company as at 30 June 2015 have been prepared on the basis of the going concern concept. Management is of the opinion that the funds secured by the shareholders are adequate to finance the future planned activities of the Company.

Interim separate non-consolidated financial statements

These interim separate financial statements are not consolidated. The interim consolidated financial statements were authorised for issue by the Board of Directors on 29.06.2015.

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair value, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

When measuring the fair value of an asset or liability, the Company uses market observable data as far as possible. Fair values are categorized into different level in a fair value hierarchy based on the inputs in the valuation techniques, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Foreign currency translation

(i) Functional and presentation currency

Items included in the Company's separate interim financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency of the Company is BGN. These interim financial statements are presented in thousands of EUR, which is the Company's presentation currency.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS**2. Accounting policies (continued)****Foreign currency translation (continued)****(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. The exchange rate of the EUR to BGN is fixed at 1 EUR = 1.95583 BGN.

All amounts represented have been rounded to the nearest thousand, except when otherwise indicated.

Revenue recognition**(i) Goods sold**

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement.

(ii) Services

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

Finance income and finance costs

Finance income comprises interest income on funds invested and gains from transactions in foreign currencies. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance expenses comprise interest expense on borrowings and losses from transactions in foreign currencies.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

Tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS**2. Accounting policies (continued)****Tax (continued)**

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority. A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Property, plant and equipment measured at cost less accumulated depreciation and any accumulated impairment losses.

Items measured at cost less accumulated depreciation and any accumulated impairment losses are all other property, plant and equipment items except for land.

Depreciation

Depreciation of these assets commences when the assets are ready for their intended use. Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The estimated useful lives of property, plant and equipment are as follows:

Computers	2 years
Vehicles	6 years

Land is not depreciated.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Subsequent costs

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the period in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS**2. Accounting policies (continued)****Property, plant and equipment (continued)**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets are measured at cost less accumulated amortization and accumulated impairment losses. Impairment is accrued, if applicable, on the basis of the review for impairment.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated brands, is recognized in profit or loss as incurred.

Amortization

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives of intangible assets are as follows:

Other intangible assets

7 years

Investments in subsidiaries

Investments in subsidiary companies are stated at cost less impairment, which is recognized as an expense in the period in which the impairment is identified.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's separate statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

(i) Non-derivative financial assets

The Company's financial assets include loans and receivables consisting of cash and cash equivalents, trade and other receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

(ii) Non-derivative financial liabilities

The Company's financial liabilities include other financial liabilities – loans and borrowings, trade and other payables.

Trade and other payables

Trade payables are initially recognized at fair value and are subsequently measured at amortised cost, using the effective interest rate method. Short-term payables with no stated interest rate are measured at original invoice amount unless the effect of imputing interest is significant.



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS

2. Accounting policies (continued)

Financial instruments (continued)

(ii) Non-derivative financial liabilities

Payables on interest bearing loans

Loans are recorded initially at the proceeds received, net of transaction costs incurred. Loans are subsequently stated at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the loans using the effective interest method.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a Company of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Government of Bulgaria is responsible for providing pensions in Bulgaria under a defined contribution pension plan. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Advance payments are recognized as prepaid expenses to the extent that they will be offset against future payments or refunded. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

(ii) Defined benefit plan

According to the Bulgarian Labour Code at the time when employees acquire pension rights, the Company owes 6 monthly salaries to them, in case the employees have worked for the same company for more than 10 years before pensioning. The Company's obligation in respect of this defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and that amount is discounted. The calculation is performed based on the projected unit credit method.



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS**2. Accounting policies (continued)****Employee benefits (continued)****(ii) Defined benefit plan (continued)**

The Company determines the net interest expense on the net defined benefit liability for the period by applying a market discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability.

Remeasurements arising from change in actuarial gains and losses are recognised in OCI. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

(iii) Short-term employee benefits

Short-term employee benefit obligations are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Company recognizes as a liability the undiscounted amount of the estimated costs related to unused annual leave expected to be paid in exchange for the employee's service for the period completed.

(iv) Share-based payment transactions

The grant-date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period that the employees unconditionally become entitled to payment. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognised as employee benefit expenses in profit or loss.

Provisions

A provision is recognised when the Company has a legal or constructive obligation as result of a past event, that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Impairment**(i) Non-financial assets**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units)

(ii) Financial assets

A financial asset not classified as at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS**2. Accounting policies (continued)****Impairment (continued)****(ii) Financial assets (continued)**

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security.

Leases**(i) Determining whether an arrangement contains a lease**

At inception of an arrangement, the Company determines whether such an arrangement is or contains a lease.

At inception or upon reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Company's incremental borrowing rate.

(ii) Leased assets

Assets held by the Company under leases which transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. On initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Company's statement of financial position.

(iii) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the reporting date.



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS**3. Revenue from services****For the six months ended 30 June**

	2015 EUR'000	2014 EUR'000
Revenue from services	92	-
	<u>92</u>	<u>-</u>

The recognised revenue is related to contracts for consultancy services, concluded with Karlovo Biomass EOOD, Biomass Distribution EOOD, Heat Biomass EOOD and Syngas Italy (see also note 21.4).

4. Expenses for hired services**For the six months ended 30 June**

	2015 EUR'000	2014 EUR'000
Consultancy fees	46	66
Audit services	27	-
Office rent	25	32
Other	130	102
	<u>228</u>	<u>200</u>

Other expenses for hired services in 2015 include expenses at the amount of EUR 97 thousand, related to advertising and presentation of the Company and participation in exhibitions.

5. Employee benefit expenses**For the six months ended 30 June**

	2015 EUR'000	2014 EUR'000
Wages and salaries	264	189
Compulsory social security contribution	25	14
	<u>289</u>	<u>203</u>

6. Other expenses**For the six months ended 30 June**

	2015 EUR'000	2014 EUR'000
Stock exchange and investors related expenses	113	110
Other expenses	187	126
	<u>300</u>	<u>236</u>

7. Finance income and costs**For the six months ended 30 June**

	2015 EUR'000	2014 EUR'000
Interest income	350	136
	<u>350</u>	<u>136</u>
Interest expense	(9)	(4)
Exchange rate difference	(6)	(2)
Bank expenses	(6)	(11)
Finance costs	<u>(21)</u>	<u>(17)</u>
Net finance income recognized in profit or loss	<u>329</u>	<u>119</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS**8. Investment in subsidiaries**

	30.06.2015	31.12.2014
	EUR'000	EUR'000
Balance at 1 January	15,218	12,968
New investments	-	2,250
Balance at the end of the period	15,218	15,218

The investments in Karlovo Biomass EOOD, Heat Biomass EOOD, Tvardica Biomass EOOD, Nova Zagora Biomass EOOD, Plovdiv Biomass EOOD and United Biomass EOOD have been initially recognized at cost, which represents mainly the contributions in kind, measured at fair values by certified licensed valuers as at the date of the in-kind contribution, based on discounted estimated future net cash flows to be generated by the companies. Their values are dependent on the estimated timing of completion of the Biomass Power Plants and commencement of electricity production.

In July 2013 according to the Minutes of the Board of Directors of Ebioss Energy AD, the company transferred to EQTEC Iberia S.L. Spain EUR 360 thousand. Through this capital increase Ebioss Energy increased its ownership of EQTEC Iberia S.L. Spain from 45% to 47.97%.

In December 2013 Ebioss acquired 43% of newly established company Energotec-Eco AD and control over its operating and financing activities.

On 3 April 2014 according to agreement for transfer of shares Ebioss Energy AD acquired 100% of the shares of Sorigenia Bioenergy S.P.A in Italy (renamed subsequently to Syngas Italy S.R.L.) for the price of EUR 650 thousand.

On 1 August 2014 Ebioss Energy AD acquired 51% of the capital of TNL SGPS LDA, Portuguese company for the total amount of EUR 1,550 thousand. On 4 August 2014 Ebioss Energy AD acquired in addition 1,62% at the amount of EUR 50 thousand. Thus the participation in the capital of TNL SGPS LDA was increased to 52,62%.

The investment in subsidiaries as at 30 June 2015 and 31 December 2014 are presented below:

Subsidiary	Country of incorporation	% ownership 30.06.2015	Investment amount in EUR'000 30.06.2015	% ownership 31.12.2014	Investment amount in EUR '000 31.12.2014
Heat Biomass EOOD	Bulgaria	100%	3,500	100%	3,500
Karlovo Biomass EOOD	Bulgaria	100%	3,500	100%	3,500
Tvardica Biomass EOOD	Bulgaria	100%	2,045	100%	2,045
Nova Zagora Biomass EOOD	Bulgaria	100%	1,278	100%	1,278
Plovdiv Biomass EOOD	Bulgaria	100%	979	100%	979
United Biomass EOOD	Bulgaria	100%	1,090	100%	1,090
Eqttec Iberia S.L.	Spain	47.97%	565	47.97%	565
Energotec-Eco AD	Bulgaria	43%	10	43%	10
Biomass Distribution EOOD	Bulgaria	100%	1	100%	1
Syngas Italy S.R.L.	Italy	100%	650	100%	650
TNL SGPS	Portugal	52.62%	1,600	52.62%	1,600
Total investment			15,218		15,218

Ebioss Energy AD is a joint debtor in relation to Loan contract dated 02.06.2014 between Karlovo Biomass EOOD and United Bulgarian Bank AD for financing of first stage of biomass power plant located in Karlovo until the time of its commissioning. The authorized amount is EUR 5,600 thousand (utilized amount as at 30 June 2015: EUR 4,898 thousand). The timing of commissioning will be confirmed by use permit issued by Directorate for National Construction Supervision.

9. Other investments

On 20th of April 2015 Ebioss Energy signed with the Spanish company CONECTA2 ENERGIA S.L, domiciled in the city of Barcelona, an Agreement for investment intention Ebioss to be admitted as shareholder in the capital of CONECTA2 ENERGIA SL. The parties agreed to perform within approximately 1-year term legal procedure of gradual capital increase of the registered capital of CONECTA2 ENERGIA S.L, whereat Ebioss shall consecutively subscribe certain portions of newly emitted shares up to 50,01% of the registered capital of CONECTA2 ENERGIA S.L, making an overall equity investment in the receiving company of EUR 1,500,000. As at 30 June 2015 Ebioss Energy AD has acquired 3.33% of the capital of CONECTA2 ENERGIA S.L for the amount of EUR 100 thousand.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
10. Property, plant and equipment

	Computers and equipment EUR'000	Vehicles EUR'000	Total EUR'000
Cost			
Balance at 1 January 2014	1	-	1
Additions	5	2	7
Balance at 31 December 2014	6	2	8
Balance at 1 January 2015	6	2	8
Additions	1	117	118
Balance at 30 June 2015	7	119	126
Depreciation and impairment losses			
Balance at 1 January 2014	-	-	-
Charge for the year	1	-	1
Balance at 31 December 2014	1	-	1
Charge for the year	2	3	5
Balance at 30 June 2015	3	3	6
Carrying amounts			
At 1 January 2014	1	-	1
At 31 December 2014	5	2	7
At 30 June 2015	4	116	120

11. Intangible assets

	Software EUR'000
Cost	
Balance at 1 January 2014	-
Additions	6
Balance at 31 December 2014	6
Balance at 1 January 2015	6
Balance at 30 June 2015	6
Amortisation and impairment losses	
Balance at 1 January 2014	-
Charge for the year	1
Balance at 31 December 2014	1
Charge for the period	1
Balance at 30 June 2015	2
Carrying amounts	
At 1 January 2014	-
At 31 December 2014	5
At 30 June 2015	4

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS**12. Cash and cash equivalents**

	30.06.2015 EUR'000	31.12.2014 EUR'000
Cash at bank	1,099	2,348
Cash in hand	51	109
	<u>1,150</u>	<u>2,457</u>

	30.06.2015 EUR'000	31.12.2014 EUR'000
Cash and cash equivalents are denominated in following currencies:		
BGN	370	150
EUR	780	2,307
	<u>1,150</u>	<u>2,457</u>

13. Loans provided to related parties

	Currency EUR	Annual interest 4/5%	Amount EUR'000	Maturity
Balance at 1 January 2014			5,686	
New proceeds:				
- Heat Biomass EOOD			135	31.12.2015
- Karlovo Biomass EOOD			7,793	31.12.2015
- United Biomass EOOD			6	31.12.2018
- Nova Zagora Biomass EOOD			10	31.12.2018
- Tvardica Biomass EOOD			12	31.12.2015
- Plovdiv Biomass EOOD			22	31.12.2018
- Tvardica PV EOOD			1	31.12.2018
- Biomass Distribution EOOD			3,005	31.12.2018
- Brila EOOD			22	31.12.2018
- Syngas Italy S.R.L.			1,278	31.12.2015
- TNL SGPS			260	15.12.2015
- Company employee			10	18.12.2015
Loan repaid:				
- Heat Biomass EOOD			(1,600)	
Loan interest accrued:				
- Heat Biomass EOOD			76	
- Karlovo Biomass EOOD			262	
- United Biomass EOOD			1	
- Nova Zagora Biomass EOOD			1	
- Tvardica PV EOOD			1	
- Plovdiv Biomass EOOD			1	
- Biomass Distribution EOOD			27	
- Brila EOOD			1	
- Syngas Italy S.R.L.			15	
- TNL SGPS			3	
Balance at 31 December 2014			<u>17,028</u>	

	Total	Up to 1 year	1-2 years	2-5 years	More than 5 years
EUR'000					
Loans	<u>17,028</u>	<u>13,882</u>	-	<u>3,146</u>	-
	17,028	13,882	-	3,146	-

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
13. Loans provided to related parties (continued)

	Currency EUR	Annual interest 4/5%	Amount EUR'000	Maturity
Balance at 1 January 2015			17,028	
New proceeds:				
- Heat Biomass EOOD			-	31.12.2015
- Karlovo Biomass EOOD			1,350	31.12.2015
- Plovdiv Biomass EOOD			11	31.12.2018
- Tvardica PV EOOD			3	31.12.2018
- Biomass Distribution EOOD			1,197	31.12.2018
- Brila EOOD			10	31.12.2018
- Addom			17	15.12.2015
- Syngas Italy S.R.L.			523	31.12.2015
- TNL SGPS			317	15.12.2015
- TNL SL			146	28.02.2016
- Company employees			6	18.12.2015
- Directors			18	31.12.2017
Loans repaid:				
- Heat Biomass EOOD			(6)	
- Karlovo Biomass EOOD			(135)	
- Tvardica Biomass EOOD			(2)	
- Tvardica PV EOOD			(1)	
- Biomass Distribution EOOD			(96)	
- TNL SGPS			(40)	
- Company employees			(2)	
- Directors			(2)	
Loan interest accrued:				
- Heat Biomass EOOD			20	
- Karlovo Biomass EOOD			221	
- United Biomass EOOD			1	
- Plovdiv Biomass EOOD			1	
- Biomass Distribution EOOD			61	
- Brila EOOD			1	
- Syngas Italy S.R.L.			31	
- TNL SGPS			11	
- TNL SL			3	
Balance at 30 June 2015			<u>20,692</u>	

	Total	Up to 1 year	1-2 years	2-5 years	More than 5 years
EUR'000					
Loans	<u>20,692</u>	<u>16,419</u>	-	<u>4,273</u>	-
	20,692	16,419	-	4,273	-

14. Trade and other receivables

	Note	30.06.2015 EUR'000	31.12.2014 EUR'000
Trade receivables due from related parties	21.5	63	-
Prepaid amounts to suppliers		11	56
Receivables from employee		4	5
Refundable VAT		14	8
Other receivables		10	46
		<u>102</u>	<u>115</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS**15. Capital and capital reserves****15.1. Ordinary shares**

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. In respect of the Company's shares that are held by the Company, all rights are suspended until those shares are reissued.

