



En Sofía, a 31 de octubre de 2019

Muy Señores Nuestros,

En virtud de lo previsto en el artículo 17 del Reglamento (UE) nº 596/2014 sobre abuso de mercado y en el artículo 228 del texto refundido de la Ley del Mercado de Valores, aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre, y disposiciones concordantes, así como en la Circular 6/2018 del Mercado Alternativo Bursátil (MAB) ponemos en conocimiento la siguiente información financiera semestral a 30 de junio de 2019:

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- Actualización sobre la ampliación de capital
- Informe de revisión limitada de los Estados Financieros intermedios individuales y consolidados condensados de EBIOSS Energy, SE a 30 de junio de 2019.

D. José Óscar Leiva Méndez

Presidente de EBIOSS ENERGY, SE

- **Reorientación de la Compañía**

La reorientación estratégica de la Compañía (explicada también en el Hecho Relevante de 9 de junio de 2019), pasando de ser una empresa holding que invertía únicamente en tecnologías de gasificación para la eliminación del residuo y en tecnologías de gestión y recogida inteligente del mismo, a ser un grupo que ha ampliado su universo de inversión para ampliar su base de filiales con ebitda positivos y focalizarse en sectores de generación de caja recurrente **con el objetivo de entrar en resultados positivos en la mayor brevedad posible**. En concreto:

- a. Sector utilities e infraestructuras
- b. Sector turismo y ocio

- **Medidas tomadas para la reestructuración de la empresa en este ejercicio de transición**

- La culminación de la negociación con los bonistas en el marco del proceso de reestructuración de la Compañía (ver Hecho Relevante de fecha 9 de junio de 2019), por un importe total de 19 millones de euros para sanar las cuentas y poder ampliar el acceso al mercado de capitales y agilizar la incorporación de nuevas compañías para el Grupo.
- Por principio de prudencia, el management ha decidido deteriorar el balance fruto del proceso de reestructuración con el ánimo de encarar el futuro de la Compañía con un balance más ajustado a las nuevas líneas de negocio de Akiles. En concreto:
  - o Se ha asignado unos deterioros de 6,970M€ en concepto de la depreciación de la planta de Bulgaria y de Italia, 5M€ y 1,970M€ respectivamente.
  - o Se ha reflejado una pérdida de valoración de la participación financiera en Eqtec de 3,229 M€.
- Incorporación de dos nuevos consejeros en el Grupo: Juan Molins Monteys y Onofre Servera Andreu.

Dejando de lado los deterioros asignados a este primer semestre para sanear el balance y las cuentas, los resultados de explotación empiezan a reflejar las medidas de

reestructuración implementados, pasando de -2.543 M€ en el primer semestre de 2018 a -0.654 M€ en el primer semestre de 2019. Estos datos no incluyen el impacto positivo de las nuevas empresas en las cuentas ya que se han incorporado con posterioridad a la fecha de 30 de junio de 2019 y serán visibles para el cierre de 2019.

	Hasta 30 de junio 2019 EUR'000	Hasta 30 de junio 2018 EUR'000
Ventas	1.527	2.085
Otras ventas	0	126
Consumos de materias primas y consumibles	-27	-472
Coste de los productos vendidos	-1.277	-959
Coste de servicios contratados	-301	-873
Gastos por prestaciones a los empleados	-433	-1.539
Otros Gastos	-107	-602
Depreciaciones y Amortizaciones	-36	-309
<b>Resultados Operativos sin deterioros</b>	<b>-654</b>	<b>-2.543</b>
Pérdidas por deterioros	-6.970	-5.187
<b>Resultado Operativo con deterioros</b>	<b>-7.624</b>	<b>-7.730</b>
Ingresos financieros	12	-
Costes financieros	-2.469	-1.622
<b>Resultados Financiero</b>	<b>-2.457</b>	<b>-1.622</b>
Participación en la pérdida de patrimonio contabilizado de las sociedades participadas	-531	-
Pérdida procedente de la inversión en empresas asociadas	-3.229	-
<b>Pérdidas antes de impuestos</b>	<b>-13.841</b>	<b>-9.352</b>
Impuestos	-78	79
<b>Resultados después de impuestos</b>	<b>-13.919</b>	<b>-9.273</b>
Resultado del ejercicio procedente de operaciones interrumpidas	-	23
<b>Pérdidas del periodo</b>	<b>-13.919</b>	<b>-9.250</b>

- **Empresas ya firmadas e incorporadas dentro del Grupo en este ejercicio de transición:**

## PETROLPROM



- AKILES posee actualmente el 50,5% de Petrolprom, adquirido a mediados de 2019, que opera 11 estaciones de servicio en Bulgaria. Petrolprom a su vez compró el 100% de la empresa Silena que se dedica a la venta de líquidos consumibles para coches.
- También se ha firmado la compraventa del 50% de la empresa Gas Oil Terminal propietaria de 1 gasolinera en Sofia sujeto a nuestra inversión en circulante de 125.000Eur hasta el plazo máximo de 28 de febrero de 2020.
- Adicionalmente, en fecha de 18 de octubre, se han adquirido el 50% de las empresas mediante contrato preliminar NIK MAR PLUS y MVP KOREKT que operan 5 gasolineras en Sofia. La escrituración está sujeta a la DD y la inversión en circulante por parte de Akiles de 400.000 € hasta el plazo máximo 28 de febrero de 2020.
- Jurídicamente se está estructurando un holding de empresas del sector Gas & Oil con el nombre de ENERGOTEC AD para aglutinar las empresas del sector.
- Energotec contará con: Petrolprom, Silena, Gas Oil Terminal, Nik Mar Plus y MVP Korekt
- **La facturación agregada de 2018 es de € 11,5M, la estimada de 2019e € 16.7M**

EUR '000	Ingresos 2018	Ebitda 2018	Ingresos 2019e	Ebitda 2019e
<b>Petrolprom + Silena</b>	4.098	87	5.884	317
<b>Gas Oil Terminal</b>	1.845	39	2.199	85
<b>MVP Korekt</b>	2.374	130	5.113	280
<b>Nik Mar Plus</b>	3.230	428	3.579	295
<b>Total Agregado</b>	<b>11.548</b>	<b>684</b>	<b>16.774</b>	<b>977</b>



## TCV. Compañía de Telecomunicaciones.

- Proveedor situado en Varna, Bulgaria. TCV proporciona una amplia gama de servicios de telecomunicaciones, productos de entretenimiento y soluciones empresariales, incluidos dispositivos móviles y fijos, telefonía, servicios de voz, acceso a Internet de banda ancha de alta velocidad a través de redes de fibra óptica, TV y servicios multimedia, y soluciones de datos y TI para sus clientes residenciales y corporativos clientes.
- Inversión estratégica con flujos de caja recurrentes.
- Plan estratégico basado en el modelo de absorción de competidores con el objetivo de agregar volumen de facturación, ebitda y consolidarse como uno de los principales actores en el sector de telecomunicaciones del país.
- **Volumen de negocio 2018 € 1.2M, 2019e € 1.3M**

EUR '000	Ingresos 2018	Ebitda 2018	Ingresos 2019e	Ebitda 2019e
TCV	1.064	372	1.310	603

## BYALA BEACH RESORT



- Hotel situado en el mar negro en un acantilado sobre la playa de arena en Byala.
- La compra está sujeta a condición resolutive en el caso de que no se haga una inversión de 250.000 € hasta mediados de diciembre.
- **Volumen de negocio en 2018 de 916.000€ y 2019e de 953.000 €**

EUR '000	Ingresos 2018	Ebitda 2018	Ingresos 2019e	Ebitda 2019e
Byala	916	384	953	391

## **INTERAVERS (HOTEL AQUAMARINE)**

- Hotel situado en el mar negro en un acantilado sobre la playa de arena en Obzor
- Aquamarine fase 1 tiene 86 habitaciones y Aquamarine fase 2 está en construcción y tendrá una vez finalizado otras 150 habitaciones.
- Es un hotel que cuando esté en explotación será dirigido a clientes, principalmente tercera edad, que desean obtener tratamientos de medicina preventiva y de regeneración celular.
- La compra está sujeta a condición resolutive en el caso de que no se consiga la financiación para la construcción de la fase 2.