Issued and fully paid		Number of shares	thousand EUR
Balance on 1 January 2014		7,049,693	18,022
Share split	a)	28,198,772	-
New issues	b)	5,663,951	2,896
Balance at 31 December 2014/1 January 2015		40,912,416	20,918
Balance at 30 June 2015		40,912,416	20,918

a) On 20 May 2014 on the grounds and under conditions of the resolution of General meeting of the Company dated 10.04.2014, the nominal value of the shares of Ebioss Energy changed, without changing the amount of the register capital. The existing shares were divided into five, i.e. the split ratio used is five-for-one.

b) On 17 June 2014 on the grounds and under conditions of the resolution of General meeting of the Company dated 10.04.2014, the share capital of EBIOSS ENERGY AD is increased from EUR 18,022 thousand (BGN 35,248 thousand) to EUR 20,918 thousand (BGN 40,912 thousand) through emission and sale of 5,663,951 regular dematerialized shares with voting rights and nominal value of BGN 1 (EUR 0.51) and emission value of EUR 2.80 (BGN 5.47). The share capital after the emission is 40,912,416 shares of a nominal value of EUR 0.51 (BGN 1) each.

15.2. Reserve for own shares

The reserve for the Company's own shares comprises the cost of the Company's shares held by the Company.

As at 31 December 2014 the Company held 1,305,808 own shares with nominal value EUR 0.51 (BGN 1).

As at 30 June 2015 the Company held 1,403,361 own shares with nominal value EUR 0.51 (BGN 1).

16. Earnings per share**Basic earnings per share**

The calculation of basic earnings per share at 30 June 2015 was based on the (loss) attributable to ordinary shareholders of EUR (374) thousand (30 June 2014: EUR (476) thousand), and a weighted average number of ordinary shares outstanding of 39,576 thousand (30 June 2014: 36,194 thousand), calculated as follows:

(i) Profit attributable to ordinary shareholders (basic)

<i>In thousands of EUR</i>	30.06.2015	30.06.2014
Loss for the year	(374)	(476)
Loss attributable to ordinary shareholders	(374)	(476)

(ii) Weighted average number of ordinary shares (basic)

<i>In thousands of shares</i>	30.06.2015	30.06.2014
Issued ordinary shares at 1 January	40,912	7,050
Effect of share split in May 2014	-	28,200
Effect of shares issued in June 2014	-	944
Effect from repurchased own shares	(1,336)	-
Weighted average number of ordinary shares at 30 June	39,576	36,194
Earnings per share (EUR)	(0.01)	(0.01)

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS**17. Loans and borrowings**

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost. More information about the Company's exposure to interest rate, foreign currency and liquidity risk is included in Note 20.

In thousands of EUR

30.06.2015 31.12.2014

Non-current liabilities

Unsecured corporate bonds issues
Finance lease liabilities

2,996	-
64	-
<u>3,060</u>	<u>-</u>

Current liabilities

Unsecured corporate bonds issues
Finance lease liabilities

7	-
46	-
<u>53</u>	<u>-</u>

(a) Corporate bonds issue

In thousands of EUR

Proceeds from issue of bonds
Transaction costs

3,000
(4)

Net proceeds

2,996

Accrued interest

7

Carrying amount of liability at 30 June 2015

3,003

On 18th June 2015, 30 interest-bearing (interest rate fixed at 7%), registered, freely transferable, non-convertible, non-collateral corporate bonds were issued by the Company with a par value of EUR 100 thousand each. Maturity date of the principal payment shall be 18th June 2020 and maturity dates of the coupon payments shall be as follows: 18th June 2016, 18th June 2017, 18th June 2018, 18th June 2019 and 18th June 2020.

The Company shall have the right after expiration of 36-month period as from the date of issue, to buy-back from the bond holders some or all of the bonds at nominal value plus the accrued interest of the coupons, calculated as to the date of exercising such call option.

(b) Finance lease

Finance lease liabilities are payable as follows:

In thousands of EUR

	Future minimum lease payments	Future interest payments 4.15%	Principal
Less than one year	54	8	46
Between one and two years	27	7	20
Between two and five years	49	5	44
Total	<u>130</u>	<u>20</u>	<u>110</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS**18. Trade and other payables****Trade payables**

	30.06.2015	31.12.2014
	EUR'000	EUR'000
Payables to suppliers	80	67
	<u>80</u>	<u>67</u>

Other payables

Payables to employees	40	-
Accruals for unused paid leave	14	16
Other tax liabilities	17	10
	<u>71</u>	<u>26</u>

Trade and other payables

	<u>151</u>	<u>93</u>
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19. Taxation**For the six months ended 30 June****Income tax recognised in profit or loss**

	2015	2014
	EUR'000	EUR'000
Deferred tax expense (benefit)	(28)	(44)
Income tax expense for the period	<u>(28)</u>	<u>(44)</u>

Reconciliation of the effective income tax rate:**For the six months ended 30 June**

	2015	2014
	EUR'000	EUR'000
Loss for the period	(374)	(476)
Total income tax expense (benefit)	<u>(28)</u>	<u>(44)</u>
Profit/(Loss) excluding income tax	<u>(402)</u>	<u>(520)</u>
Income tax expense at the statutory income tax rate of 10%	(40)	(52)
Non-deductible expenses	12	8
Income tax expense/(benefit)	<u>(28)</u>	<u>(44)</u>
Effective tax rate	<u>7%</u>	<u>8%</u>

Under the current provisions of the Bulgarian Corporate Tax Act, the Company may use its accumulated loss to substantially reduce the income tax it would otherwise have to pay on future taxable income in the next five years.

The respective tax periods of the Company may be subject to inspection by the tax authorities until the expiration of 5 years from the end of the year in which a corporate income tax return was submitted, or should have been submitted, and additional taxes or penalties may be imposed in accordance with the interpretation of the tax legislation. The Company's management is not aware of any circumstances which may give rise to a contingent additional liability in this respect.



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
19. Taxation (continued)
Recognised deferred tax assets

Deferred tax assets are attributable to the following:

	Assets		Liabilities		Net	
	30.06.2015	31.12.2014	2015	2014	30.06.2015	31.12.2014
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Tax loss carry-forwards	(148)	(120)	-	-	(148)	(120)
Tax (assets) liabilities	(148)	(120)	-	-	(148)	(120)
Net tax (assets) liabilities	(148)	(120)	-	-	(148)	(120)

Movement in deferred tax balances

	Balance		Balance		Balance
<i>In thousand of EUR</i>	1 January	Recognized in	31 December	Recognized in	30 June 2015
	2014	profit or loss	2014	profit or loss	
Tax loss carry-forwards	(35)	(85)	(120)	(28)	(148)
	(35)	(85)	(120)	(28)	(148)

20. Financial instruments
Overview

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The management of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The policy sets limits for taking different kinds of risks and defines control rules with regard to these limits. The policy is to be regularly reviewed in relation with identification of changes in the risk levels.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from related parties.

The carrying amount of Company's financial assets represents the maximum exposure to credit risk. As at the reporting date the carrying amounts of the financial assets is as follows:

	Note	30.06.2015	31.12.2014
		EUR'000	EUR'000
Loans provided to related parties	21.1	20,692	17,028
Trade receivables from related parties		63	-
Bank balances		1,099	2,348
		21,854	19,376

No amounts of loans and receivables are overdue or impaired.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS**20. Financial instruments (continued)****(b) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements as at 30 June 2015:

<i>In thousands of EUR</i>		Carrying amount	Contractual cash flows	1 year or less	1 – 2 years	2 – 5 years
Non-derivative financial liabilities						
Corporate bonds issued	17	3,003	(4,055)	(215)	(210)	(3,630)
Finance lease liabilities	17	110	(130)	(54)	(27)	(49)
Other payables to related parties	21.3	35	(35)	(35)	-	-
Payables to suppliers	18	80	(80)	(80)	-	-
		<u>3,228</u>	<u>(4,300)</u>	<u>(384)</u>	<u>(237)</u>	<u>(3,679)</u>

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements as at 31 December 2014:

<i>In thousands of EUR</i>		Carrying amount	Contractual cash flows	1 year or less	1 – 2 years
Non-derivative financial liabilities					
Other payables to related parties	21.3	145	(145)	(145)	-
Payables to suppliers	18	67	(67)	(67)	-
		<u>212</u>	<u>(212)</u>	<u>(212)</u>	<u>-</u>

(c) Market risk

Market risk is the risk that changes in market prices (such as foreign exchange rates, interest rates and equity prices) will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

As at the reporting date the currency risk is considered as insignificant as major part of Company's transactions in foreign currency are denominated in euro, and the Bulgarian Lev is pegged to the euro.

The Company's management does not believe that the peg will change within the next 12 months and therefore no sensitivity analysis has been performed.

Interest rate risk

Interest rate risk is the risk that interest bearing assets and liabilities may change in value, because of fluctuations of the market interest rates.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS**20. Financial instruments (continued)****(c) Market risk (continued)****Profile**

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

<i>In thousands of EUR</i>	Nominal amount	
	30.06.2015	31.12.2014
Fixed rate instruments		
Financial assets	19,905	16,590
Financial liabilities	(3,080)	-
	<u>16,825</u>	<u>16,590</u>

The Company has no variable rate instruments as at 30 June 2015 and 31 December 2014.

Capital management

The Management's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

There were no changes in the Company's approach to capital management during the year.

Fair value of financial assets and liabilities

The Company has no financial assets and financial liabilities at fair value. No information is disclosed about the fair values of financial assets and financial liabilities that are not measured at fair value as their carrying value is a reasonable approximation of fair value.

21. Related party transactions and balances

Related parties are as follows:

Related party

Elektra Holding AD
Heat Biomass EOOD
Karlovo Biomass EOOD
Plovdiv Biomass EOOD
Tvardica Biomass EOOD
United Biomass EOOD
Biomass Distribution EOOD
EQTEC Iberia S.L., Spain
Eqtec Bulgaria EOOD
Energotec Eco AD
Brila EOOD
Tvarditsa PV EOOD
Syngas Italy S.R.L.
TNL SGPS, Portugal
TNL SA, Portugal
Hirdant, Portugal
Addom, Spain
TNL SL, Spain
Citytainer Brasil, Brasil
Citytainer Industria, Brasil

Inava Ingeiyeria De Analisis SL
Ortiz Elektra AD
Biomass Gorno EOOD
Luxur PV EOOD
Bul PV EOOD
Bul Biomass EOOD

Relationship

Principal shareholder of EBIOSS ENERGY AD
subsidiary, 100% owned by EBIOSS ENERGY AD
subsidiary, 100% owned by EBIOSS ENERGY AD
subsidiary, 100% owned by EBIOSS ENERGY AD
subsidiary, 100% owned by EBIOSS ENERGY AD
subsidiary, 100% owned by EBIOSS ENERGY AD
subsidiary, 100% owned by EBIOSS ENERGY AD
subsidiary, 48% owned and controlled by EBIOSS ENERGY AD
subsidiary, 100% owned and controlled by EQTEC Iberia S.L., Spain
subsidiary, 43% owned and controlled by EBIOSS ENERGY AD
subsidiary, 100% owned by Plovdiv Biomass EOOD
subsidiary, 100% owned by Tvarditsa Biomass EOOD
subsidiary, 100% owned by EBIOSS ENERGY AD (since 3.04.2014)
subsidiary, 52,62% owned and controlled by EBIOSS ENERGY AD
subsidiary, 100% owned and controlled by TNL SGPS (since 1.08.2014)
subsidiary, 100% owned and controlled by TNL SGPS (since 1.08.2014)
subsidiary, 100% owned and controlled by TNL SGPS (since 1.08.2014)
subsidiary, 80% owned and controlled by TNL SGPS (since 1.08.2014)
associate of TNL SGPS (since 1.08.2014)
Subsidiary 100% owned and controlled by Citytainer Brasil (since 1.08.2014)
under common control
under common control
under common control
under common control
under common control
under common control

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS**21. Related party transactions and balances (continued)**

Related party	Relationship
Luxur Biomass OOD	under common control
Val Biomass EOOD	under common control
Smolyan Biomass EOOD	under common control
Titan Power OOD	under common control
Eko El Invest	under common control

Directors

The Executive Directors of EBIOS ENERGY AD are Jose Oscar Leiva Mendez and Luis Sanchez Angrill.

The remuneration to the key management personnel in 2015 amounts to EUR 62 thousand.

21.1 Loans provided to related parties

	30.06.2015 EUR'000	31.12.2014 EUR'000
Heat Biomass EOOD		
- principal	1,021	1,027
- interest	129	109
Karlovo Biomass EOOD		
- principal	12,085	10,870
- interest	496	275
United Biomass EOOD		
- principal	34	34
- interest	3	2
Nova Zagora Biomass EOOD		
- principal	24	24
- interest	2	2
Tvardica Biomass EOOD		
- principal	19	21
- interest	1	1
Plovdiv Biomass EOOD		
- principal	42	30
- interest	3	2
Tvarditsa PV EOOD		
- principal	9	7
- interest	1	1
Biomass Distribution		
- principal	4,107	3,006
- interest	88	27
Brila EOOD		
- principal	33	22
- interest	1	1
Syngas Italy S.R.L.		
- principal	1,801	1,278
- interest	46	15
TNL SGPS		
- principal	537	260
- interest	14	3
Addom		
- principal	17	-
TNL SL		
- principal	146	-
- interest	3	-
Company employees		
- principal	14	10
Directors		
- principal	16	-
	<u>20,692</u>	<u>17,028</u>



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS**21. Related party transactions and balances (continued)****21.2 Payables to related parties on finance leases**

	30.06.2015	31.12.2014
	EUR'000	EUR'000
Elektra Holding AD (see Note 17)	30	-
	30	-

The maturity date is 31 December 2015 and the liability is interest free.

21.3 Other payables to related parties

	30.06.2015	31.12.2014
	EUR'000	EUR'000
Elektra Holding AD	35	145
	35	145

Other liabilities represent payable to Elektra Holding AD for transfer of shares in EQTEC Iberia SL. The maturity date is 21 November 2015 and the liability is interest free.

21.4 Services provided to related parties

	30.06.2015	30.06.2014
	EUR'000	EUR'000
Karlovo Biomass EOOD	31	-
Biomass Distribution EOOD	20	-
Heat Biomass EOOD	20	-
Syngas Italy S.r.l.	21	-
	92	-

21.5 Trade receivables from related parties

	30.06.2015	31.12.2014
	EUR'000	EUR'000
Karlovo Biomass EOOD	12	-
Biomass Distribution EOOD	12	-
Heat Biomass EOOD	18	-
Syngas Italy S.r.l.	21	-
	63	-

22. Commitments and contingent liabilities

EbioSS Energy AD is a joint debtor in relation to Loan contract dated 02.06.2014 between Karlovo Biomass EOOD and United Bulgarian Bank AD for financing of first stage of biomass power plant located in Karlovo until the time of its commissioning. The authorized amount is EUR 5,600 thousand (utilized amount as at 30 June 2015: EUR 4,898 thousand). The timing of commissioning will be confirmed by use permit issued by Directorate for National Construction Supervision.



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS**23. Events after the reporting period**

On 24th July 2015 further changes in the Renewable Energy Act /REA/ entered into legal force regarding the operating conditions related to renewable energy producers, which are applicable to the Group.