### Simulación Proforma 2019

La empresa considera oportuno hacer una **simulación proforma para el ejercicio 2019** bajo el supuesto de que las empresas ya firmadas a fecha de 31 de octubre (no incluye las empresas en vías de incorporación y negociaciones en curso) hubieran sido incorporadas desde el 1 de enero de 2019 para compartir con sus accionistas el impacto en las cuentas de 2019 del grupo.

Cuenta de Pérdidas y Ganancias Proforma en '000 €		2019e
<b>Ingresos Totales</b>		<b>20.870</b>
Akiles Matriz		0
Winttec		1.833
Energotec		16.774
TCV		1.310
Byala		953
<b>Gastos Totales</b>		<b>19.821</b>
Akiles Matriz		954
Winttec		1.800
Energotec		15.798
TCV		707
Byala		562
<b>Resultado de Explotación</b>		<b>1.049</b>

*\*AKILES Matriz es la oficina central que soporta los costes fijos de management que gestiona todo el Grupo, que entre ellos incluyen los departamentos de administración, legales, corporate y contabilidad.*

*\*\*Los datos reflejados han sido proporcionados por las empresas directamente y en base a sus estimaciones más recientes.*

*\*\*\*Esta simulación no incluyen los deterioros de este año antes descritos.*



- **Actualización sobre la ampliación de capital**

A continuación, les proporcionamos el estado individualizado de las empresas que participan en la ampliación de capital.

Recordemos que AKILES incorpora alrededor del 50% de las empresas y se materializan mediante el pago en acciones de EBIOS a 1€ de valor nominal.

Estado de las transacciones:

- Petrolprom: Incorporada. Valor del 50,5%: 540.000€
- TCV: Incorporada. Valor del 50%: 1.300.000€
- Byala Beach Resort: incorporada. Valor del 50%: 99.700€
- Interavers (Aquamarine): Incorporada. Valor del 50%: 4.500.000 €
- Home Care Holidays: La evaluación fue asignada por el Registro Mercantil y hasta ahora no se ha completado debido a la demora de los tasadores y del Registro Mercantil.
- Tempo Store: El Consejo de Administración ha desestimado su incorporación debido a que ha decidido finalmente no participar en el sector retail por el riesgo de verse afectado ante una futura próxima crisis y así mantener el foco en los dos sectores ya presentes.

La entrega de las acciones como pago de las adquisiciones se materializarán una vez se haya inscrito la ampliación de capital en el Registro Mercantil, donde además se verán reflejados también los cambios aprobados en la última Junta General de 15 de Agosto tales como el cambio de denominación social a AKILES Corporation SE y el cambio del Consejo de Administración.

- Informe de revisión limitada de los Estados Financieros intermedios individuales y consolidados condensados de EBIOSS Energy, SE a 30 de junio de 2019.

**EBIOSS ENERGY SE**

CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019

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## **DIRECTORS AND OTHER OFFICERS**

### **Executive Directors:**

Jose Oscar Leiva Mendez  
Luis Sanchez Angrill

### **Registered Seat**

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### **Address for correspondence**

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Sofia 1680

### **Legal Consultant**

Angel Panayotov  
58 Bulgaria Blvd.  
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### **Bank**

BNP Paribas Securities Services, Spain, Spain  
Gestion de Patrimonios Mobiliarios Sociedad de Valores S.A., Spain  
Unicredit Bulbank AD, Bulgaria  
United Bulgarian Bank, Bulgaria  
Raiffeisen Bank AD, Bulgaria  
Banco de Sabadell S.A., Spain  
Banco Popular Portugal S.A., Spain  
Banco Bilbao Vizcaya Argentaria S.A., Spain  
CaixaBank S.A., Spain  
Andbank, Spain

### **Reviewer**

Crowe Bulgaria Audit EOOD  
55 6-ti Septemvri Str.  
Sofia 1142  
Bulgaria

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Six months to 30 June 2019 EUR'000	Six months to 30 June 2018 EUR'000
Revenue	5	1,527	2,085
Other revenue		-	126
Raw materials and consumables used		(27)	(472)
Cost of goods sold		(1,277)	(959)
Expenses for hired services		(301)	(873)
Employee benefit expenses	6	(433)	(1,539)
Depreciation and amortisation		(36)	(309)
Impairment losses	7	(6,970)	(5,187)
Other expenses		(107)	(602)
<b>Loss from operating activities</b>		<b>(7,624)</b>	<b>(7,730)</b>
Finance income		12	-
Finance costs		(2,469)	(1,622)
<b>Net finance costs</b>	8	<b>(2,457)</b>	<b>(1,622)</b>
Share of loss of equity accounted investees		(531)	-
Loss on disposal of associates	12	(3,229)	-
<b>Loss before income tax</b>		<b>(13,841)</b>	<b>(9,352)</b>
Income tax benefit		(78)	79
<b>Loss for the period from continuing operations</b>		<b>(13,919)</b>	<b>(9,273)</b>
Profit for the period from discontinued operations		-	23
<b>Loss for the period</b>		<b>(13,919)</b>	<b>(9,250)</b>
<b>Other comprehensive income/(loss)</b>			
<i>Items that will be reclassified to profit or loss:</i>			
Foreign currency translation differences		7	149
<b>Other comprehensive (loss)/income for the period, net of tax</b>		<b>7</b>	<b>149</b>
<b>Total comprehensive loss for the period</b>		<b>(13,912)</b>	<b>(9,101)</b>
<b>Loss attributable to:</b>			
Owners of the parent		(13,890)	(8,023)
Non-controlling interests		(29)	(1,227)
<b>Loss for the period</b>		<b>(13,919)</b>	<b>(9,250)</b>
<b>Total comprehensive loss attributable to:</b>			
Owners of the parent		(13,883)	(7,924)
Non-controlling interests		(29)	(1,177)
<b>Total comprehensive loss for the period</b>		<b>(13,912)</b>	<b>(9,101)</b>
<b>Basic loss per share (EUR)</b>	18	<b>(0.66)</b>	<b>(0.38)</b>

On 30.10.2019 the Board of Directors of EBIOSS ENERGY SE authorised these condensed interim consolidated financial statements for issue.