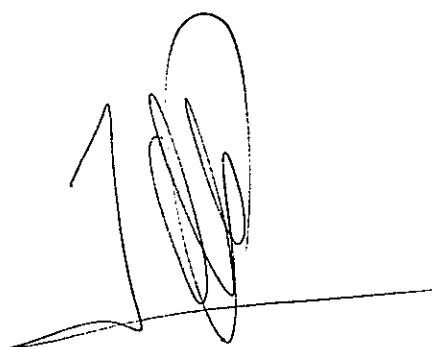
According to the amended REA, the feed-in tariffs and the preferential prices for electricity takeoff, being produced from biomass electrical plants with power output up to 1,5 MW, shall apply only for energy facilities working with combined cycle and indirect use of biomass of which overall weight not less than 60 per cent is to be animal manure. Furthermore, these incentives can be used only if the respective producer of electricity from renewable sources can prove to own authorized animal breeding farm minimum three years before the date of submission of application for connection to the electrical grid and if the respective producer of electricity owns certain number of authorized animals with the purpose to prove the origin of the manure which is to be used as feedstock for the plant.

Following the above mentioned changes in the legislation, the Group has started to reorganize and redesign further its existing power production facilities of Karlovo Biomass Power Plant and construction in progress of Heat Biomass Power Plant. The contracts for connection to the National Electricity signed between – Karlovo Biomass EOOD and Heat Biomass EOOD and EVN Electricity Company, considering the above mention legislative amendments, are no longer effective. Both Karlovo Biomass and Heat Biomass Power plants will operate to supply electricity and heating to the pelletization plants of Biomass Distribution EOOD.

The projects of Plovdiv Biomass EOOD, Brila EOOD, Nova Zagora Biomass EOOD, Tvardica Biomass EOOD, Tvardica PV EOOD and United Biomass EOOD of 1,5 MW each will also be designed with the purpose to supply electricity and heating to the pelletization plants of Biomass Distribution EOOD.

On 8th September 2015 Ebioss Energy AD sold 1,500,000 of its own shares held in reserve (see Note 19.3) for the amount of EUR 1,499 thousand.

Apart from the above mentioned events, there are no other significant events after the reporting period, which have a bearing on the understanding of the interim consolidated financial statements.

A handwritten signature in black ink, consisting of a large, stylized 'E' followed by a series of loops and a horizontal line extending to the right.

EBIOSS ENERGY AD

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2015
UNAUDITED

EBIOSS ENERGY AD

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DIRECTORS AND OTHER OFFICERS

Executive Directors:

Jose Oscar Leiva Mendez
Luis Sanchez Angrill

Registered Seat

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Legal Consultant

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Bank

BNP Paribas Securities Services, Spain
Link Securities SV S.A., Spain
Unicredit Bulbank AD, Bulgaria
United Bulgarian Bank, Bulgaria
Raiffeisen Bank, Bulgaria
Banco de Sabadell S.A., Spain
Banco Popular Portugal S.A., Spain
Banco Bilbao Vizcaya Argentaria S.A., Spain
CaixaBank S.A., Spain
Novo Banco, Portugal
Banco Santander Totta S.A., Portugal
Caixa Geral de Depositos, Portugal
Banco Portugues de Investimento, Portugal
Millenium BCP, Portugal

Auditor

Baker Tilly Klitou and Partners OOD
104 Akad. Iv.Evst.Geshov Blvd
7th floor; office 12
Sofia 1612



INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 30 June

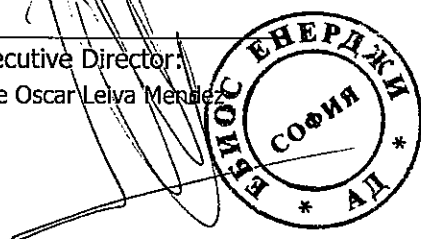
	Note	2015 EUR'000	2014 EUR'000
Revenue	3	1,502	137
Other revenue		93	1
Gain on bargain purchases	13.5	-	2,736
Work performed by the entity and capitalized	4	3,811	3,690
Changes in inventories and work in progress		(40)	98
Loss from associated companies		(6)	-
Raw materials and consumables used	5	(304)	(949)
Cost of goods sold	6	(582)	-
Expenses for hired services	7	(3,939)	(2,373)
Employee benefit expenses	8	(1,465)	(682)
Depreciation and amortization	11,12	(244)	(16)
Other expenses	9	(429)	(290)
Result from operating activities		(1,603)	2,352
Finance income	10	-	1
Finance costs	10	(123)	(26)
Net finance cost		(123)	(25)
Profit/(Loss) before income tax		(1,726)	2,327
Income tax	23	114	8
Profit/(Loss) for the period		(1,612)	2,335
Total comprehensive income for the period		(1,612)	2,335
Profit/(Loss) attributable to:			
Owners of the parent		(1,488)	2,157
Non-controlling interests		(124)	178
Profit/(Loss) for the period		(1,612)	2,335
Total comprehensive income attributable to:			
Owners of the parent		(1,488)	2,157
Non-controlling interests		(124)	178
Total comprehensive income for the period		(1,612)	2,335
Basic earnings per share (euro)	20	(0.04)	0.06

The notes on pages 7 to 52 are an integral part of these interim consolidated financial statements.

These interim consolidated financial statements are approved on behalf of EBIOS ENERGY AD on 29.09.2015

Executive Director:

Jose Oscar Leiva Mendez



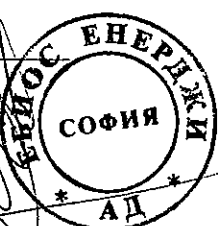
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	30.06.2015 EUR'000	31.12.2014 EUR'000
Assets			
Property, plant and equipment	11	23,249	24,050
Intangible assets	12	11,129	11,041
Investments in associates	14.1	185	191
Other investments	14.2	599	149
Trade and other receivables	15	43	43
Loans to related parties	29	16	-
Goodwill	13	4,736	4,736
Deferred tax assets	23	1,220	1,054
Non-current assets		41,177	41,264
Inventory	17	2,196	1,592
Trade and other receivables	15	2,822	3,597
Cash at bank and in hand	18	3,104	5,713
Trade and other receivables from related parties	29	863	879
Assets held for sale	16	4,877	-
Current assets		13,862	11,781
Total assets		55,039	53,045
Equity			
Share capital	19.1	20,918	20,918
Share premium	19.2	15,274	15,351
Reserve for own shares	19.3	(718)	(668)
Revaluation surplus		87	87
Retained earnings		667	2,155
Equity attributable to owners of the parent		36,228	37,843
Non-controlling interests		222	346
Total equity		36,450	38,189
Liabilities			
Loans payable to third parties	21	10,071	7,123
Provisions	25	125	122
Finance leases	26	64	33
Deferred tax liabilities	23	1,110	1,110
Non-current liabilities		11,370	8,388
Loans due to related parties	22	900	927
Loans payable to third parties	21	1,541	1,215
Trade and other payables	24	4,301	3,720
Other payables to related parties	29	121	234
Finance leases	26	86	17
Liabilities held for sale	16	220	-
Income tax payable	23	50	355
Current liabilities		7,219	6,468
Total liabilities		18,589	14,856
Total equity and liabilities		55,039	53,045

The notes on pages 7 to 52 are an integral part of these interim consolidated financial statements.

These interim consolidated financial statements are approved on behalf of EBIOS ENERGY AD on 29.09.2015

Executive Director
Jose Oscar Leiva Mendez



EBIOSS ENERGY AD

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital EUR'000	Share premium EUR'000	Reserve for own shares EUR'000	Revaluation surplus EUR'000	Retained earnings EUR'000	Total attributable to owners of the Parent EUR'000	Non- controlling interest EUR'000	Total equity EUR'000
Balance at 1 January 2014	18,022	4,460	(21)	38	193	22,692	250	22,942
Total comprehensive income	-	-	-	-	2,157	2,157	178	2,335
Profit for the period	-	-	-	-	2,157	2,157	178	2,335

Transactions with owners of the Parent Contributions by and distributions to owners of the Parent

Issue of ordinary shares /note 19/	2,896	12,963	-	-	-	15,045	-	15,045
Share issue costs	-	(814)	-	-	-	(814)	-	(814)
Own shares acquired	-	(1,675)	(335)	-	-	(2,010)	-	(2,010)
Own shares sold	-	1,593	319	-	-	1,912	-	1,912
Total transactions with owners of the parent	2,896	12,067	(16)	-	-	14,947	-	14,947
Balance at 30 June 2014	20,918	16,527	(37)	38	2,350	39,796	428	40,224

The notes on pages 7 to 52 are an integral part of these interim consolidated financial statements.

EBIOSS ENERGY AD

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

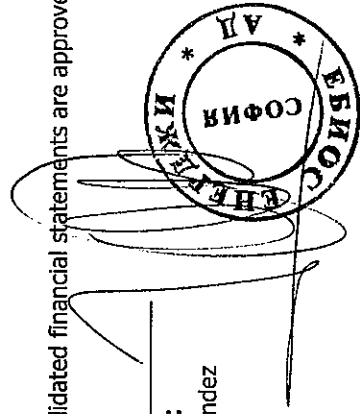
	Share capital EUR'000	Share premium EUR'000	Reserve for own shares EUR'000	Revaluation surplus EUR'000	Retained earnings EUR'000	Total attributable to owners of the Parent EUR'000	Non- controlling interest EUR'000	Total equity EUR'000
Balance at 1 January 2015	20,918	15,351	(668)	87	2,155	37,843	346	38,189
Total comprehensive income								
Loss for the period	-	-	-	-	(1,488)	(1,488)	(124)	(1,612)
Total comprehensive income	-	-	-	-	(1,488)	(1,488)	(124)	(1,612)
Transactions with owners of the Parent								
Contributions by and distributions to owners of the Parent								
Own shares acquired	-	(1,232)	(1,080)	-	-	(2,312)	-	(2,312)
Own shares sold	-	1,155	1,030	-	-	2,185	-	2,185
Total transactions with owners of the parent	-	(77)	(50)	-	-	(127)	-	(127)
Balance at 30 June 2015	20,918	15,274	(718)	87	667	36,228	222	36,450

The notes on pages 7 to 52 are an integral part of these interim consolidated financial statements.

These interim consolidated financial statements are approved on behalf of EBIOSS ENERGY AD on 29.09.2015

Executive Director:

Jose Oscar Leiva Mendez



EBIOSS ENERGY AD

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June

	Note	2015 EUR'000	2014 EUR'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (Loss) before tax		(1,726)	2,327
Adjustments to profit:			
Depreciation and amortization		244	16
Interest expense		85	4
Other financial expense		38	-
Impairment losses		12	-
Changes in provisions		3	105
Share of loss of equity accounted investees		6	-
Gain on bargain purchases		-	(2,736)
Cash flows from operations before working capital changes		(1,338)	(284)
Change in:			
Inventories		(604)	(98)
Trade and other payables		468	1,122
Trade and other receivables		779	(1,215)
Other current liabilities		-	(12)
Other cash flow from operating activities			
Interest paid		(76)	-
Other finance costs paid		(38)	-
Income tax paid		(357)	-
Net cash flows from/(used in) operating activities		(1,166)	(487)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(3,900)	(3,193)
Acquisition of intangible assets		(174)	(186)
Acquisition of subsidiaries, net of cash acquired		-	(646)
Acquisition of other investments		(450)	-
Net cash flows used in investing activities		(4,524)	(4,025)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		-	15,859
Proceeds from issue of corporate bonds		3,000	-
Payments related to issue of corporate bonds		(4)	-
Repayment of loan from related party		(27)	(92)
Proceeds on loan from related party		-	-
Proceeds from sale of own shares		2,185	1,912
Repurchase of own shares		(2,312)	(2,010)
Proceeds from bank borrowing		871	1,131
Repayment of bank borrowing		(600)	-
Loans granted to related party		(16)	-
Payment of finance lease liabilities		(16)	-
Net cash flows from financing activities		3,081	16,800
Net increase/ (decrease) in cash and cash equivalents		(2,609)	12,288
Cash and cash equivalents at 1 January		5,713	5,406
Cash and cash equivalents at 30 June	18	3,104	17,694

The notes on pages 7 to 52 are an integral part of these interim consolidated financial statements.

These interim consolidated financial statements are approved on behalf of EBIOS ENERGY AD on 29.09.2015.

Executive Director:

Jose Oscar Leiva Mendez



EBIOSS ENERGY AD

Notes to the interim consolidated financial statements

1. Incorporation and principal activities

Incorporation

Ebioss Energy AD (the "Company") is a joint stock company registered in Sofia, Bulgaria with EIC: 202356513. It was incorporated on 07 January 2011 as TETEVEN BIOMASS EOOD with Elektra Holding AD holding 100% of the issued share capital which was EUR 102 (BGN 200 comprising of 20 shares at nominal value BGN 10 each). On 28 March 2012 the name was changed from TETEVEN BIOMASS EOOD to EBIOSS ENERGY EOOD. The financial statements as at 30 June 2015 consolidate the individual financial statements of the Company and its subsidiaries together referred to as the "Group" and individually as "Group entities". The Group primarily is involved in the construction of biomass gasification power plants and further production and sale of electricity.

On 01 October 2012 Ebioss Energy EOOD was transformed into Ebioss Energy OOD and on the same date the share capital of Ebioss Energy OOD was increased from EUR 102 (BGN 200) to EUR 12,391,414 (BGN 24,235,500), comprising 2,423,550 shares of a nominal value of EUR 5.11 (BGN 10) each, distributed to the following shareholders:

Shareholders	Relative share %	Number of shares	Total share capital in BGN'000	Total share capital in EUR'000
Electra Holding AD	75.95	1,840,654	18,407	9,411
Sofia Biomass EOOD	12.71	308,043	3,080	1,575
Sungroup Bulgaria EOOD	1.65	40,000	400	205
SPAX OOD	0.88	21,325	213	109
4 physical persons	8.81	213,528	2,136	1,092
Total:	100	2,423,550	24,236	12,392

The increase of the share capital of the Ebioss Energy OOD was performed through contributions in kind representing 100% of shares in the following subsidiaries, valued at fair values by licensed valuers at the date of the transaction, as follows:

Subsidiary	Fair value in EUR'000
Heat Biomass	3,500
Karlovo Biomass	3,500
Tvarditsa Biomass	2,045
Nova Zagora Biomass	1,278
Plovdiv Biomass	979
United Biomass	1,090
Total:	12,392

EBIOSS ENERGY AD

Notes to the interim consolidated financial statements

1. Incorporation and principal activities (continued)

Incorporation (continued)

On 12 December 2012 Ebioss Energy OOD has been transformed into joint stock company Ebioss Energy AD.

As at 31 December 2014 and 30 June 2015 the share capital of Ebioss Energy AD belongs to the following shareholders:

Main shareholders	Relative share %	Number of shares	Total share capital in BGN'000	Total share capital in EUR'000
Elektra Holding AD	37.32	15,268,585	15,269	7,807
Sofia Biomass EOOD	7.53	3,080,430	3,080	1,575
Sungroup Bulgaria EOOD	5.88	2,407,110	2,407	1,231
Origina Bulgaria OOD	1.89	775,140	775	396
Antigona Bulgaria EOOD	1.25	509,265	509	260
Minority shareholders	46.13	18,871,886	18,872	9,749
Total:	100	40,912,416	40,912	20,918

The main shareholders of Ebioss Energy AD are those who initially subscribed all the shares in the capital, upon the incorporation. These shareholders own approximately 53.87% of the share capital of Ebioss Energy AD as at 30.06.2015. The minority shareholders of Ebioss Energy AD are those who subscribed shares in the three subsequent capital increases made during 2013 and 2014 by means of initial public offering of shares on the Spanish Alternative Stock Exchange Market. These shareholders own approximately 46.13% of the share capital of Ebioss Energy as at 30.06.2015.