Executive Director (Jose Oscar Leiva-Mendez)

Preparer (Sonia Mihaylova):

Reviewed according to the review report dated 30.10.2019

Crowe Bulgaria Audit EOOD, Audit firm

Georgi Kaloyanov, Managing partner

Registered auditor responsible for the review

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	30 June 2019 EUR'000	31 December 2018 EUR'000 Restated
<b>Assets</b>			
Property, plant and equipment	9	1,492	3,227
Intangible assets	10	5,425	5,407
Goodwill	11	1,326	699
Investments in associates	12	-	7,259
Other investments	13	1,841	115
Trade and other receivables		62	62
Loans provided		10	-
Deferred tax assets		638	716
<b>Non-current assets</b>		<b>10,794</b>	<b>17,485</b>
Inventory	15	548	468
Trade and other receivables		1,114	940
Cash and cash equivalents	16	729	87
Loans provided		290	246
		2,681	1,741
Assets classified as held for sale	14	15,560	20,560
<b>Current assets</b>		<b>18,241</b>	<b>22,301</b>
<b>Total assets</b>		<b>29,035</b>	<b>39,786</b>
<b>Equity</b>			
Share capital	17.1	20,918	20,918
Share premium	17.2	15,614	15,614
Revaluation surplus		150	150
Translation reserve		-	(7)
Accumulated loss		(40,895)	(27,005)
Equity attributable to owners of the parent		(4,213)	9,670
Non-controlling interests		(377)	(262)
<b>Total equity</b>		<b>(4,590)</b>	<b>9,408</b>
<b>Liabilities</b>			
Loans and borrowings	19	13,480	15,898
Deferred tax liabilities		578	578
Provisions		238	238
Trade and other payables		250	-
Lease liabilities		144	-
<b>Non-current liabilities</b>		<b>14,690</b>	<b>16,714</b>
Loans and borrowings	19	13,990	10,022
Trade and other payables		4,716	3,163
Contract liabilities		140	478
Lease liabilities		89	1
<b>Current liabilities</b>		<b>18,935</b>	<b>13,664</b>
<b>Total liabilities</b>		<b>33,625</b>	<b>30,378</b>
<b>Total equity and liabilities</b>		<b>29,035</b>	<b>39,786</b>

On 30.10.2019 the Board of Directors of EBIOS ENERGY SE authorised these condensed interim consolidated financial statements for issue.

Executive Director (Jose Oscar Leiva Mendez)

Preparer (Sonia Mihaylova)

Reviewed according to the review report dated 30.10.2019

Crowe Bulgaria Audit EOOD, Audit firm  
Georgi Kaloyanov, Managing partner  
Registered auditor responsible for the review

ЕБИОС ЕНЕРДЖИ ЕД  
София  
EBIOSS ENERGY SE  
Sofia

# EBIOSS ENERGY SE

30 June 2019

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital EUR'000	Share premium EUR'000	Revaluation surplus EUR'000	Translation reserve EUR'000	Retained earnings EUR'000	Total attributable to owners of the Parent EUR'000	Non-controlling interest EUR'000	Total equity EUR'000
<b>Balance at 1 January 2019 as previously reported</b>	20,918	15,614	150	(7)	(26,505)	10,170	(262)	9,908
Impact of correction of errors	-	-	-	-	(500)	(500)	-	(500)
<b>Restated balance at 1 January 2019</b>	20,918	15,614	150	(7)	(27,005)	9,670	(262)	9,408
<b>Total comprehensive loss</b>	-	-	-	-	(13,890)	(13,890)	(29)	(13,919)
Loss for the period	-	-	-	7	-	7	-	7
Other comprehensive loss	-	-	-	7	(13,890)	(13,883)	(29)	(13,912)
<b>Total comprehensive loss</b>	-	-	-	7	(13,890)	(13,883)	(29)	(13,912)
<b>Contributions and distributions</b>	-	-	-	-	-	-	(86)	(86)
Acquisition of subsidiary with non-controlling interest	-	-	-	-	-	-	(86)	(86)
<b>Total contributions and distributions</b>	-	-	-	-	-	-	(86)	(86)
<b>Total transactions with owners of the Company</b>	-	-	-	7	(13,890)	(13,883)	(115)	(13,998)
<b>Balance at 30 June 2019</b>	20,918	15,614	150	-	(40,895)	(4,213)	(377)	(4,590)

On 30.10.2019 the Board of Directors of EBIOSS ENERGY SE authorised these interim consolidated financial statements for issue

Executive Director (Jose Oscar Leiva Mendez):

Reviewed according to the review report dated 30.10.2019

Crowe Bulgaria Audit EOOD, Audit firm  
Georgi Kaloyanov, Managing Partner  
Registered auditor responsible for the review

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EBIOSS ENERGY SE  
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Prepared (Sofia Mihaylova):

The notes on pages 8 to 35 are an integral part of these condensed interim consolidated financial statements.



# EBIOSS ENERGY SE

30 June 2019

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Share capital	Share premium	Reserve for own shares	Revaluation surplus	Translation reserve	Retained earnings	Total attributable to owners of the Parent	Non-controlling interest	Total equity
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
<b>Restated balance at 1 January 2018</b>	20,918	15,662	(74)	149	(41)	(12,366)	24,248	(1,788)	22,460
<b>Total comprehensive loss</b>									
Loss for the period	-	-	-	-	-	(8,023)	(8,023)	(1,227)	(9,250)
Other comprehensive loss	-	-	-	-	99	-	99	50	149
<b>Total comprehensive loss</b>	-	-	-	-	99	(8,023)	(7,924)	(1,177)	(9,101)
<b>Transactions with owners of the Company</b>									
<i>Contributions and distributions</i>									
Own shares acquired	-	(510)	(964)	-	-	-	(1,474)	-	(1,474)
Own shares sold	-	469	1,028	-	-	-	1,497	-	1,497
Subsidiary capital increase	-	-	-	-	-	-	-	286	286
<b>Total contributions and distributions</b>	-	(41)	64	-	-	-	23	286	309

### Total transactions with owners of the Company

	-	(41)	64	-	99	(8,023)	(7,901)	(891)	(8,792)
<b>Balance at 30 June 2018</b>	20,918	15,621	(10)	149	58	(20,389)	16,347	(2,679)	13,668

On 30.10.2019 the Board of Directors of EBIOS ENERGY SE authorised these condensed interim consolidated financial statements for issue.

Executive Director (Jose Oscar Leiva Mendez):

Reviewed according to the review report dated 30.10.2019

ЕБИОС ЕНЕРДЖИ ЕД  
София

Prepared (Sonia Mihailova):



Growe Bulgaria Audit EOOD, Audit firm  
Georgi Kaloyanov, Managing Partner  
Registered auditor responsible for the review

The notes on pages 8 to 35 are an integral part of these condensed interim consolidated financial statements.