Principal activities

The principal activity of the Group is the engineering, construction and development of gasification Power Plants. As of June 30, 2015 the following Power Plant Projects are under development by each subsidiary:

- **Heat Biomass EOOD**, registered on 6 January 2011 with UIC 201384552 and with principal activity: the construction of a biomass gasification power plant. The Power Plant is going to be constructed on a site located near the town of Plovdiv. Initially the Power Plant was designed for a 5 MW capacity but due to the changes in the Bulgarian legislation approved on 6th of March 2015 at present it is in a process of redesign with a power capacity of up to 1,5 MW. Upon commissioning of the Power Plant the Company will fully own and operate the facility. The Power Plant will sell electricity to EVN, the electricity distribution Company for South - Central part of Bulgaria. The construction of the external connection to the grid of the plant has started in March 2014 and electricity will start to be produced in 2016 (see also events after the reporting period).

Notes to the interim consolidated financial statements

1. Incorporation and principal activities (continued)

Principal activities (continued)

- **Karlovo Biomass EOOD**, registered on 6 January 2011 with UIC 201384641 and with principal activity: the construction of a 5 MW biomass gasification power plant. The Power Plant is under construction on a site located near the town of Plovdiv. Initially it was designed for a 5 MW capacity and the construction has started in 2 phases. The construction of the first phase of 2MW has started in October 2013 and of the second phase of 3MW has started in March 2014. Due to the changes in the Bulgarian legislation approved on 6th of March 2015 at present it is in a process of redesign and reorganization of its existing facilities with a power capacity of up to 1,5 MW. Upon commissioning of the Power Plant the Company will fully own and operate the facility. The Power Plant will sell electricity to EVN, the electricity distribution Company for South - Central part of Bulgaria. The electricity will start to be produced in 2015 (see also events after the reporting period).
- **Plovdiv Biomass EOOD**, registered on 7 January 2011 with UIC 201385444 and with principal activity: the construction of a 1.5 MW biomass gasification power plant. The Power Plant is going to be constructed on a site located near the town of Plovdiv. Upon commissioning of the Power Plant the Company will fully own and operate the facility. The Power Plant will sell electricity to EVN, the electricity distribution Company for South - Central part of Bulgaria. The plant should be completed and electricity production shall commence in 2017. Plovdiv Biomass has acquired in November 2012 a 100% subsidiary **Brila EOOD** which has the same principal activity: the construction of a 1.5 MW biomass gasification power plant near the town of Plovdiv (see also events after the reporting period).
- **Nova Zagora Biomass EOOD**, registered on 7 January 2011 with UIC 201385519 and with principal activity: the construction of a 1.5 MW biomass gasification power plant. The Power Plant is going to be constructed on a site located near the town of Nova Zagora. Upon commissioning of the Power Plant the Company will fully own and operate the facility. The Power Plant will sell electricity to EVN, the electricity distribution Company for South - Central part of Bulgaria. The plant should be completed and electricity production shall commence in 2017 (see also events after the reporting period).
- **Tvardica Biomass EOOD**, registered on 7 January 2011 with UIC 201384926 and with principal activity: the construction of a 1.5 MW biomass gasification power plant. The Power Plant is going to be constructed on a site located near the town of Tvarditza. Upon commissioning of the Power Plant the Company will fully own and operate the facility. The Power Plant will sell electricity to EVN, the electricity distribution Company for South - Central part of Bulgaria. The plant should be completed and electricity production shall commence in 2017. Tvardica Biomass EOOD has acquired in November 2012 a 100% subsidiary **Tvardica PV EOOD**, which has the same principal activity: the construction of a 1.5 MW biomass gasification power plant near the town of Tvarditza (see also events after the reporting period).
- **United Biomass EOOD**, registered on 6 January 2011 with UIC 201384562 and with principal activity: the construction of a 1.5 MW biomass gasification power plant. The Power Plant is going to be constructed on a site located near the town of Letnitza. Upon commissioning of the Power Plant the Company will fully own and operate the facility. The Power Plant will sell electricity to CEZ Distribution Bulgaria AD, the electricity distribution Company for the Western part of Bulgaria. The plant should be completed and electricity production shall commence in 2018 (see also events after the reporting period).

Ebioss Energy also has the ownership of **Biomass Distribution EOOD**, registered on 12 November 2012 with UIC 201336098 and with principal activity: to provide the necessary raw materials and biomass sources to the biomass power plants of the group of companies (SPVs) subsidiaries of Ebioss Energy AD and to produce pellets for export.

Notes to the interim consolidated financial statements

1. Incorporation and principal activities (continued)

Principal activities (continued)

On 30 November 2012 Ebioss Energy AD has also acquired control over EQTEC IBERIA SL, a company registered in Spain. EQTEC IBERIA SL is an engineering company specializing in the design, complete construction, operation and maintenance of cogeneration plants heat and electricity power, gasification power plants and renewable energy, with experience in the market for more than 15 years. Since its founding, the company has implemented over 60 plant projects of production of electricity and / or heat, with capacities ranging from 60 kW to 10,000 kW. The company has developed and currently works on projects in Spain, Portugal, India, France, Germany, Italy, Croatia, Thailand and Bulgaria.

In 2013 Ebioss Energy AD acquired 215 shares with nominal value of BGN 100 (EUR 51.12), representing 43% of the registered capital of the company Energotec-Eco AD, which constitute control over financial and operating policy of the entity. The newly incorporated company Energotec Eco AD plans to rent out a factory nearby village of Kaloianovec and manufacture part of the main equipment for the biomass power plants. On the same date another entity from the Group Eqtec Iberia SL acquired 35 shares with nominal value of BGN 100 (EUR 51.12), representing 7% of the registered capital of the company Energotec-Eco AD. As at 30.06.2015 the Group has effective holding of 46.36% in Energotec-Eco AD.

On 3 April 2014 according to agreement for transfer of shares Ebioss Energy AD acquired 100% of the shares of Sorgenia Bioenergy S.P.A in Italy (renamed at present to Syngas Italy S.R.L) with fiscal number 06337630963. The registered share capital of the company is EUR 120,000 comprising of 120,000 shares at nominal value EUR 1 each. The company was acquired for the price of EUR 650,000. The principal activity of the company is development of biomass power plants and its first power plant is located in municipality of Castiglione d'Orcia, Toscana region. As of 31st March 2015 the plant of Syngas Italy in Toscana Region of 1 MW has been put into operation and started to sell electricity.

On 10 April 2014 with decision of the General meeting of EBIOSS ENERGY AD the nominal value of the shares of the Company is changed from EUR 2.56 to EUR 0,51. There is a change in the number of the members of the Board of Directors from 3 to 4 and Meriden Group SAU, Company registered in the Principality of Andorra with tax number (NRT) – A – 706620-E, is appointed as a new member of the Board of Directors of the Company. The General meeting also takes decision to delegate and issues an explicit statutory mandate of the Board of Directors of EBIOSS ENERGY AD with the right to increase the share capital by issuing new emission of dematerialized shares with voting rights with nominal value of EUR 0,51 and comprising at total EUR 20,452 thousand.

On 1 August 2014 according to the Agreement for acquisition of quotas from the capital and subsequent capital increase, Ebioss Energy AD acquired 51% of the shares of TNL SGPS LDA in Portugal, dully registered and existing under the laws of Portugal, with VAT number 509543596. The registered share capital of the company is EUR 7,550,000. The Company's shares were acquired by Ebioss Energy AD for the amount of EUR 1,550 thousand. The main activity of the Company is equity management in other companies. In addition, on 4 August 2014 additional 1,62% from the share capital of TNL SGPS LDA have been acquired by Ebioss Energy AD, for the amount 50,000 euro, consequently reaching in total 52,62% of the shares of TNL SGPS LDA.

TNL SGPS LDA owns 100% of TNL SA which is a company domiciled in Porto (Portugal) and specializing in the development of technological solutions for comprehensive management of household waste, separate waste collection systems, and waste storage facilities. The company owns share participation in other companies domiciled in Spain, Portugal and Brazil, which have similar scope of commercial activity as TNL SA.



Notes to the interim consolidated financial statements**1. Incorporation and principal activities (continued)****Principal activities (continued)**

As of 30 June 2015 the following entities are subsidiaries and/or sub-subsidiaries of Ebioss Energy AD and are consolidated in the interim financial statements of the Group:

Subsidiary	Country of incorporation	% ownership 30.06.2015	% ownership 31.12.2014
Heat Biomass EOOD	Bulgaria	100%	100%
Karlovo Biomass EOOD	Bulgaria	100%	100%
Tvarditsa Biomass EOOD	Bulgaria	100%	100%
Nova Zagora Biomass EOOD	Bulgaria	100%	100%
Plovdiv Biomass EOOD	Bulgaria	100%	100%
United Biomass EOOD	Bulgaria	100%	100%
Biomass Distribution EOOD	Bulgaria	100%	100%
Brilla EOOD	Bulgaria	100%	100%
Tvardica PV EOOD	Bulgaria	100%	100%
Egtec Bulgaria EOOD	Bulgaria	47.97%	47.97%
EQTEC Iberia S.L.	Spain	47.97%	47.97%
Energotec-Eco AD	Bulgaria	46.36%	46.36%
Syngas Italy S.P.A.	Italy	100%	100%
TNL SGPS	Portugal	52.62%	52.62%
TNL SA	Portugal	52.62%	52.62%
Hirdant	Portugal	52.62%	52.62%
TNL SL	Spain	42.10%	42.10%
Addom	Spain	52.62%	52.62%

By decision of the extraordinary General Meeting of Ebioss Energy AD, held on 13 February 2015, a resolution for issuance of emission of freely transferable, interest-bearing, bonds, convertible or non-convertible, or any other debt instrument was approved under the following parameters: overall nominal and emission value of the debt instruments: up to 60,000,000 BGN (in words: sixty million leva) or its equivalent in Euro, according to the official fixed exchange rate of the Bulgarian National Bank, with term for issuance of the emission up to 3 (three) and term for repayment up to 10 (ten) years as from the date of placement of the respective emission. The bond loan (or any other debt instrument) may be issued within several emissions of bonds or in one single emission, up to the amount specified above. (Also see Note 21.2).

The General Meeting also adopted a resolution the shares of "EBIOSS ENERGY" AD to be admitted to trading on the alternative stock market in Paris, France – ALTERNEXT or on the alternative stock market in London, UK – AIM by making a private placement and/or dual listing.

On 5th March 2015, with act for registration No20150305112127 of the Registry Agency of the Republic of Bulgaria in the Trade registry was cancelled the participation of MERIDEN GROUP SAU as a board member in Ebioss Energy AD and the latter company was replaced by newly elected board member – Mr. Carlos Cuervo Arango Martinez.

On 6th March 2015 changes were announced in the Renewable Energy Act /REA/ regarding the operating conditions related to renewable energy producers, which are applicable to the Group.

According to the amended Act, the Company may produce electricity with power capacity up to 1,5 MW, using combined cycle and indirect use of biomass out of which the total weight animal manure shall comprise not less than 50%. Thus the Company's plans to produce electricity through thermal gasification with combined cycle from biomass of agricultural waste for power plants with power capacity up to 5MW become no longer applicable.

Notes to the interim consolidated financial statements

1. Incorporation and principal activities (continued)

Principal activities (continued)

The feed-in tariff for production of electricity by way of combined cycle and indirect use of biomass of animal manure and agricultural substance for power plants with capacity up to 1,5MW is fixed to 447,43 BGN/MWh which is higher compared to the not applicable anymore feed-in tariff of 389,60 BGN/MWh for production of electricity through thermal gasification with combined cycle from biomass of agricultural waste for power plants with power capacity up to 5MW.

Following the above mentioned changes in the legislation, the Group has commenced to reorganize and redesign its existing power production facilities of Karlovo Biomass Power Plant and construction in progress of Heat Biomass Power Plant.

On 20 April 2015 Ebioss Energy signed an Agreement for investment intention with the Spanish company CONECTA2 ENERGIA S.L, domiciled in the city of Barcelona. Based on this agreement Ebioss is to be admitted as shareholder in the capital of CONECTA2 ENERGIA SL. The parties agreed to perform legal procedure of gradual capital increase of the registered capital of CONECTA2 ENERGIA S.L within approximately 1-year term, whereas Ebioss shall consecutively subscribe certain portions of newly emitted shares up to 50,01% of the registered capital of CONECTA2 ENERGIA S.L, making an overall equity investment in the receiving company of EUR 1,500,000. As at 30 June 2015 Ebioss Energy has acquired 3.33% of the capital of CONECTA2 ENERGIA S.L for the amount of EUR 100 thousand.

Subsequently, on 26 June 2015 the Ordinary Annual General meeting of Ebioss Energy AD additionally approved a resolution in respect to the accomplishment of private placement procedure for convertible bonds, under the following parameters: freely transferable, interest-bearing, convertible dematerialized bonds with overall nominal and emission value up to 20,000,000 BGN (twenty million levs) or its equivalent in Euro, according to the official fixed exchange rate of the Bulgarian National Bank, with term for issuance of the emission up to 3 (three) years and term for repayment up to 10 (ten) years as from the date of placement of the respective emission. (See note 21.2). The emission convertible bonds, which is subject to the said resolution, is part of the overall approved amount of debt instruments, which the General meeting of "Ebioss Energy" AD has adopted for issuance, as per Minutes of the General Meeting dated 13.02.2015. On the grounds of art. 194, para. 4 of the Bulgarian Commercial Act (CA), in conjunction with art. 215, para. 1 and art. 196, para. 3 of the CA, the General meeting has delegated to the Board of Directors explicitly to waive the pre-emptive rights of the current shareholders of "Ebioss Energy" AD in respect to acquisition part of the emission convertible bonds, which corresponds to their share-stake in the capital of the Company.

2. Accounting policies

Basis of preparation

The interim consolidated financial statements were authorised for issue by the Board of Directors on 29.09.2015.

The interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by EU.

The interim consolidated financial statements have been prepared on the historical cost basis, modified for certain fixed assets, such as land, measured at fair values.



Notes to the interim consolidated financial statements

2. Accounting policies (continued)

Use of estimates and judgements

In preparing these interim financial statements, management has made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair value, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values.

When measuring the fair value of an asset or liability, the Group uses market observable data as far as possible. Fair values are categorized into different level in a fair value hierarchy based on the inputs in the valuation techniques, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 11 *Property, plant and equipment*
- Note 12 *Intangible assets*
- Note 13 *Acquisition of subsidiaries*
- Note 16 *Disposal group held for sale*
- Note 27 *Financial instruments*

Going concern basis of accounting

The interim consolidated financial statements of the Group as at 30 June 2015 have been prepared on the basis of the going concern concept. Management's opinion is that the funds secured by the shareholders are adequate to finance the future planned activities of the Group.



Notes to the interim consolidated financial statements

2. Accounting policies (continued)

Basis for consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The consideration transferred for the acquisition of subsidiary is the fair values of assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interest issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from contingent consideration arrangement. Identifiable assets acquired and contingent consideration assumed in business combination are measured at fair values at the acquisition date. Acquisition costs are expensed as incurred.

(ii) Non-controlling interests

For each business combination, the Group elects to measure any non-controlling interests in the acquiree either:

- at fair value; or
- at their proportionate share of the acquiree's identifiable net assets, which are generally at fair value.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognised in profit or loss.

(iii) Subsidiaries

Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences and they are deconsolidated from the date that control ceases.

(iv) Loss of control

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions should be eliminated.

(vi) Acquisitions from entities under common control

A business combination under common control is a transaction in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the transaction. These combinations occur where the direct ownership of subsidiaries changes but the ultimate parent remains the same.

Notes to the interim consolidated financial statements

2. Accounting policies (continued)

Basis for consolidation (continued)

(vi) Acquisitions from entities under common control (continued)

The Group policy is to apply IFRS 3 Business combinations by analogy in accounting for business combination under common control and the acquisitions accounting is applied to the acquired businesses.

When the consideration transferred is less than the fair value of the identifiable net assets acquired, the difference is recognised in equity as capital contribution from the shareholders of the acquirer. When the consideration transferred exceeds the fair value of the identifiable net assets acquired the difference is recognised as goodwill in the consolidated statement of financial position.

(vii) Provisional acquisition accounting

The Group applies provisional acquisition accounting assuming that the acquisition accounting for some amounts is incomplete. Adjustments made to the acquisition accounting during the measurement period may affect the recognition and measurement of assets acquired and liabilities assumed, any non-controlling interests, consideration transferred, any pre-existing interest in the acquiree, and goodwill or any gain on a bargain purchase. During the measurement period the acquirer shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed on the acquisition date and, if known, would have affected the measurement amounts recognized at this date. The measurement period ends when the acquirer obtains all information that is necessary to complete the acquisition accounting, or learns that more information is not available, and cannot exceed one year from the acquisition date. Adjustments made during the measurement period are recognised retrospectively and comparative information is revised - i.e. as if the accounting for the business combination had been completed at the acquisition date.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The key operating decision maker has determined two operating segments for reporting purposes – construction of Biomass Power Plants and sale and management of waste collection systems.

Investments in associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

The Group's share of post acquisition profit or loss is recognized in the income statement, and its share in post acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of investment. When the Group's share of losses in associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of associate.

Notes to the interim consolidated financial statements

2. Accounting policies (continued)

Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). Except for the subsidiaries EQTEC Iberia SL, Spain, Syngas Italy S.R.L., TNL SGPS Portugal, TNL SA Portugal, TNL SL Spain, Hirdant Portugal and Addom Spain which functional currency is EUR, the functional currency of the Parent and other subsidiaries in the Group is BGN. The interim consolidated financial statements are presented in thousands of EUR, which is the Group's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency at the exchange rate of EUR to BGN of 1/1,95583, as the Bulgarian lev (BGN) is pegged to the euro (EUR).

Revenue recognition

(i) Goods sold

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement.

(ii) Services

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

Finance income and finance costs

Finance income comprises interest income on funds invested and gains from transactions in foreign currencies.

Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance expenses comprise interest expense on borrowings and losses from transactions in foreign currencies.

Notes to the interim consolidated financial statements

2. Accounting policies (continued)

Finance income and finance costs (continued)

General and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

Tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends. Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority. A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Notes to the interim consolidated financial statements

2. Accounting policies (continued)

Assets held for sale (continued)

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated to assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, investment property, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Property, plant and equipment measured at revaluated amount less accumulated depreciation and any accumulated impairment losses

Land is acquired as part of business combination and is initially measured at fair value, determined by licensed valuers. The Group applies the revaluation model stated in IAS 16 for the purposes of subsequent measurement of land. The revalued amount is the fair value of the land as at the date of revaluation less any subsequent accumulated impairment losses.

Items measured at cost less accumulated depreciation and any accumulated impairment losses are all other property, plant and equipment items except for land.

Depreciation

Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The estimated useful lives of property, plant and equipment are as follows:

Equipment	4-14 years
Furniture	10 years
Computers	2-3 years
Motor vehicles	4-6 years
Power plants	12-20 years

Notes to the interim consolidated financial statements

2. Accounting policies (continued)

Property, plant and equipment (continued)

Land is not depreciated.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Subsequent costs

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the period in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets and goodwill

Goodwill

Goodwill that arises upon the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of identifiable assets acquired is included in intangible assets. Goodwill is measured at cost less accumulated impairment losses.

If the total of consideration transferred, non-controlling interest recognized and previously held interest measured at fair value is less than the fair value of net assets in subsidiary acquired, in the case of bargain purchase, the difference is directly recognized in income statement.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

Project development costs are principally incurred in identifying and developing projects and typically include various licenses, permits, contracts, designs and other. Such costs are expensed as incurred, except when directly attributable costs are capitalised as Development costs, where it can be demonstrated the technical feasibility of completing the intangible asset, so that it will be available for use; the intention to complete the intangible asset and use or sell it, the ability to use or sell the asset, and how the intangible asset will generate probable future economic benefits.

Intangible assets acquired as part of business combination are measured initially at fair value, which reflects expectations about the probability that the expected future economic benefits embodied in the asset will flow to the entity. The acquirer recognises in a business combination as an asset separately from goodwill an in-process research and development projects of the acquiree, when the project meets the definition of an asset.

Notes to the interim consolidated financial statements

2. Accounting policies (continued)

Intangible assets and goodwill (continued)

Intangible assets measured at cost less accumulated depreciation and any accumulated impairment losses

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization shall begin when the asset is available for use. When it is in the location and condition necessary the asset to be capable of operating in the manner intended by management. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the income statement in the expense category consistent with the function of the intangible assets. The estimated useful lives of the intangible assets are as follows:

Computer software

3 years

Leased assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Leases in which a significant portion of the risks and rewards are retained by the lessor re classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs.

Lease payments are split between capital and interest components so that the interest element of the payment is charged to profit or loss over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amount payable to the lessor.

Payments made under operating leases (net from the any incentives received from the lessor) are charged to the income statement on straight line basis over the period of lease.

Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition, are included at cost of acquisition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Notes to the interim consolidated financial statements

2. Accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised in the Group's interim consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

(i) Non-derivative financial assets

The Group's financial assets include receivables consisting of cash and cash equivalents, trade and other receivables.

Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

(ii) Non-derivative financial liabilities

The Group's financial liabilities include other financial liabilities – trade and other payables and loans.

Trade and other payables

Trade payables are obligations to pay for goods or services in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are initially recognised at fair value and are subsequently measured at amortised cost, using the effective interest rate method. Short-term payables with no stated interest rate are measured at original invoice amount unless the effect of imputing interest is significant.

Payables on interest bearing loans

Loans are recorded initially at the proceeds received, net of transaction costs incurred. Loans are subsequently stated at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the loans using the effective interest method.

Derecognition of financial assets and financial liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;



Notes to the interim consolidated financial statements

2. Accounting policies (continued)

Financial instruments (continued)

Derecognition of financial assets and financial liabilities (continued)

- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement;
- or the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are not recognized for future operating losses. Provisions are measured at fair value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase of the provision due to passage of time is recognized as interest expense.

Impairment of assets

(i) Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

Notes to the interim consolidated financial statements

2. Accounting policies (continued)

Impairment of assets (continued)

(i) Non-financial assets (continued)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(ii) Financial assets

A financial asset not classified as at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security.

Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Government of Bulgaria is responsible for providing pensions in Bulgaria under a defined contribution pension plan. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Advance payments are recognised as prepaid expenses to the extent that they will be offset against future payments or refunded. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

(ii) Defined benefit plan

According to the Bulgarian Labour Code at the time when employees acquire pension rights, the company owes 6 monthly salaries to them, in case the employees have worked for the same company for more than 10 years before pensioning. The Group's obligation in respect of this defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and that amount is discounted. The calculation is performed annually based on the projected unit credit method.

Notes to the interim consolidated financial statements

2. Accounting policies (continued)

Employee benefits (continued)

(ii) Defined benefit plan (continued)

The Group determines the net interest expense on the net defined benefit liability for the period by applying a market discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability.

Remeasurements arising from change in actuarial gains and losses are recognised in OCI. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

(iii) Short-term employee benefits

Short-term employee benefit obligations are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group recognises as a liability the undiscounted amount of the estimated costs related to unused annual leave expected to be paid in exchange for the employee's service for the period completed.

(iv) Share-based payment transactions

The grant-date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period that the employees unconditionally become entitled to payment. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognised as employee benefit expenses in profit or loss.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Where any Group company purchases the Group's equity share capital (treasury shares) the consideration paid including directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Group's equity holders until the shares are cancelled or re-issued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Group's shareholders.

Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the reporting date.

Notes to the interim consolidated financial statements**3. Revenue****For the six months ended 30 June**

	2015 EUR'000	2014 EUR'000
Rendering of services	903	29
Sales of goods	594	108
Sales of electricity	5	-
	<u>1,502</u>	<u>137</u>

4. Work performed by the entity and capitalized**For the six months ended 30 June**

	2015 EUR'000	2014 EUR'000
Project Karlovo Biomass	2,917	3,655
Biomass Distribution	838	-
Syngas Italy	56	35
	<u>3,811</u>	<u>3,690</u>

For the six months ended 30.06.2015 the Group has not eliminated the intragroup unrealized profit amounting to EUR 524 thousand (1.01.2014-30.06.2014: EUR 489 thousand).

5. Raw materials and consumables used

Raw materials and consumables represent materials related to construction of Biomass Power Plant Projects, incurred by EQTEC Iberia and Syngas Italy.

6. Cost of goods sold

Cost of goods sold include cost of the waste containers, sold by TNL Group.

7. Expenses for hired services**For the six months ended 30 June**

	2015 EUR'000	2014 EUR'000
Subcontractors services related to construction of biomass power plants	2,976	1,899
Professional services	227	184
Advertising expenses	135	57
Office rent	98	59
Telephone expenses	28	21
External transport services	9	63
Other expenses for hired services	466	90
	<u>3,939</u>	<u>2,373</u>

8. Employee benefit expenses**For the six months ended 30 June**

	2015 EUR'000	2014 EUR'000
Wages and salaries	1,247	592
Compulsory social security contribution	200	87
Voluntary social security contribution	6	3
Accrued expenses for unused paid leave	3	-
Other	9	-
	<u>1,465</u>	<u>682</u>

EBIOSS ENERGY AD

Notes to the interim consolidated financial statements

9. Other expenses

For the six months ended 30 June

	2015 EUR'000	2014 EUR'000
Stock exchange and investors related expenses	113	110
Insurances	70	16
Impairment loss trade receivables	12	-
Other expenses	234	164
	<u>429</u>	<u>290</u>

10. Finance income and costs

For the six months ended 30 June

	2015 EUR'000	2014 EUR'000
Interest income	-	1
Finance income	<u>-</u>	<u>1</u>
Interest expense	(85)	(9)
Exchange rate difference	(10)	(5)
Bank expenses	(28)	(12)
Finance costs	<u>(123)</u>	<u>(26)</u>
Net finance costs recognised in profit or loss	<u>(123)</u>	<u>(25)</u>

EBIOSS ENERGY AD

Notes to the interim consolidated financial statements

1.1. Property, plant and equipment

	Land	Power plants	Equipment	Furniture	Computers	Vehicles	Assets under construction	Total
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Cost								
Balance at 1 January 2014	984	-	121	61	54	108	4,971	6,299
Additions	118	-	288	6	23	8	14,948	15,391
Additions from business combinations	-	-	979	-	7	45	3,400	4,431
Revaluation	57	-	-	-	-	-	-	57
Disposals	(56)	-	(4)	(8)	(37)	(50)	(1,703)	(1,858)
At 31 December 2014	1,103	-	1,384	59	47	111	21,616	24,320
Additions	-	-	2	-	5	117	4,110	4,234
Reclassification	-	4,498	-	-	-	-	(4,498)	-
Reclassification to assets held for sale	-	-	-	-	-	-	(4,877)	(4,877)
Disposals	-	-	(28)	-	-	-	-	(28)
At 30 June 2015	1,103	4,498	1,358	59	52	228	16,351	23,649

Depreciation and impairment losses

Balance at 1 January 2014	-	-	18	33	29	100	-	180
Charge for the period	-	-	104	6	11	28	-	149
Impairment loss	-	-	-	-	-	-	40	40
Disposals	-	-	(4)	(8)	(37)	(50)	-	(99)
Balance at 31 December 2014	-	-	118	31	3	78	40	270
Charge for the period	-	-	133	1	8	16	-	158
Disposals	-	-	(28)	-	-	-	-	(28)
Balance at 30 June 2015	-	-	223	32	11	94	40	400

Net book value

At 31 December 2014	1,103	-	1,266	28	44	33	21,576	24,050
At 30 June 2015	1,103	4,498	1,135	27	41	134	16,311	23,249

Notes to the interim consolidated financial statements**11. Property, plant and equipment (continued)**

Assets under construction represent capitalized expenses for project management and engineering services, as well as advance payments for delivery of main equipment in relation to the construction of different projects: the biomass gasification power plants by Heat Biomass, Karlovo Biomass, pelletization plant by Biomass Distribution etc /see Note 1, Note 4 and Note 30/.

The technical project, consulting and engineering services related to construction of the power plants as well as the delivery of the main equipment are performed by Eqtec Iberia according to signed contracts with Heat Biomass and Karlovo Biomass.

The Group has capitalized interest expenses amounting to EUR 249 thousand directly related to construction of Karlovo Biomass power plant.

Land is valued at fair values at the balance sheet date by certified valuers on an annual basis. The valuation is based on comparative market prices, adjusted to take into consideration future use of land.

All assets of the subsidiary Karlovo Biomass EOOD are pledged as collateral under loan contract dated 02.06.2014 between subsidiary company Karlovo Biomass EOOD and United Bulgarian Bank (see Note 21).

Fair value of the land

The management of the Group determines the fair value of the land based on valuation of independent appraisers. The methods used for the estimation of the fair value are: comparative value method and residual method-rent.

The report of the appraiser shows the following amounts for the value of land as at 31 December 2014:

	Carrying amount of land	Value according to the valuation report	Excess of fair value over carrying amount
	EUR'000	EUR'000	EUR'000
Heat Biomass Power Plant	46	46	-
Karlovo Biomass Power Plant	50	50	-
Tvarditsa Biomass Power Plant	86	86	-
Nova Zagora Biomass Power Plant	146	146	-
Plovdiv Biomass Power Plant	92	92	-
United Biomass Power Plant	206	206	-
Tvarditsa PV	194	194	-
Brila	85	85	-
Biomass Distribution	198	198	-
Total	1,103	1,103	-

Measurement of fair value**Fair value hierarchy**

The fair value of the land was determined by external, independent valuers, having appropriate recognized professional qualification and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's land at the end of every calendar (reporting) year.

The fair value measurement of the land has been categorized as a Level 3 fair value based on the inputs to the valuation technique used.

As at 30 June 2015 no further valuation of the land has been performed.

Notes to the interim consolidated financial statements
12. Intangible assets

	Development costs in progress EUR '000	Development costs EUR '000	Patents and trade- marks EUR '000	Software EUR '000	Total EUR '000
Cost					
Balance at 1 January 2014	10,337	-	186	67	10,590
Additions	38	36	206	41	321
Additions from business combinations	-	253	5	4	262
Disposals	-	-	-	(31)	(31)
Balance at 31 December 2014	10,375	289	397	81	11,142
Additions	-	153	-	21	174
Balance at 30 June 2015	10,375	442	397	102	11,316
Amortisation					
Balance at 1 January 2014	-	-	-	53	53
Charge for the period	-	42	24	13	79
Disposals	-	-	-	(31)	(31)
Balance at 31 December 2014	-	42	24	35	101
Charge for the period	-	38	40	8	86
Balance at 30 June 2015	-	80	64	43	187
Net book value					
At 1 January 2014	10,337	-	186	14	10,537
At 31 December 2014	10,375	247	373	46	11,041
At 30 June 2015	10,375	362	333	59	11,129

Development costs in progress as at 30 June 2015 represent licences, contracts, permits, designs, etc. related to development phase of the following six projects for construction and operation of Biomass Power Plants:

	EUR'000
Heat Biomass Power Plant	2,583
Karlovo Biomass Power Plant	2,986
Tvarditsa Biomass Power Plant	1,745
Nova Zagora Biomass Power Plant	1,090
Plovdiv Biomass Power Plant	1,022
United Biomass Power Plant	930
Brilla	19
	<u>10,375</u>

Development costs in progress have been recognized initially as part of business combination and valued at fair values by certified licensed valuers, based on discounted estimated future net cash flows expected from these assets. Their values are dependent on the estimated timing of completion of the Biomass Power Plants and commencement of electricity production (see also Note 1 and Note 31). Their amortization will start when the Projects are finalized and the production of electricity commences.