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

	Six months to 30 June 2019 EUR'000	Six months to 30 June 2018 EUR'000
<b>Loss before tax</b>	(13,841)	(9,352)
<b>Adjustments to loss:</b>		
Depreciation and amortisation	36	309
Interest expense	1,024	1,557
Other finance costs	25	65
Share of loss of equity accounted investees	531	-
Loss on share lending	225	-
Investment loss	1,195	-
Impairment losses and write-offs	6,970	5,187
Changes in provisions	-	4
Loss on disposal of associates	3,229	-
Gain from sale of property, plant and equipment	-	(3)
<b>Cash flows from operations before working capital changes</b>	<b>(606)</b>	<b>(2,233)</b>
<b>Change in:</b>		
Inventories	122	316
Trade and other receivables	44	(141)
Trade and other payables	135	(1,030)
<b>Other cash flow from operating activities</b>		
Interest paid	(26)	(689)
Other finance costs paid	(25)	(36)
Income tax paid	-	(19)
Exchange rate differences realized	(34)	134
<b>Net cash flows from operating activities</b>	<b>(390)</b>	<b>(3,698)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(3)	(88)
Proceeds from sale of investments	343	-
Proceeds from sale of property, plant and equipment	-	3
Loans provided	(54)	-
Cash acquired through acquisition of subsidiaries	304	-
<b>Net cash flows from investing activities</b>	<b>590</b>	<b>(85)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of loan from related party	(47)	(150)
Proceeds on loan from related party	-	11
Proceeds from sale of own shares	-	1,497
Repurchase of own shares	-	(1,474)
Proceeds from bank and other borrowing	831	3,769
Repayment of bank and other borrowing	(322)	(1,524)
Transaction costs related to bank borrowings	-	(71)
Payment of lease liabilities	(20)	(8)
<b>Net cash flows from financing activities</b>	<b>442</b>	<b>2,050</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>642</b>	<b>(1,733)</b>
Cash and cash equivalents at 1 January	87	2,049
<b>Cash and cash equivalents at 30 June</b>	<b>729</b>	<b>316</b>

On 30.10.2019 the Board of Directors of EBOSS ENERGY SE authorised these interim consolidated financial statements for issue.

Executive Director (Jose Oscar Leiva Mendez):

Preparer (Sonia Mihailova):

Reviewed according to the review report dated 30.10.2019

Crowe Bulgaria Audit EOOD, Audit firm

Mariy Apostolov, Managing partner

Registered auditor responsible for the review

# EBIOSS ENERGY SE

30 June 2019

## Notes to the condensed interim consolidated financial statements

### 1. Incorporation and principal activities

#### Incorporation of the parent company

Ebloss Energy SE (the "Company") is a joint stock company registered in Sofia, Bulgaria with UIC: 202356513. It was incorporated on 7 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 2019 consolidate the individual financial statements of the Company and its subsidiaries together referred to as the "Group" and individually as "Group entities".

On 1 October 2012 Ebloss Energy EOOD was transformed into Ebloss Energy OOD and on the same date the share capital of Ebloss 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
Elektra 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
<b>Total:</b>	<b>100</b>	<b>2,423,550</b>	<b>24,236</b>	<b>12,392</b>

The increase of the share capital of the Ebloss 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
<b>Total:</b>	<b>12,392</b>

# **EBIOSS ENERGY SE**

**30 June 2019**

## **Notes to the condensed interim consolidated financial statements**

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### **1. Incorporation and principal activities (continued)**

#### **Incorporation (continued)**

On 12 December 2012 Ebioss Energy OOD was 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.

In 2013 the share capital of the Company was increased from EUR 12,392 thousand to EUR 18,022 thousand. In 2014 the share capital of the Company was increased from EUR 18,022 thousand to EUR 20,918 thousand.

By decision of extraordinary general meeting of the shareholders of Ebioss Energy AD, held on 13th of February 2017 the Company was transformed into European company, as per Regulation (EC) № 2157/2001. The Bulgarian Trade Register has inscribed the relevant corporate changes on 23 March 2017 and thereafter EBIOSS has the legal form of "Societas Europaea" or "SE". The capital of the Company was denominated in Euro (the conversion of the registered capital was made according to the official fixed exchange rate of the Bulgarian National Bank, where EUR 1= BGN 1,95583) and the nominal value of the shares was changed into EUR 1 each, according to the requirements of the Regulation. All the other corporate characteristics of the Company remain unchanged.

With resolution dated 30 June 2017, the ordinary General meeting of the Company resolved to delegate explicit powers to the Board of Directors of EBIOSS ENERGY SE to perform capital increase up to 34,000,000 Euro of the registered capital and to waive the pre-emptive rights of the current shareholders to subscribe shares on a pro-rata basis in case such capital increase is accomplished.

#### **Principal activities**

The principal activities of the Group are management, engineering and construction of gasification power plants, production of pelets and sale and management of waste collection systems.

At present the Group is restructuring its principal business activities and is preparing in-kind contributions of new lines of business activities for the purpose of diversification – potentially commodities trading, oil and gas retail business, waste container, real estate etc. The in-kind contributions of the new business lines of activities is expected to be finalized by the end of December 2019.

# **EBOSS ENERGY SE**

**30 June 2019**

## **Notes to the condensed interim consolidated financial statements**

### **1. Incorporation and principal activities (continued)**

#### **Principal activities (continued)**

As of 30 June 2019 31 December 2018, the following subsidiaries of Ebioss Energy SE were consolidated in the interim consolidated financial statements of the Group:

<b>Subsidiary</b>	<b>Country of incorporation</b>	<b>% ownership 30.06.2019</b>	<b>% ownership 31.12.2018</b>
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%
Eqtec Bulgaria EOOD	Bulgaria	100%	100%
Eqtec Iberia SL	Spain	50.06%	50.25%
Energotec Eco AD	Bulgaria	100%	43.00%
Syngas Italy S.L.R.	Italy	100%	100%
Wintec World SL (former Addom SL)	Spain	100%	100%
TNL World EOOD	Bulgaria	100%	100%
TNL SL	Spain	80%	80%
Winttec Greece IKE	Greece	100%	100%
PetrolProm Bulgaria EOOD	Bulgaria	50.43%	-

Control over Eqtec plc and its subsidiaries - Eqtec Iberia SL, Newry Biomass No. 1 Limited, React Biomass Limited, Reforce Energy Limited, Pluckanes Windfarm Limited, Grass Door Limited, Newry Biomass Limited, Enfield Biomass Limited, Moneygorm Wind Turbine Limited, Eqtec No. 1 Limited, Plymouth Biomass Limited, Clay Cross Biomass Limited, Altlow Wind Turbine Limited was lost on 6 August 2018 following the emission of new shares by Eqtec plc. The newly emitted shares were fully subscribed by the NCI (shareholders other than Ebioss Energy SE). Respectively those companies were consolidated till that date.

Control over Winttec SGPS SA and its subsidiaries - TNL SA, Hirdant Lda, Citytainer Brasil – Soluções Ambientais, Ltda and Citytainer Indústria, Ltda was lost on 3 October 2018. Respectively those companies were consolidated till that date.

Energotec Eco AD is consolidated since Ebioss Energy SE exercises control over this company. Despite holding less than 50% of the voting rights, Ebioss Energy SE exercised control by nominating 3 out of the 4 board members. As at 11 April 2019 all board members of Energotec Eco are nominated by Ebioss Energy SE. On 17 June 2019 the Ebioss Energy acquired additional 57% reaching 100% ownership in Energotec Eco AD.

On 3 June 2019 Ebioss Energy SE acquired 50,43% of PetrolProm Bulgaria OOD, a company specialized in oil and gas retail business, for the price of EUR 540 thousand. The parties have agreed that the liability to the seller will be settled through emission and subscription of 540,000 new shares from the capital of Ebioss Energy SE.

During the reporting period the shareholding of Ebioss Energy in Eqtec plc has decreased from 37.48% to 16.59%. Ebioss Energy SE has lost its significant influence over Eqtec plc and the latter is no longer considered an associated company. The remaining participation of 510,595,698 shares was valued with reference to the market price at AIM on the London Stock Exchange as at 30 June 2019 which was 0.303 GBX/share.