Development cost in progress with carrying amount EUR 2,986 thousand are pledged as collateral under loan contract dated 02.06.2014 between subsidiary company Karlovo Biomass EOOD and United Bulgarian Bank (see note 21).

Notes to the interim consolidated financial statements**12. Intangible assets (continued)****Review for impairment**

The management of the Group determines the fair value of development costs in progress related to the power plants based on valuation of independent appraisers. The method used for the estimation of the fair value is discounted estimated future net cash flows.

Valuation reports for the development costs as at 30 June 2015 have been prepared for Karlovo Biomass and Heat Biomass power plants due to the changes in the Bulgarian legislation approved on 6th of March and the initiated reorganization of both projects.

The report of the appraiser shows the following amounts for the development costs in progress as at 30 June 2015 for Karlovo Biomass and Heat Biomass Power Plants and as at 31 December 2014 for Tvarditsa Biomass, Nova Zagora Biomass, Plovdiv Biomass, United Biomass Power Plants:

	Carrying amount of development costs in progress	Value according to the valuation report	Excess of fair value over carrying amount
	EUR '000	EUR '000	EUR '000
Heat Biomass Power Plant	2,583	4,108	1,525
Karlovo Biomass Power Plant	2,986	4,162	1,176
Tvarditsa Biomass Power Plant	1,745	2,177	432
Nova Zagora Biomass Power Plant	1,090	1,316	226
Plovdiv Biomass Power Plant	1,022	1,033	11
United Biomass Power Plant	930	1,051	121
Brilla Biomass Power plant*	19	-	-
Total	10,375	13,847	3,491

No valuation report for development costs in relation to Brilla Biomass power plant, incurred in 2014, has been prepared. Management of the Group has estimated that the development costs related to Brilla Biomass Power Plant are recoverable as at 30 June 2015 and do not need to be impaired.

Measurement of fair value**Fair value hierarchy**

The fair value of the development costs in progress was determined by external, independent valuers, having appropriate recognized professional qualification and recent experience in the category of the assets being valued. The independent valuers provide the fair value of the Group's development costs in progress at the end of every calendar (reporting) year.

The fair value measurement of development costs in progress have been categorized as a Level 3 fair value based on the inputs to the valuation technique used.

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Notes to the interim consolidated financial statements

13. Acquisitions of subsidiaries

13.1 Acquisitions from entities under common control

The acquisition of Heat Biomass, Karlovo Biomass, Plovdiv Biomass, Nova Zagora Biomass, United Biomass and Tvardica Biomass from Elektra Holding, Sungroup Bulgaria and Sofia Biomass is made by capital increase of Ebioss Energy through contribution in kind, representing 100% of shares in the following subsidiaries, valued at fair values by licensed valuers at the date of the transaction (See note 1).

The valuation method used is Discounted Cash flows. Discounted cash flow analysis uses future free cash flow projections and discounts them to arrive at a present value.

Goodwill arises when control is acquired by the Parent and is determined as the excess of the consideration transferred at fair value and the amount of any non-controlling interest in the acquiree over the fair values of the identifiable net assets of the subsidiary. Its value is also dependent on the estimated timing of completion of the Biomass Power plants and commencement of electricity production. See also Note 1 and Note 31.

Below is detailed information for the identifiable assets acquired and liabilities assumed:

	Heat Biomass EUR'000	Karlovo Biomass EUR'000	Plovdiv Biomass EUR'000	Nova Zagora Biomass EUR'000	United Biomass EUR'000	Tvardica Biomass EUR'000	Tvardica PV EUR'000	Biomass Distribution EUR'000	Brila EOD EUR'000	Total EUR'000
Consideration transferred	3,500	3,500	979	1,278	1,090	2,045	-	1	3	12,396
<i>Fair value of identifiable net assets:</i>										
Property, plant and equipment	472	65	92	137	193	80	181	-	92	1,312
Intangible assets	2,579	2,986	1,003	1,090	930	1,745	-	-	-	10,333
Investment in group companies and associates	-	-	3	-	-	-	-	-	-	3
Trade and other receivables	5	-	-	-	-	-	-	-	-	5
Cash and cash equivalents	7	1	-	-	-	-	-	10	-	18
Deferred tax liabilities	(254)	(297)	(109)	(122)	(110)	(182)	(17)	-	(9)	(1,100)
Related parties payables	(530)	(80)	(6)	(12)	(26)	(9)	(6)	-	-	(669)
Total fair value of identifiable net assets:	2,279	2,675	983	1,093	987	1,634	158	10	83	9,902
Goodwill	1,221	825	-	185	103	411	-	-	-	2,745
Effect of business combination under common control	-	-	(4)	-	-	-	(158)	(9)	(80)	(251)

Notes to the interim consolidated financial statements**13. Acquisitions of subsidiaries (continued)****13.2. Acquisition of Eqtec Iberia, SL**

On 30 November 2012 Ebioss Energy AD has also acquired control over EQTEC, a company registered in Spain.

According to Share Transfer Agreement signed between Elektra Holding and Ebioss Energy in November 2012, Ebioss Energy acquires 45% of the share capital of Eqtec Iberia.

The transferred ownership from Elektra Holding to Ebioss Energy comprises of 15,000 shares with nominal value of EUR 6 each, being at total nominal value of EUR 90 thousand. The price at which Elektra Holding sells the shares is at the amount of EUR 206 thousand.

Below is detailed information for the identifiable assets acquired and liabilities assumed:

in thousand EUR	Eqtec Iberia
Consideration transferred	206
<i>Fair value of identifiable net assets:</i>	
Property, plant and equipment	190
Intangible assets	25
Inventories	284
Investment in group companies and associates	1
Trade and other receivables	325
Deferred tax assets	30
Cash and cash equivalents	4
Bank loans	(87)
Finance leases	(16)
Deferred tax liabilities	(3)
Trade and other payables	(464)
Total fair value of identifiable net assets:	289
Share of net assets Ebioss Energy (45%)	130
Non-controlling interest at proportional share of fair value of net assets (55%)	159
Goodwill	76

13.3 Acquisition of Energotec Eco AD

In 2013 Ebioss Energy AD acquired 215 shares with nominal value of BGN 100 (EUR 51.12), representing 43% of the registered capital of the company Energotec-Eco AD, which constitute control over financial and operating policy of the entity. The new incorporated company Energotec Eco AD plans to rent out a factory nearby village of Kaloianovec and manufacture part of the main equipment for the biomass power plants. On the same date another entity from the Group Eqtec Iberia SL acquired 35 shares with nominal value of BGN 100 (EUR 51.12), representing 7% of the registered capital of the company Energotec-Eco AD. As at 31.12.2014 the Group has effective holding of 46.36% in Energotec-Eco AD.

13.4 Acquisition of additional shares in existing subsidiary

On 16 July 2013 according to the Minutes of the Board of Directors of Ebioss Energy AD, Ebioss Energy AD transferred to Eqtec Iberia S.L. Spain EUR 360 thousand through bank transfer. Against this amount Ebioss Energy AD acquires 1,900 new shares with nominal value of EUR 6 and as a result capital of Eqtec Iberia S.L. Spain is increased from EUR 200,004 to EUR 211,404. This implies premium paid of EUR 348,600 for the acquisition of these shares. Through this capital increase Ebioss Energy increased its ownership of EQTEC Iberia S.L. Spain from 45% to 48% and decrease non-controlling interest from 55% to 52%. The Group recognised:

- a decrease in NCI of EUR 14 thousand;
- an increase in retained earnings of EUR 14 thousand.

Notes to the interim consolidated financial statements**13. Acquisitions of subsidiaries (continued)****13.5 Acquisition of Syngas S.R.L., Italy**

According to Share Transfer Agreement signed between Ebioss Energy and Sorgenia S.p.A on 3 April 2014, Ebioss Energy acquires 100% of the share capital of Syngas Italy (see also Note 1), a company registered in Italy.

Below is detailed information for the identifiable assets acquired and liabilities assumed:

in thousand EUR

	Syngas Italy
Consideration transferred	650
<i>Fair value of identifiable net assets:</i>	
Property, plant and equipment	3,400
Investment in group companies and associates	115
Trade and other receivables	50
Bank deposits	4
Trade and other payables	(183)
Total fair value of identifiable net assets:	3,386
Gain on a bargain purchases	2,736

13.6 Acquisition of TNL SGPS, Portugal

On 1 August 2014 according to the Agreement for acquisition of quotas from the capital and subsequent capital increase, Ebioss Energy AD acquired 51% of the shares of TNL SGPS LDA in Portugal, a company dully registered and existing under the laws of Portugal for the amount of 1,550 thousand EUR. As of the acquisition date TNL SGPS controls the following companies:

- TNL – Sociedade de Equipamentos Ecológicos e Sistemas Ambientais, SA (Portugal) – 100%;
- HIRDANT – Higiene e representações, Lda (Portugal) – 100%;
- TNL Equipamientos Ambientales SL (Spain) – 33.31%
- ADDOM Equipamientos SL (Spain) – 74.92%

TNL SGPS also holds a 50% stake in the company "Citytainer Brasil Soluções Ambientais, Ltda" based in S.Paulo (Brazil). Ebioss Energy has significant influence over this Company, but does not exercise control.

Notes to the interim consolidated financial statements
13. Acquisitions of subsidiaries (continued)
13.6 Acquisition of TNL SGPS, Portugal (continued)

Below is detailed information for the identifiable assets acquired and liabilities assumed:

in thousand EUR	TNL SGPS	TNL SA	Hirdant	TNL SL	Addom
Consideration transferred	1,550	-	-	-	-
Ebioss Energy share from investments in sub-subsidiaries	-	1,350	71	3	79
Total consideration transferred	1,550	1,350	71	3	79
<i>Fair value of identifiable net assets:</i>					
Property, plant and equipment	-	1,016	10	-	5
Intangible assets	3	267	-	-	-
Investments in group companies and associates	2,948	-	-	-	-
Investments in associates	214	-	-	-	-
Other financial assets	850	34	-	16	-
Trade and other receivables	267	2,062	94	288	35
Deferred tax asset	-	392	-	-	-
Inventories	-	691	14	20	-
Cash and cash equivalents	1,430	114	-	72	-
Bank loans	-	(3,631)	-	-	-
Loans from related parties	(1,200)	(950)	-	-	(17)
Deferred tax liabilities	-	(3)	-	-	-
Trade and other payables	(190)	(2,078)	(47)	(580)	(41)
Total fair value of identifiable net assets:	4,322	(2,086)	71	(184)	(18)
% share of Ebioss Energy	51%	51%	51%	17%	38.2%
Share of net assets Ebioss Energy	2,204	(1,064)	36	(31)	(7)
Non-controlling interest at proportional share of fair value of net assets	2,118	(1,022)	35	(153)	(11)
Goodwill	(654)	2,414	35	34	86

The total goodwill recognised as a result of the acquisition of TNL SGPS and its subsidiaries is EUR 1,915 thousand.

The total non-controlling interest recognised as a result of the acquisition of TNL SGPS and its subsidiaries amounts to EUR (479) thousand and is equal to non-controlling interest at proportional share of fair value of net assets at the date of acquisition less non-controlling share of investments in sub-subsidiaries.

13.7 Acquisition of additional shares in existing subsidiary

On 4 August 2014 Ebioss Energy AD acquired additional 1.62 % interest in TNL SGPS for EUR 50 thousand in cash, increasing its ownership from 51% to 52.62%. The Group recognised:

- a decrease in NCI of EUR 36 thousand;
- a decrease of retained earnings of EUR 14 thousand.

13.8 Acquisition of additional shares in existing sub-subsidiaries

In September and October 2014 TNL SGPS acquires additional shares in TNL SL and Addom SL, increasing its ownership to respectively 80% and 100%. Following these transaction the ownership of Ebioss Energy AD in TNL SL and Addom SL has reached respectively 42.10% and 52.62%. The Group recognized:

- a decrease in NCI of EUR 17 thousand;
- an increase of retained earnings of EUR 28 thousand.

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Notes to the interim consolidated financial statements

14. Investments

14.1 Investments in associates

	30.06.2015 EUR'000	31.12.2014 EUR'000
Investment in Citytainer Brasil – Soluções Ambientais, LTDA, held by TNL SGPS	185	191
	<u>185</u>	<u>191</u>

Investment in associate represents 50% stake in the company "Citytainer Brasil Soluções Ambientais, Ltda" based in S.Paulo (Brazil). Ebioss Energy has significant influence over this Company, but does not exercise control.

14.2 Other investments

	30.06.2015 EUR'000	31.12.2014 EUR'000
Investment in EAL COMPOST SRL, held by Syngas Italy	115	115
Investment in CONECTA2 ENERGIA S.L	100	-
Stocks held from Mutual Guarantee Societies	34	34
Investment in SENSECO/INTERKAPITAL bonds	350	-
	<u>599</u>	<u>149</u>

On 20th of April 2015 Ebioss Energy signed an Agreement for investment intention with the Spanish company CONECTA2 ENERGIA S.L, domiciled in the city of Barcelona. According to it Ebioss is to be admitted as shareholder in the capital of CONECTA2 ENERGIA SL. The parties agreed to perform legal procedure of gradual capital increase of the registered capital of CONECTA2 ENERGIA S.L within approximately 1-year term, whereat Ebioss shall consecutively subscribe certain portions of newly emitted shares up to 50,01% of the registered capital of CONECTA2 ENERGIA S.L, making an overall equity investment in the receiving company of EUR 1,500,000.

As at 30 June 2015 Ebioss Energy AD has acquired 3.33% of the capital of CONECTA2 ENERGIA S.L for the amount of EUR 100 thousand.

15. Trade and other receivables

Current part of trade and other receivables

	30.06.2015 EUR'000	31.12.2014 EUR'000
Trade receivables from clients	1,773	2,091
Advance payments to suppliers	195	95
Refundable VAT	567	1,058
Receivables from employees	4	5
Other receivables	283	348
	<u>2,822</u>	<u>3,597</u>

Non- current part of trade and other receivables

	30.06.2015 EUR'000	31.12.2014 EUR'000
Other receivables	43	43
	<u>43</u>	<u>43</u>

16. Disposal group held for sale

Following a change in the Renewable Energy Act (see Note 2), the management committed to a plan to reorganize, redesign and sell part of the existing power production facilities of Karlovo Biomass Power Plant. Accordingly, part of these facilities are presented as a disposal group held for sale. Efforts to sell the disposal group have started and a sale is expected by the second quarter of 2016. The disposal group is part of Operating Segment 1 *Construction and management of biomass power plants* (see Note 28).

Notes to the interim consolidated financial statements**16. Disposal group held for sale (continued)****(a) Impairment loss relating to the disposal group**

The assets held for sale have been recently acquired and the management estimates that their carrying amount is a reasonable approximation of their fair value less costs to sell. Therefore, no impairment losses have been recognized as at 30 June 2015.

(b) Assets and liabilities of disposal group held for sale

At 30 June 2015, the disposal group comprised the following assets and liabilities:

	Note	30.06.2015
Property, plant and equipment	11	4,877
Assets held for sale		4,877
Liabilities held for sale		220
Liabilities held for sale		220

(c) Cumulative income or expense recognized in OCI

There are no cumulative income or expenses recognised in OCI relating to the disposal group.

(d) Measurement of fair values***Fair value hierarchy***

The non-recurring fair value measurement for the disposal group of EUR 4,657 thousand has been categorised as level 3 fair value based on the inputs to the valuation technique used.

17. Inventory

	30.06.2015 EUR'000	31.12.2014 EUR'000
Work in progress	749	122
Raw materials and consumables	818	809
Goods	629	661
	2,196	1,592

18. Cash at bank and in hand

	30.06.2015 EUR'000	31.12.2014 EUR'000
Cash at bank	3,024	5,580
Cash in hand	80	133
	3,104	5,713

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Notes to the interim consolidated financial statements

19. Capital and capital reserves

19.1. Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Group. In respect of the Group's shares that are held by the Group, all rights are suspended until those shares are sold.

Issued and fully paid		Number of shares	thousand EUR
Balance on 1 January 2014		7,049,693	18,022
Share split	a)	28,198,772	-
New issues	b)	5,663,951	2,896
Balance at 31 December 2014		40,912,416	20,918
Balance at 30 June 2015		40,912,416	20,918

a) On 20 May 2014 on the grounds and under conditions of the resolution of General meeting of the Company dated 10.04.2014, the nominal value of the shares of Ebioss Energy changed, without changing the amount of the register capital. The existing shares were divided into five, i.e. the split ratio used is five-for-one.

b) On 17 June 2014 on the grounds and under conditions of the resolution of General meeting of the Company dated 10.04.2014, the share capital of EBIOS Energy AD is increased from EUR 18,022 thousand (BGN 35,248 thousand) to EUR 20,918 thousand (BGN 40,912 thousand) through emission and sale of 5,663,951 regular dematerialized shares with voting rights and nominal value of BGN 1 (EUR 0.51) and emission value of EUR 2.80 (BGN 5.47). The share capital after the emission is 40,912,416 shares of a nominal value of EUR 0.51 (BGN 1) each.

19.2. Share Premium Reserve

The share premium reserve is the difference between consideration received or receivable for the issue of shares and the nominal value of the shares, net of share issue costs. Share premium reserve may be distributed as dividends under certain conditions, required to be fulfilled as per Bulgarian Trade Law.

19.3. Reserve for own shares

The reserve for the Company's own shares comprises the cost of the Company's shares held by the Company.

As at 31 December 2014 the Company held 1,305,808 own shares with nominal value EUR 0.51 (BGN 1).

As at 30 June 2015 the Company held 1,403,361 own shares with nominal value EUR 0.51 (BGN 1).

20. Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 30 June 2015 was based on the (loss) attributable to ordinary shareholders of EUR (1,488) thousand (30 June 2014: EUR 2,157 thousand), and a weighted average number of ordinary shares outstanding of 39,576 thousand (30 June 2014: 36,194 thousand), calculated as follows:

(i) Profit attributable to ordinary shareholders (basic)

In thousands of EUR

Loss for the year

Loss attributable to ordinary shareholders

30.06.2015	30.06.2014
(1,488)	2,157
(1,488)	2,157

Notes to the interim consolidated financial statements
20. Earnings per share (continued)
(ii) Weighted average number of ordinary shares (basic)
In thousands of shares

	30.06.2015	30.06.2014
Issued ordinary shares at 1 January	40,912	7,050
Effect of share split in May 2014	-	28,200
Effect of shares issued in June 2014	-	944
Effect from repurchased own shares	(1,336)	-
Weighted average number of ordinary shares at 30 June	39,576	36,194
Earnings per share (EUR)	(0.04)	0.06

Diluted earnings per share

The Group does not have dilutive potential ordinary shares in form of convertible bonds or share options.

21. Loans payable to third parties

This note provides information about the contractual terms of the Group's interest-bearing bank loans and issued corporate bonds, which are measured at amortised cost. More information about the Group's exposure to interest rate, foreign currency and liquidity risk is included in Note 27.

In thousands of EUR
30.06.2015 31.12.2014
Non-current liabilities

Unsecured corporate bonds issues	2,996	-
Bank loans	7,075	7,123
	<u>10,071</u>	<u>7,123</u>

Current liabilities

Unsecured corporate bonds issues	7	-
Bank loans	1,534	1,215
	<u>1,541</u>	<u>1,215</u>

21.1 Bank loans
Bank loans structure as at 31 December 2014:

Bank	Authorised limit of loan EUR'000	Interest rate	Balance 31.12.2014 EUR'000	Maturity
BBVA	12	3.22%	6	20.6.2015
CAIXABANK	92	6.17%	30	15.6.2016
BANK SABADELL	14	3.43%	1	31.3.2015
BANK SABADELL	5	5.13%	5	20.07.2017
CAIXABANK	32	4.70%	27	26.06.2017
UBB	5,600	6.31%	4,943	02.06.2026
UBB	100	6.31%	100	02.06.2015
Novo Banco	200	5.57%	130	12.03.2017

EBIOSS ENERGY AD

Notes to the interim consolidated financial statements

21.1 Bank loans (continued)

Bank loans structure as at 31 December 2014 (continued)

Banco Popular – Escrow Account	400	7.50%	396	17.10.2014
Banco Popular	500	6.33%	341	14.10.2018
Santandertotta	330	8.00%	202	23.06.2017
Caixa Geral de Depositos	500	5.09%	273	16.12.2017
BPI	200	5.58%	38	30.09.2015
BPI	500	5.58%	300	22.10.2017
BPI	1,500	5.02%	921	01.08.2017
BPI	320	5.71%	266	01.08.2017
Millenniumbcp	230	7.80%	188	14.02.2018
Cashed checks	100	6.80%	33	-
Credit bills discounted	-	-	2	-
Confirmings - Millenniumbcp	-	-	94	-
Factoring – Banco Popular	-	5.33%	37	-
Credit cards	-	-	5	-
TOTAL BANK LOANS			<u>8,338</u>	

	Total	Up to 1 year	1-2 years	2-5 years	More than 5 years
EUR'000					
Short term loans	1,215	1,215	-	-	-
Long term loans	<u>7,123</u>	<u>-</u>	<u>544</u>	<u>1,636</u>	<u>4,943</u>
	<u>8,338</u>	<u>1,215</u>	<u>544</u>	<u>1,636</u>	<u>4,943</u>

Bank loans structure as at 30 June 2015:

Bank	Authorised limit of loan EUR'000	Interest rate	Balance 30.06.2015 EUR'000	Maturity
CAIXABANK	92	6.17%	20	15.6.2016
CAIXABANK	32	4.60%	21	26.06.2017
BANK SABADELL	5	5.13%	4	20.07.2017
CAIXABANK	250	2.75%	239	30.04.2017
BBVA	150	2.55%	142	28.04.2018
BBVA	15	2.00%	12	28.04.2016
BANCO POPULAR	200	1.80%	200	22.06.2016
UBB	5,600	6.31%	4,898	02.06.2026

Notes to the interim consolidated financial statements
21.1 Bank loans (continued)
Bank loans structure as at 30 June 2015 (continued)

Bank	Authorised limit of loan EUR'000	Interest rate	Balance 30.06.2015 EUR'000	Maturity	
Novo Banco	200	5.57%	110	12.03.2017	
Banco Popular – Escrow Account	400	7.08%	388	30.09.2015	
Banco Popular	500	6.33%	338	14.10.2018	
Santandertotta	330	7.00%	193	30.04.2020	
Caixa Geral de Depositos	500	3.83%	271	16.12.2017	
BPI	200	1.50%	13	30.09.2015	
BPI	500	3.38%	275	22.04.2019	
BPI	1,500	4.81%	860	06.08.2019	
BPI	320	5.49%	231	06.08.2018	
Millenniumbcp	230	7.63%	183	14.02.2018	
Banco Sabadell – Escrow Account	100	-	86	20.03.2016	
Cashed checks	100	6.80%	33	-	
Confirmings - Millenniumbcp	-	-	78	-	
Factoring – Banco Popular	-	5.33%	5	-	
Credit cards	-	-	9	-	
TOTAL BANK LOANS			<u>8,609</u>		
	Total	Up to 1 year	1-2 years	2-5 years	More than 5 years
EUR'000					
Short term loans	1,534	1,534	-	-	-
Long term loans	7,075	-	1,139	2,852	3,084
	<u>8,609</u>	<u>1,534</u>	<u>1,139</u>	<u>2,852</u>	<u>3,084</u>

Securities, guarantees and pledges related to bank loans

On 02 June 2014 subsidiary company Karlovo Biomass EOOD signed loan contracts with United Bulgarian Bank for financing of first stage of construction of biomass power plant located in Karlovo for maximum amount up to 5,600 thousand EUR and loan contract for financing of VAT during construction process for maximum amount up to 100 thousand EUR. The VAT financing facility has been fully repaid to the bank as at 30 June 2015.

In relation to the above contracts the Group has signed the following pledges in favour of United Bulgarian Bank:

- First rank pledge of commercial enterprise Karlovo Biomass EOOD including all of its assets;
- First rank pledges over all bank accounts and all cash receivables of Karlovo Biomass EOOD;
- First rank pledge of shares of Karlovo Biomass EOOD;
- The Parent is a joint debtor for the entire amount of utilized loans up to the moment of commissioning of first stage of biomass power plant located in Karlovo.



EBIOSS ENERGY AD

Notes to the interim consolidated financial statements

21.1 Bank loans (continued)

The rest of the securities, guarantees and pledges related to bank loans include:

Beneficiary	Amount EUR'000	Expiration date	Type	Company
EQUIPAV SA	2	No fixed term	Performance bond	TNL SA
BPI Bank	149	06.11.2017	Financial guarantee on a loan of 1,500 thousand EUR	TNL SA
BPI Bank	301	06.11.2017	Financial guarantee on a loan of 1,500 thousand EUR	TNL SA
BPI Bank	301	06.11.2017	Financial guarantee on a loan of 1,500 thousand EUR	TNL SA
BPI Bank	5	No fixed term	Goods collection	TNL SA
Camara Municipal do Porto	210	No fixed term	Performance bond	TNL SA
MSF - Engenharia	16	No fixed term	Goods collection	TNL SA
BPI Bank	250	22.10.2016	PME Invest	TNL SA
Caixa Geral de Depositos	250	16.12.2016	PME Invest	TNL SA
Residuos do Nordeste EM	5	No fixed term	Goods collection	TNL SA
Municipio de Mondim de Basto	8	31.12.2017	Goods collection	TNL SA
Municipio de Mondim de Basto	8	No fixed term	Goods collection	TNL SA
Camara de Odivelas	3	No fixed term	Goods collection	Hirdant
Camara de Odivelas	3	No fixed term	Goods collection	Hirdant
TOTAL	1,511			

21.2 Corporate bonds

In thousands of EUR

Proceeds from issue of bonds	3,000
Transaction costs	(4)
Net proceeds	2,996
Accrued interest	7
Carrying amount of liability at 30 June 2015	3,003

On 18th June 2015, 30 interest-bearing (interest rate fixed at 7%), registered, freely transferable, non-convertible, non-collateral corporate bonds were issued by Ebioss Energy AD with a par value of EUR 100 thousand each. Maturity date of the principal payment shall be 18th June 2020 and maturity dates of the coupon payments shall be as follows: 18th June 2016, 18th June 2017, 18th June 2018, 18th June 2019 and 18th June 2020.

Ebioss Energy AD shall have the right after expiration of 36-month period as from the date of issue, to buy-back from the bond holders some or all of the bonds at nominal value plus the accrued interest of the coupons, calculated as to the date of exercising such call option.

EBIOSS ENERGY AD

Notes to the interim consolidated financial statements

22. Loans payable to related parties

22.1 Loans due to Elektra Holding AD

Balance at 1 January 2014	255	31.12.2014
Interest	5	31.12.2014
Repayments	(260)	
Balance at 31 December 2014	-	
Balance at 30 June 2015	-	

22.2 Loans due to other related parties

Balance at 1 January 2014	-	
Additions from business combinations	1,142	
New proceeds	30	
Repayments	(245)	
Balance at 31 December 2014	927	31.12.2015
Repayments	(27)	
Balance at 30 June 2015	900	31.12.2015

23. Taxation

For the six months ended 30 June

	2015 EUR'000	2014 EUR'000
Current tax expense	52	52
Origination and reversal of temporary differences	(166)	(60)
Income tax expense (benefit) for the period	(114)	(8)

Reconciliation of effective tax rate:

	2015 EUR'000	2014 EUR'000
Profit/(Loss) for the year	(1,612)	2,335
Total income tax (expense) / benefit	114	8
Profit / (Loss) before income tax	(1,726)	2,327
Income tax using the Company's domestic tax rate, 10%	(173)	233
Tax exempt income	-	(274)
Effect of tax rates in foreign jurisdictions*	(159)	(2)
Non-deductible expenses	75	8
Current-year losses for which no deferred tax asset is recognized	143	27
Income tax expense/(benefit)	(114)	(8)
Effective tax rate	7%	0%

* Part of the subsidiaries and sub-subsidiaries operate in a tax jurisdiction with higher tax rates (Spain, Italy and Portugal).

Tax liability

	30.06.2015 EUR'000	31.12.2014 EUR'000
Corporate income tax payable	50	355
	50	355

Notes to the interim consolidated financial statements
23. Taxation (continued)
Recognised deferred tax assets and liabilities

In thousands of EUR

	Assets		Liabilities	
	30.06.2015	31.12.2014	30.06.2015	31.12.2014
Assets under construction	(65)	(43)	-	-
Land and developments costs revaluation	-	-	1,109	1,109
Tax loss carry-forwards	(1,155)	(1,011)	-	-
Other items	-	-	1	1
Tax (assets) liabilities	(1,220)	(1,054)	1,110	1,110
Net tax (assets) liabilities	(1,220)	(1,054)	1,110	1,110

Under the current provisions of the Bulgarian Corporate Tax Act, a company may use its accumulated loss to reduce the income tax it would otherwise have to pay on future taxable income in the next five years.

Under applicable tax legislation as of 30 June 2015 for the subsidiaries, the tax losses can be carried forward for a period from 5-12 years (depending on the year when incurred) in Portugal and there is no limit for utilization of these losses in Spain and Italy.

24. Trade and other payables

	31.12.2015	31.12.2014
	EUR'000	EUR'000
Trade payables to suppliers	3,046	2,411
Trade payables	3,046	2,411
Payables to employees	241	109
Compulsory social security contributions	20	22
VAT payable	69	341
Other tax liabilities	342	74
Other payables	583	763
Other payables	1,255	1,309
	4,301	3,720

The fair values of trade and other payables due within one year approximate their carrying amounts as presented above.

25. Provisions

The amount of EUR 125 thousand (2014: EUR 122 thousand) reported as provisions in the Interim consolidated statement of financial position comprises of EUR 105 thousand, representing estimations of the future cost of demolition and dismantling of the biomass plant of Gallina in Italy based on independent expert valuation and EUR 20 thousand - other provisions (2014: EUR 17 thousand).