**2. Basis of accounting**

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*, and should be read in conjunction with the Group's last annual financial statements as at and for the year ended 31 December 2018 ("last annual financial statements"). They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

This is the first set of the Group's financial statements in which IFRS 16 has been applied. Changes in significant accounting policies are described in Note 4.

These interim financial statements were authorised for issue by the Group's board of directors on 31.10.2019.

**3. Use of judgements and estimates**

The preparation of the condensed interim consolidated financial statements in conformity with IAS 34 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.

The significant judgements made by management in applying the Group's accounting policies and the key source of uncertainty were the same as those described in the last annual financial statements, except for the new significant judgements related to lessee accounting under IFRS 16, which are described in Note 4B.

**A. Going concern basis of accounting**

The interim consolidated financial statements of Ebioss Energy SE as at 30 June 2019 have been prepared on the basis of the going concern concept. The Group's financial result for the period is a loss amounting to EUR 13,919 thousand mainly due to impairments related of Group's assets. The accumulated loss as at 30 June 2019 amounts to EUR 40,895 thousand. The Group is in delay on covering interest payments amounting to EUR 1,878 thousand in relation to its unsecured corporate bonds issued.

On 18 April 2019 Ebioss Energy SE signed Bond Conversion Agreements to convert the principal of the due amount of the 16 interest-bearing registered, freely transferable, non-convertible, non-collateral corporate bonds issued by the Company on 24 February 2017 with a par value of GBP 100 thousand each into equity shares.

On 7 June 2019 Ebioss Energy SE signed an agreement with one of its principal bondholders according to which the issued corporate bonds together with the pending interest held by Premaat for the total amount of EUR 12,056 thousand and additional loan amounting to EUR 1,000 thousand, as well as bonds held by Pactio for the total amount of EUR 4,000 thousand will be treated as follows:

- EUR 4,000 will be converted into capital with nominal value EUR 1 each share considering that the maximum participation of Premaat in the issued share capital of Ebioss Energy SE should always be less than 10%. This amount could be increased to up to EUR 6,000 under the same condition after 30 months from the 1st capital conversion and upon positive financial result in Ebioss Energy SE for the year-end 2021.

# **EBIOSS ENERGY SE**

**30 June 2019**

## **Notes to the condensed interim consolidated financial statements**

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### **3. Use of judgements and estimates (continued)**

#### **A. Going concern basis of accounting (continued)**

- The rest of the amount will be considered as debt with 2% fixed interest on an annual basis for 7 years and grace period of 2 years. The collateral on the debt will be first rank pledge over 100,000,000 shares that Ebioss Energy SE holds in EQTEC plc, first rank pledge over 100% of the shares that Ebioss Energy SE will acquire in one of the new companies through the in-kind contribution procedure, first rank pledge over the debt to be repaid by Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD to Ebioss for the total amount of EUR 21,260 thousand as well as substitution of the pledge over the debt from the 3 Bulgarian subsidiaries with pledge over the shares in the new company that Ebioss Energy SE will acquire in exchange of the shares of the 3 Bulgarian subsidiaries which is currently under negotiations.
- The Company has committed to meet certain financial performance criteria.

At present the Group is restructuring its principal business activities and is preparing in-kind contributions of new lines of business activities for the purpose of diversification – potentially tourism, oil and gas retail business, waste container production, real estate etc. The in-kind contributions of the new business lines of activities is expected to be finalized in till the end of December 2019.

The management is currently negotiating the sale of the power plants of Karlovo Biomass EOOD and Heat Biomass EOOD as well as the pelletizing installation of Biomass Distribution EOOD and has concluded preliminary agreements which are expected to be finalized in 2019.

The Board of directors has prepared business plans based on their best estimation of the cash flows of the Group in the short and medium term. Such forecasts inherently contain management judgments and estimates in respect of future trading conditions, the timing of receipts and payments and other relevant matters. The main management judgments, estimates and assumptions used in the prepared business plans are that the management will be successful in the planned capital increase.

Having considered the business plans, the directors have a reasonable expectation that Ebioss Energy SE has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the interim consolidated financial statements.

#### **B. Measurement of fair values**

A number of the Group's accounting policies and disclosures require the measurement at 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.

# **EBIOSS ENERGY SE**

**30 June 2019**

## **Notes to the condensed interim consolidated financial statements**

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### **4. Changes in significant accounting policies**

Except as described below, the accounting policies applied in these interim consolidated financial statements are the same as those applied in the last annual financial statements.

The changes in the accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ended 31 December 2019.

The Group has initially adopted IFRS 16 *Leases* from 1 January 2019. A number of other new standards are also effective from 1 January 2019 but they do not have a material effect on the Group's financial statements.

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. As a result the Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying asset and lease liability representing its obligation to make lease payments.

The Group has applied IFRS 16 using the modified retrospective approach under which the lessee measures the lease liability at the date of initial application as the present value of the remaining lease payments. The comparative information for 2018 has not been restated – i.e. it is presented as previously reported under IAS 17 and related interpretations. The details of the changes in accounting policies are described below.

#### **A. Definition of a lease**

Previously the Group determined at contract inception whether an agreement was or contained a lease under IFRIC 4 *Determining Whether an Arrangement contains a Lease*. The Group now assesses whether a contract is or contains a lease based on the new definition of lease. Under IFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange of consideration.

#### **B. As a lessee**

The Group leases office premises and gas stations.

As a lessee, the Group previously classified leases as operating or finance leases based on the assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

However the Group has elected not to recognise right-of-use and lease liabilities for short term lease contracts. The Group recognises the lease payments associated with any such leases as an expense on a straight-line basis over the lease term.

The Group presents the right-of-use assets in "property, plant and equipment". The Group presents lease liabilities separately in the statement of financial position.



# **EBIOSS ENERGY SE**

**30 June 2019**

## **Notes to the condensed interim consolidated financial statements**

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### **4. Changes in significant accounting policies (continued)**

#### **B. As a lessee (continued)**

##### ***i. Significant accounting policies***

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured as cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by the lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

##### ***ii. Transition***

Previously, the Group classified property leases as operating lease under IAS 17.

At transition, for leases classified as operating leases under IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group applied the exemption not to recognise right-of-use asset and lease liabilities for leases with less than 12 months of lease term.

#### **C. Impacts on the financial statements**

As a result of initially applying IFRS 16, in relation to the leases that were previously classified as operating leases, the Group recognised EUR 124 thousand of right-of-use assets and EUR 124 thousand lease liability as at 1 January 2019.

Also in relation to those leases under IFRS 16, the Group has recognised depreciation and interest costs, instead of operating lease expenses. During the six months ended 30 June 2019, the Group recognised EUR 25 thousand depreciation charge and EUR 3 thousand of interest cost from these leases.