26. Finance lease

	30.06.2015	31.12.2014
	EUR'000	EUR'000
Non-current	64	33
Current	86	17
	150	50

Notes to the interim consolidated financial statements**26. Finance lease (continued)**

Finance lease liabilities are payable as follows:

	30.06.2015		
	Future minimum lease payments EUR'000	Interest	Principal EUR'000
Less than one year	96	10	86
Between one and two years	27	7	20
Between two and five years	49	5	44
Total	172	22	150

	31.12.2014		
	Future minimum lease payments EUR'000	Interest	Principal EUR'000
Less than one year	19	2	17
Between one and two years	13	1	12
Between two and five years	22	1	21
Total	54	4	50

27. Financial instruments**Overview**

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

The management of the Group has overall responsibility for the establishment and oversight of the Group's risk management framework. The policy sets limits for taking different kinds of risks and defines control rules with regard to these limits. The policy is to be regularly reviewed in relation with identification of changes in the risk levels.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from third parties.

Notes to the interim consolidated financial statements
27. Financial instruments (continued)
(a) Credit risk (continued)

The carrying amount of Group's financial assets represent the maximum exposure to credit risk. As at 30.06.2015/ 31.12.2014 the carrying amounts of the financial assets are as follows:

	Note	As at 30.06.2015 EUR'000	As at 31.12.2014 EUR'000
Trade receivables from clients	15	1,733	2,091
Trade receivables from related parties	29	863	879
Debt securities	14.2	384	34
Loans to related parties	29	16	-
Cash and cash equivalents	18	3,024	5,580
		<u>6,060</u>	<u>8,584</u>

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements as at 30 June 2015:

	Note	Carrying amount EUR'000	Contractual cash flows EUR'000	up to 1 year EUR'000	1-2 years EUR'000	2-5 years EUR'000	More than 5 years EUR'000
Non-derivative financial liabilities							
Bank loans	21.1	(8,609)	(10,972)	(2,026)	(1,548)	(3,653)	(3,745)
Corporate bonds	21.2	(3,003)	(4,055)	(215)	(210)	(3,630)	-
Loans due to related parties	24	(900)	(900)	(900)	-	-	-
Other payables to related parties	29	(121)	(121)	(121)	-	-	-
Trade and other payables	24	(3,046)	(3,046)	(3,046)	-	-	-
Finance lease	26	(150)	(172)	(96)	(27)	(49)	-
		<u>(15,829)</u>	<u>(19,266)</u>	<u>(6,404)</u>	<u>(1,785)</u>	<u>(7,332)</u>	<u>(3,745)</u>



Notes to the interim consolidated financial statements
27. Financial instruments (continued)
(b) Liquidity risk (continued)

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements as at 31 December 2014:

	<i>Note</i>	Carrying amount EUR'000	Contractual cash flows EUR'000	up to 1 year EUR'000	1-2 years EUR'000	2-5 years EUR'000	More than 5 years EUR'000
Non-derivative financial liabilities							
Bank loans	21.1	(8,338)	(10,980)	(1,573)	(1,948)	(3,718)	(3,741)
Loans due to related parties	22	(927)	(937)	(937)	-	-	-
Other payables to related parties	29	(234)	(234)	(234)	-	-	-
Trade and other payables	24	(2,411)	(2,411)	(2,411)	-	-	-
Finance lease	26	(50)	(54)	(19)	(13)	(22)	-
		<u>(11,960)</u>	<u>(14,616)</u>	<u>(5,174)</u>	<u>(1,961)</u>	<u>(3,740)</u>	<u>(3,741)</u>

(c) Market risk

Market risk is the risk that changes in market prices (such as foreign exchange rates, interest rates and equity prices) will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

Group's exposure to currency risk is relatively small since its all financial assets and liabilities are denominated in BGN or EUR. According to the local currency legislation of the parent company, the rate of the BGN is fixed to the EUR at 1 EUR = 1,95583 BGN.

The Group's management does not believe that the peg will change within the next 12 months and therefore no sensitivity analysis has been performed.

The Group's exposure to foreign currency risk based on notional amounts is as follows:

	30.06.2015 BGN'000	30.06.2015 EUR'000	31.12.2014 BGN'000	31.12.2014 EUR'000
Trade receivables from clients	-	1,773	-	2,091
Trade receivables from related parties	-	863	-	879
Cash and cash equivalents	957	2,067	1,462	4,118
Investments in debt securities	-	384	-	34
Bank loans	-	(8,609)	-	(8,338)
Corporate bonds	-	(3,003)	-	-
Loans due to related parties	-	(900)	-	(927)
Loans provided to related parties	16	-	-	-
Other payables to related parties	-	(121)	-	(234)
Trade and other payables	(807)	(2,239)	(850)	(1,561)
Finance lease	-	(150)	-	(50)
Total	166	(9,935)	612	(3,988)

Notes to the interim consolidated financial statements

27. Financial instruments (continued)**Interest rate risk**

Interest rate risk is the risk that interest bearing assets and liabilities may change in value, because of fluctuations of the market interest rates. At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

<i>In thousands of EUR</i>	Nominal amount	
	30.06.2015	31.12.2014
	EUR'000	EUR'000
Fixed rate instruments		
Financial assets	3,424	5,614
Financial liabilities	(7,764)	(4,244)
	<u>(4,340)</u>	<u>1,370</u>

<i>In thousands of EUR</i>	Nominal amount	
	30.06.2015	31.12.2014
	EUR'000	EUR'000
Variable rate instruments		
Financial liabilities	(4,898)	(5,071)
	<u>(4,898)</u>	<u>(5,071)</u>

Capital management

The Management's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

There were no changes in the Group's approach to capital management during the year.

Fair value of financial assets and liabilities

The carrying values of the Group's financial assets and liabilities, not measured at fair value, approximate their fair values.

28. Segment Reporting

As at 30 June 2015 the Group has two reporting segments:

- Construction and management of Biomass Power Plants
- Sale and management of waste collection systems

At at 30 June 2014 the Group had one reportable segment: Construction and Management of Power Plants.

Notes to the interim consolidated financial statements
28. Segment Reporting (continued)

Information related to each reportable segment is set out below.

	Segment 1 Construction and Management of Biomass Power Plants		Segment 2 Sale and management of waste collection systems	Total	
For the six months ended In thousands of EUR	30.06.2015	30.06.2014	30.06.2015	30.06.2015	30.06.2014
Revenues	591	137	911	1,502	137
Other income	4	1	89	93	1
Gain on bargain purchase	-	2,736	-	-	2,736
Changes in inventory and work in progress	(50)	98	10	(40)	98
Loss from associated companies	-	-	(6)	(6)	-
Work performed by the entity and capitalized	3,811	3,690	-	3,811	3,690
Raw materials and consumables used	(304)	(949)	-	(304)	(949)
Cost of goods sold	-	-	(582)	(582)	-
Expenses for hired services	(3,699)	(2,373)	(240)	(3,939)	(2,373)
Employee benefit expenses	(1,034)	(682)	(431)	(1,465)	(682)
Depreciation and amortization	(89)	(16)	(155)	(244)	(16)
Other expenses	(347)	(290)	(82)	(429)	(290)
Profit/(loss) from operating activities	(1,117)	2,352	(486)	(1,603)	2,352
Finance income	-	1	-	-	1
Finance expenses	(35)	(26)	(88)	(123)	(26)
Inter-segment finance income/expense	14	-	(14)	-	-
Net finance costs	(21)	(25)	(102)	(123)	(25)
Profit/(Loss) before income tax	(1,138)	2,327	(588)	(1,726)	2,327
Income tax	40	8	74	114	8
Profit/Loss for the year	(1,098)	2,335	(514)	(1,612)	2,335
Total comprehensive income	(1,098)	2,335	(514)	(1,612)	2,335

EBIOSS ENERGY AD

Notes to the interim consolidated financial statements

28. Segment Reporting (continued)

	Segment 1 Construction and Management of Biomass Power Plants		Segment 2 Sale and management of waste collection systems		Total	
<i>In thousands of EUR</i>	30.06.2015	31.12.2014	30.06.2015	31.12.2014	30.06.2015	31.12.2014
Assets for reportable segments	48,634	46,431	6,405	6,614	55,039	53,045
Total assets	48,634	46,431	6,405	6,614	55,039	53,045
Liabilities for reportable segments	12,820	8,688	5,769	6,168	18,589	14,856
Total liabilities	12,820	8,688	5,769	6,168	18,589	14,856

29. Related party transactions and balances

Related parties are as follows:

Related party	Relationship
Elektra Holding AD	Principal shareholder of EBIOSS ENERGY AD
Heat Biomass EOOD	subsidiary, 100% owned by EBIOSS ENERGY AD
Karlovo Biomass EOOD	subsidiary, 100% owned by EBIOSS ENERGY AD
Plovdiv Biomass EOOD	subsidiary, 100% owned by EBIOSS ENERGY AD
Nova Zagora Biomass EOOD	subsidiary, 100% owned by EBIOSS ENERGY AD
Tvardica Biomass EOOD	subsidiary, 100% owned by EBIOSS ENERGY AD
United Biomass EOOD	subsidiary, 100% owned by EBIOSS ENERGY AD
Biomass Distribution EOOD	subsidiary, 100% owned by EBIOSS ENERGY AD
Syngas Italy S.R.L.	subsidiary, 100% owned by EBIOSS ENERGY AD (after 3 April 2014)
EQTEC Iberia SL, Spain	subsidiary, 48% owned and controlled by EBIOSS ENERGY AD
EQTEC Bulgaria EOOD	subsidiary, 48% owned and controlled by EBIOSS ENERGY AD
Energotec Eco AD	subsidiary, 46,36% owned and controlled by Group
Brila EOOD	subsidiary, 100% owned by Plovdiv Biomass EOOD
Tvarditsa PV EOOD	subsidiary, 100% owned by Tvarditsa Biomass EOOD
TNL SGPS, Portugal	subsidiary, 52.62% owned by Ebioss Energy AD (after 1 August 2014)
TNL SA, Portugal	Subsidiary of TNL SGPS, Portugal, 52,62 % effective ownership of Ebioss Energy (after 1 August 2014)
Hirdant, Portugal	Subsidiary of TNL SGPS, Portugal, 52,62 % effective ownership of Ebioss Energy (after 1 August 2014)
TNL SL, Spain	Subsidiary of TNL SGPS, Portugal, 42,1 % effective ownership of Ebioss Energy (after 1 August 2014)

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Notes to the interim consolidated financial statements

29. Related party transactions and balances (continued)

Addom, Spain	Subsidiary of TNL SGPS, Portugal, 52,62 % effective ownership of Ebioss Energy (after 1 August 2014)
Inava Ingeiyeria De Analisis SL, Spain	under common control
Ortiz Elektra AD	under common control
Biomass Gorno EOOD	under common control
Luxur PV EOOD	under common control
Bul PV EOOD	under common control
Bul Biomass EOOD	under common control
Luxur Biomass OOD	under common control
Val Biomass EOOD	under common control
Smolyan Biomass EOOD	under common control
Titan Power OOD	under common control
Eko El Invest	under common control
Citytainer Brasil, Brasil	Associate company (after 1 August 2014)
Citytainer Industria, Brasil	under common control (after 1 August 2014)
Arrizabal Elkarte SL, Portugal	shareholder in TNL SL (after 1 August 2014)

Directors

The Executive Directors of EBIOSS ENERGY AD are Jose Oscar Leiva Mendez and Luis Sanchez Angrill.

Remuneration of key management personnel of the group for the period 01.01.2015-30.06.2015 is 207 thousand EUR.

Balances with related parties

In thousands of EUR

	Balance outstanding as at			
	30.06.2015		31.12.2014	
	Receivables	Payables	Receivables	Payables
Citytainer Brasil	242	-	230	-
Citytainer Industria	383	-	383	-
Arrizabal Elkarte SL	224	(86)	256	(89)
Elektra Holding AD	-	(35)	-	(145)
Elektra Holding AD – finance lease	-	(30)	-	-
Receivable from employees	14	-	10	-
	863	(151)	879	(234)

Loans payable to/receivable from related parties

In thousands of EUR

	Balance outstanding as at			
	30.06.2015		31.12.2014	
	Receivables	Payables	Receivables	Payables
Mr. Foad Jafal	-	(900)	-	(900)
Directors	16	-	-	-
Arrizabal Elkarte SL	-	-	-	(27)
	16	(900)	-	(927)

Notes to the interim consolidated financial statements

29. Related party transactions and balances (continued)**Transactions with related parties**

<i>In thousands of EUR</i>	Description	For the period ended 30.06.2015	For the period ended 31.12.2014
Citytainer Brasil	Trade	-	32
Arrizabal Elkartea SL	Trade	189	129
Elektra Holding AD	Trade	(110)	(61)
Elektra Holding AD – finance lease	Trade	(30)	-
Receivable from employee	Trade	4	10
Elektra Holding AD	Loans	-	255
Mr. Foad Jafal	Loans	-	(240)
Arrizabal Elkartea SL	Loans	(27)	27
Directors	Loans	16	-

30. Commitments and contingent liabilities

Ebioss Energy AD is a joint debtor in relation to Loan contract dated 02.06.2014 between Karlovo Biomass EOOD and United Bulgarian Bank AD for financing of first stage of biomass power plant located in Karlovo until the time of its commissioning. The authorized amount is EUR 5,600 thousand (utilized amount as at 30 June 2015: EUR 4,898 thousand). The timing of commissioning will be confirmed by use permit issued by Directorate for National Construction Supervision.

The Group has no other commitments or contingent liabilities as at 30 June 2015 and 31 December 2014.

31. Events after the reporting period end

On 24th July 2015 further changes in the Renewable Energy Act /REA/ entered into legal force regarding the operating conditions related to renewable energy producers, which are applicable to the Group.

According to the amended REA, the feed-in tariffs and the preferential prices for electricity takeoff, being produced from biomass electrical plants with power output up to 1,5 MW, shall apply only for energy facilities working with combined cycle and indirect use of biomass of which overall weight not less than 60 per cent is to be animal manure. Furthermore, these incentives can be used only if the respective producer of electricity from renewable sources can prove to own authorized animal breeding farm minimum three years before the date of submission of application for connection to the electrical grid and if the respective producer of electricity owns certain number of authorized animals with the purpose to prove the origin of the manure which is to be used as feedstock for the plant.

Following the above mentioned changes in the legislation, the Group has started to reorganize and redesign further its existing power production facilities of Karlovo Biomass Power Plant and construction in progress of Heat Biomass Power Plant. The contracts for connection to the National Electricity signed between – Karlovo Biomass EOOD and Heat Biomass EOOD and EVN Electricity Company, considering the above mention legislative amendments, are no longer effective. Both Karlovo Biomass and Heat Biomass Power plants will operate to supply electricity and heating to the pelletization plants of Biomass Distribution EOOD.

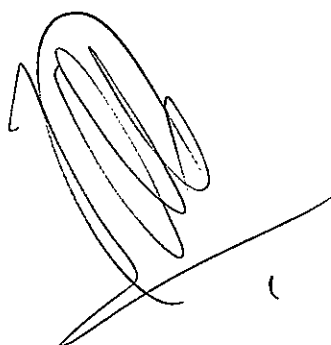
The projects of Plovdiv Biomass EOOD, Brila EOOD, Nova Zagora Biomass EOOD, Tvardica Biomass EOOD, Tvardica PV EOOD and United Biomass EOOD of 1,5 MW each will also be designed with the purpose to supply electricity and

Notes to the interim consolidated financial statements

heating to the pelletization plants of Biomass Distribution EOOD.

On 8th September 2015 Ebioss Energy AD sold 1,500,000 of its own shares held in reserve (see Note 19.3) for the amount of EUR 1,499 thousand.

Apart from the above mentioned events, there are no other significant events after the reporting period, which have a bearing on the understanding of the interim consolidated financial statements.

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