# EBIOSS ENERGY SE

30 June 2019

## Notes to the condensed interim consolidated financial statements

### 5. Revenue

For the six months ended 30 June

	2019 EUR'000	2018 EUR'000
Sales of goods	371	1,246
Rendering of services	1,156	819
Power generation	-	20
	<u>1,527</u>	<u>2,085</u>

### 6. Employee benefit expenses

For the six months ended 30 June

	2019 EUR'000	2018 EUR'000
Wages and salaries	365	1,311
Social security contributions	68	217
Accrued expenses for unused paid leave	-	5
Others	-	6
	<u>433</u>	<u>1,539</u>

### 7. Impairment loss and write-offs

For the six months ended 30 June

	2019 EUR'000	2018 EUR'000
Goodwill impairments	-	2,641
Assets impairments	1,970	2,328
Inventory impairment	-	217
Impairment loss on assets held for sale	5,000	-
Other impairments	-	1
	<u>6,970</u>	<u>5,187</u>

### 8. Finance income and costs

For the six months ended 30 June

	2019 EUR'000	2018 EUR'000
Net exchange rate differences	12	-
<b>Finance income</b>	<u>12</u>	<u>-</u>
Interest expense	(1,024)	(1,557)
Loss on sale of investments	(1,195)	-
Loss on share lending	(225)	-
Bank expenses	(25)	(29)
Net exchange rate differences	-	(36)
<b>Finance costs</b>	<u>(2,469)</u>	<u>(1,622)</u>
<b>Net finance costs recognised in profit or loss</b>	<u>(2,457)</u>	<u>(1,622)</u>

The loss on investments realized relates to shares of Eqtec plc sold or used for repaying debt or covering liabilities during the first six months of 2019.

# EBIOSS ENERGY SE

## 30 June 2019

### Notes to the condensed interim consolidated financial statements

#### 9. Property, plant and equipment

	Land	Buildings	ROU	Power plants & production facilities	Other equipment	Furniture	Computers	Vehicles	Assets under construction	Total
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
<b>Cost</b>										
<b>Balance at 1 January 2018</b>	<b>1,176</b>	<b>1,024</b>	-	<b>7,116</b>	<b>1,370</b>	<b>51</b>	<b>31</b>	<b>185</b>	<b>25,373</b>	<b>36,326</b>
Additions	-	-	-	-	1	-	8	-	-	9
Revaluation	1	-	-	-	-	-	-	-	-	1
Disposals	-	-	-	-	-	-	(15)	(151)	(15)	(181)
Reclassification to assets held for sale	(365)	(1,024)	-	(2,429)	(287)	(3)	-	-	(15,871)	(19,979)
Effect of movements in exchange rates	-	-	-	-	-	-	-	-	(52)	(52)
Disposal of subsidiaries	-	-	-	-	(1,074)	(47)	(17)	(31)	(9,404)	(10,573)
<b>At 31 December 2018</b>	<b>812</b>	-	-	<b>4,687</b>	<b>10</b>	<b>1</b>	<b>7</b>	<b>3</b>	<b>31</b>	<b>5,551</b>
Initial application IFRS 16	-	-	124	-	-	-	-	-	-	124
Additions	-	-	-	-	1	-	2	-	-	3
Acquisition through business combination	-	-	128	-	8	-	-	-	-	136
<b>At 30 June 2019</b>	<b>812</b>	-	<b>252</b>	<b>4,687</b>	<b>19</b>	<b>1</b>	<b>9</b>	<b>3</b>	<b>31</b>	<b>5,814</b>
<b>Depreciation and impairment loss</b>										
<b>Balance at 1 January 2018</b>	-	<b>51</b>	-	<b>57</b>	<b>804</b>	<b>19</b>	<b>8</b>	<b>112</b>	<b>5,088</b>	<b>6,139</b>
Depreciation for the year	-	41	-	-	174	-	6	19	-	240
Disposals	-	-	-	-	(5)	-	(14)	(91)	(36)	(146)
Disposal of subsidiaries	-	-	-	-	(805)	(19)	-	(40)	(5,052)	(5,916)
Reclassification to assets held for sale	-	(92)	-	(20)	(168)	-	-	-	-	(280)
Impairment loss	-	-	-	2,287	-	-	-	-	-	2,287
<b>Restated balance at 31 December 2018</b>	-	-	-	<b>2,324</b>	-	-	-	-	-	<b>2,324</b>
Depreciation for the period	-	-	25	-	-	-	3	-	-	28
Impairment loss	-	-	-	1,970	-	-	-	-	-	1,970
<b>Balance at 30 June 2019</b>	-	-	<b>25</b>	<b>4,294</b>	-	-	<b>3</b>	-	-	<b>4,322</b>
<b>Net book value</b>										
<b>At 31 December 2018</b>	<b>812</b>	-	-	<b>2,363</b>	<b>10</b>	<b>1</b>	<b>7</b>	<b>3</b>	<b>31</b>	<b>3,227</b>
<b>At 30 June 2019</b>	<b>812</b>	-	<b>227</b>	<b>393</b>	<b>19</b>	<b>1</b>	<b>6</b>	<b>3</b>	<b>31</b>	<b>1,492</b>

# EBIOSS ENERGY SE

30 June 2019

## Notes to the condensed interim consolidated financial statements

### 9. 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 assets under construction as at 30 June 2019 are attributable to the following projects:

	<b>Assets under construction</b>
	<b>EUR'000</b>
Plovdiv Biomass EOOD	14
Tvardica Biomass EOOD	9
Nova Zagora Biomass EOOD	8
	<u>31</u>

Land is valued at fair value 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.

#### Measurement of fair value

##### 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 market comparison technique and residual technique of valuation.

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.

No valuation reports have been prepared as at 30 June 2019. The valuation reports of the appraiser show the following amounts for the value of land as at 31 December 2018:

	<b>Value according to the valuation report</b>
	<b>EUR'000</b>
Tvardica Biomass EOOD	87
Nova Zagora Biomass EOOD	147
Plovdiv Biomass EOOD	88
United Biomass EOOD	207
Tvarditsa PV EOOD	195
Brila EOOD	88
	<u>812</u>

#### Fair value hierarchy

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.

# EBIOSS ENERGY SE

30 June 2019

## Notes to the condensed interim consolidated financial statements

### 9. Property, plant and equipment (continued)

#### Measurement of fair value

*Valuation technique and significant unobservable inputs*

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<i>Market comparison technique and residual technique of valuation:</i> The Group considers both approaches, and reconciles and weighs the estimated under each approach based on its assessment of the judgment that market participants would apply. The market comparison technique is based on the market price of plots of land of similar intended use, location and other specific factors. The residual method of valuation calculates the residual land value, which is the value of the land after development has been completed, minus the cost of purchase, plus developing, maintaining, or reselling the land.	<ul style="list-style-type: none"> <li>Coefficient reflecting the value of the difference between the plots owned and those used for comparison purposes (1.3-1.9).</li> </ul>	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> <li>The estimated coefficient reflecting the differences was higher (lower);</li> </ul>

The land was initially acquired as part of a business combination which took place in November 2012. Carrying amount of the land that would have been included in the financial statements had it been carried at cost less impairment losses would have come to EUR 775 thousand.

### 10. Intangible assets

	Development costs in progress EUR 000	Development costs EUR 000	Patents and trade marks EUR 000	Software EUR 000	Total EUR 000
<b>Cost</b>					
<b>Balance at 1 January 2018</b>	10,302	1,725	911	10	12,948
Additions	-	-	-	9	9
Reclassification to assets held for sale	-	(421)	-	-	(421)
Disposal of subsidiaries	-	(1,294)	(289)	-	(1,583)
<b>Balance at 31 December 2018</b>	10,302	10	622	19	10,953
Acquisition through business combination	-	-	-	26	26
<b>Balance at 30 June 2019</b>	10,302	10	622	45	10,979
<b>Amortisation</b>					
<b>Balance at 1 January 2018</b>	-	336	379	-	715
Charge for the year	-	55	154	1	210
Impairment loss	5,533	-	-	-	5,533
Disposal of subsidiaries	-	(381)	(531)	-	(912)
<b>Balance at 31 December 2018</b>	5,533	10	2	1	5,546
Charge for the period	-	-	8	-	8
<b>Balance at 30 June 2019</b>	5,533	10	10	1	5,554
<b>Net book value</b>					
At 1 January 2018	10,302	1,389	532	10	12,233
At 31 December 2018	4,769	-	620	18	5,407
At 30 June 2019	4,769	-	612	44	5,425

**EBIOSS ENERGY SE****30 June 2019****Notes to the condensed interim consolidated financial statements****10. Intangible assets (continued)**

Development costs in progress as at 30 June 2019/31 December 2018 represent licences, contracts, permits, designs, etc. related to development phase of the following seven projects for construction and operation of pelletization plants:

	<b>Development costs in progress EUR'000</b>
Biomass power plant and pelletization plant of Heat Biomass EOOD	-
Biomass power plant and pelletization plant of Karlovo Biomass EOOD	-
Thermal plant and pelletization plant of Tvarditsa Biomass EOOD	1,745
Thermal plant and pelletization plant of Nova Zagora Biomass EOOD	1,090
Thermal plant and pelletization plant of Plovdiv Biomass EOOD	1,003
Thermal plant and pelletization plant of United Biomass EOOD	930
Thermal plant and pelletization plant of Tvarditsa PV EOOD	1
	<b>4,769</b>

Development costs in progress have been recognized initially as part of business combination and valued at fair value by certified licensed valuers on an annual basis, based on discounted estimated future net cash flows expected from these assets. Their values are dependent on the estimated timing of completion of projects and commencement of production. Their amortisation will start when the projects are finalised and the production commences.

**Impairment testing for CGUs containing goodwill**

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs as follows:

	<b>Thermal and pelletization plant of Tvarditsa Biomass EUR 000</b>	<b>Thermal and pelletization plant of Nova Zagora Biomass EUR 000</b>	<b>Thermal and pelletization plant of Plovdiv Biomass EUR 000</b>	<b>Thermal and pelletization plant of United Biomass EUR 000</b>	<b>Total EUR 000</b>
Land	87	147	88	207	529
Assets under construction	9	8	14	-	31
Intangible assets	1,745	1,090	1,003	930	4,768
Goodwill	411	185	-	103	699
Carrying amount	<b>2,252</b>	<b>1,430</b>	<b>1,105</b>	<b>1,240</b>	<b>6,027</b>
Value as per valuation report	<b>3,548</b>	<b>3,432</b>	<b>3,563</b>	<b>3,469</b>	<b>14,012</b>
Excess of fair value over carrying amount	<b>1,296</b>	<b>2,002</b>	<b>2,458</b>	<b>2,229</b>	<b>7,985</b>

The recoverable amount of the CGUs was based on their value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGUs. The fair value was determined by an external independent valuer, having appropriate recognized professional qualification. The carrying amount of the CGUs was determined to be lower than their recoverable amount and no impairment loss was recognised.

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## Notes to the condensed interim consolidated financial statements

### 10. Intangible assets (continued)

*Valuation technique and significant unobservable inputs*

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<i>Discounted cash flows:</i> The Group considers both approaches, and reconciles and weighs the estimated under each approach based on its assessment of the judgment that market participants would apply. The market comparison technique is based on the market price of plots of land of similar intended use, location and other specific factors. The residual method of valuation calculates the residual land value, which is the value of the land after development has been completed, minus the cost of purchase, plus developing, maintaining, or reselling the land.	<ul style="list-style-type: none"> <li>• Risk adjusted discount rate (9.21%);</li> <li>• Sales prices growth rate (1%);</li> <li>• Estimated prices for straw and animal waste per tonne (2020 – EUR 57.80; weighted average 2020-2039- EUR 63.61);</li> <li>• Estimated water prices per m3 (2020 – EUR 0.99; weighted average 2020-2039 - EUR 1.092);</li> <li>• Expected variable maintenance costs per MWh (2020 – EUR 17; weighted average 2020-2039 - EUR 18,7)</li> </ul>	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> <li>• The risk adjusted discount rate was lower (higher);</li> <li>• The sales prices growth rate was higher (lower);</li> <li>• The expected prices for straw and animal waste are lower (higher);</li> <li>• The expected prices for water were lower (higher);</li> <li>• The expected maintenance costs were lower (higher);</li> </ul>

Twenty years cash flows were included in the discounted cash flow model.

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### Notes to the condensed interim consolidated financial statements

#### 11. Acquisitions and disposals of subsidiaries

A summary of the goodwill, recognized in the consolidated financial statements of the Group following the business combinations described further is presented below:

<i>In thousands of EUR</i>	<b>Acquisition date</b>	<b>Goodwill recognized at acquisition</b>	<b>Goodwill as at 31 December 2018</b>	<b>Goodwill as at 30 June 2019</b>
Heat Biomass EOOD	30 November 2012	1,221	-	-
Karlovo Biomass EOOD	30 November 2012	825	-	-
Nova Zagora Biomass EOOD	30 November 2012	185	185	185
United Biomass EOOD	30 November 2012	103	103	103
Tvarica Biomass EOOD	30 November 2012	411	411	411
Eqtec Iberia SL	30 November 2012	76	-	-
WINTEC SGPS SA (former TNL SGPS)	1 August 2014	1,915	-	-
Eqtec plc	7 February 2017	3,461	-	-
Citytainer Brasil Soluções Ambientais Ltda	3 May 2017	778	-	-
PetrolProm Bulgaria EOOD	3 June 2019	627	-	627
<b>Total</b>		<b>9,602</b>	<b>699</b>	<b>1,326</b>

Impairment loss of EUR 2,641 thousand has been recognized in respect of the goodwill that has arisen upon acquisition of the group of Wintec and the subsequent acquisition of its subsidiary – Citytainer Brasil Soluções Ambientais Ltda has been recognized during the first half of 2018.



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## Notes to the condensed interim consolidated financial statements

### 11. Acquisitions and disposals of subsidiaries (continued)

#### 11.1 Disposal of Eqtec plc

On 6 August 2018 following the emission of new shares by Eqtec plc, Ebioss Energy SE lost control over this entity and its subsidiaries. The newly emitted shares were fully subscribed by the NCI (shareholders other than Ebioss Energy SE). Thus as at 31 December 2018 Ebioss Energy SE held 676,406,368 ordinary shares out of 1,804,744,243 total ordinary shares representing a participation of 37.48%. The shares of Eqtec plc are quoted on the Alternative Investment Market (AIM) segment of the London Stock Exchange and the share price as at 6 August 2018 was 1.30 GBX per shares. The effect of the disposal of Eqtec plc is described below:

in thousand EUR

#### Disposal of Eqtec plc and its subsidiaries

Fair value of consideration received	-
Fair value of residual interest to be recognised as an associate	9,849
Loss reported in comprehensive income	(368)
<i>Less share of consolidated carrying value at the date control is lost</i>	
Net assets	(374)
Goodwill	3,537
Less non-controlling interest	57
	(3,220)
Group profit on disposal	6,261

The NCI in OCI at disposal amounted to EUR 224 thousand.

#### 11.2 Disposal of Winttec SGPS

With a resolution of the Board of Directors, dated 14 September 2018 a sale of all corporate shares owned by Ebioss Energy SE in the company Waste Intelligent Technologies SGPS (Winttec SGPS), representing 68% of the registered capital to Mr. Nuno Antonio De Silva Lopes for a price of EUR 1. As additional consideration Ebioss Energy SE acquired direct holdings in part of the former subsidiaries of Winttec SGPS, namely:

- 80% direct holding in TNL SL (previously indirect holding of 54.4%);
- 100% direct holding in Winttec World SL (previously indirect holding of 68%);
- 100% direct holding in TNL WORLD EOOD (previously indirect holding of 68%);
- 100% direct holding in WINTTEC GREECE IKE (previously indirect holding of 68%);

The transaction was officially performed on 5 October 2018 with the cancelation of the pledge, which has been imposed over the shares of WINTTEC in relation to the receivables of BTC 12 SARL amounting to 1 million Euro. The pledge in favour of BTC 12 SARL was transferred over TNL EQUIPAMENTOS AMBIENTAIS SL and WINTTEC WORLD SL.

In addition, the Company has taken over the liability to pay additional remuneration of EUR 500 thousand. The effect of this additional remuneration was not taken into consideration when calculating the effect of the disposal of Winttec SGPS during the second half of 2018. The calculation is therefore restated accordingly.

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## Notes to the condensed interim consolidated financial statements

### 11. Acquisitions and disposals of subsidiaries (continued)

#### 11.2 Disposal of Winttec SGPS (continued)

The effect of the disposal of Winttec SGPS and its subsidiaries – TNL SA, Hirdant Lda, Citytainer Brasil – Soluções Ambientais, Ltda and Citytainer Indústria, Ltda plc is described below:

in thousand EUR

		<b>Disposal of Winttec SGPS and its subsidiaries Restated</b>
Fair value of consideration paid		(500)
Fair value of investment retained		-
Gain reported in comprehensive income		144
<i>Less share of consolidated carrying value at the date control is lost</i>		
Net assets	(5,047)	
Goodwill	-	
Less non-controlling interest	2,110	
		2,937
Group profit on disposal		2,581

The NCI in OCI at disposal amounted to EUR (28) thousand.

As a result of the change in the effective holdings in TNL SL, Winttec World SL and TNL World EOOD, the Group recognised:

- Increase of NCI amounting to EUR 381 thousand;
- decrease of retained earnings of EUR 381 thousand;

#### 11.3 Acquisition of PetrolProm Bulgaria EOOD

On 3 June 2019 Ebioss Energy SE acquired 50,43% of PetrolProm Bulgaria OOD, a company specialized in oil and gas retail business, for the price of EUR 540 thousand. The parties have agreed that the liability to the seller will be settled through emission and subscription of 540,000 new shares from the capital of Ebioss Energy SE.

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

in thousand EUR

	<b>PetrolProm Bulgaria EOOD 3 June 2019</b>
Consideration transferred	540
<i>Fair value of identifiable net assets:</i>	
Property, plant and equipment	142
Intangible assets	26
Inventories	202
Trade and other receivables	217
Cash and cash equivalents	304
Bank loans	(365)
Lease liabilities	(135)
Trade and other payables	(566)
Total fair value of identifiable net assets:	(173)
Share of net assets Ebioss Energy (50.43%)	(87)
Non-controlling interest at proportional share of fair value of net assets (49.57%)	(86)
Goodwill	627

Adjustments to the provisional figures provided above, with a corresponding adjustment to the goodwill recognised, may be made during the measurement period.

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### 12. Investments in associates

Investment in associates as at 31 December 2018 represents a 37.48% ownership interest and voting rights in Eqtec Plc., former subsidiary, where control was lost on 6 August 2018. However significant influence was retained throughout 2018. Upon loss of control (6 August 2018) the fair value of residual interest recognised as an associate was determined based on the number of shares owned (676,406,368 ordinary shares) and the share price on AIM on that day (1.30 GBX/share).

The main business activity of Eqtec Plc. is the development of power plants with gasification technology converting waste into synthetic gas to generate electricity and heat. The principle region of business is Europe. The fair value of the investment based on quoted market prices as at 31 December 2018 is EUR 7,259 thousand (676,406,368 ordinary shares at 0.96 GBX/share).

During the first six months of 2019 Ebioss Energy SE sold or transferred ownership in exchange for settling liabilities over 165,810,670 shares of Eqtec plc. As at 30 June 2019 Ebioss Energy SE owned 510,595,698 shares. However further share emissions of Eqtec plc shares subscribed by other shareholders took place on 28 June 2019 decreasing Ebioss participation in the capital of Eqtec plc to 16,59%. Ebioss is considered to have lost significant influence over Eqtec plc at that point in time.

The effects of losing significant influence are described further below:

in thousand EUR

#### Loss of significant influence over Eqtec plc

Fair value of consideration received		-
Fair value of investment retained		1,726
Loss reported in other comprehensive income		(7)
<i>Less carrying amount of investment in associate at the date significant influence is lost</i>		
Cost of associate at recognition	9,849	
Share of associate's post-acquisition reserves 2018	(481)	
Share of associate's post-acquisition reserves 2019	(531)	
Less impairments of investment in associates	(2,109)	
Less cost of shares sold prior to losing significant influence	(1,780)	
		(4,948)
Group loss on disposal		(3,229)

The fair value of the investment retained was determined based on the number of shares owned (510,595,698 ordinary shares) and the share price on AIM on that day (0.303 GBX/share).

### 13. Other investments

As at 30 June 2019 and 31 December 2018 the other investments include the following:

	30.06.2019 EUR'000	31.12.2018 EUR'000
Equity securities – at FVOCI (Investment in EAL COMPOST SRL, held by Syngas Italy Srl)	115	115
Equity securities – at FVTPL (Investment in Eqtec plc, held by Ebioss Energy SE)	1,726	-
	<b>1,841</b>	<b>115</b>

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## Notes to the condensed interim consolidated financial statements

### 14. Assets classified as held for sale and discontinued operations

	30.06.2019	31.12.2018 EUR'000
<b>Assets classified as held for sale related to:</b>		
Karlovo Biomass	10,136	14,636
Biomass Distribution	3,650	3,650
Heat Biomass	1,774	2,274
	<u>15,560</u>	<u>20,560</u>

#### 14.1 Assets classified as held for sale

At the end of 2018 the management decided to discontinue the development of the investment projects of Karlovo Biomass EOOD, Biomass Distribution EOOD and Heat Biomass EOOD. Negotiations are led for the sale of the power plants and the palletisation facilities and a sale is expected in the course of 2019.

The assets classified as held for sale are presented at the lower of their carrying value and their fair value less cost of the disposal. In 2018 impairment losses of EUR 285 for write-downs of the assets held for sale to the lower of the carrying amount and the fair value less cost to sell was recognized. The impairment losses have been applied to reduce the carrying amount of the property, plant and equipment reclassified to assets held for sale. Further impairment loss amounting to EUR 5,000 thousand was recognized in the first half of 2019 based on best management estimates. Valuation reports on the assets held for sale are prepared on an annual basis.

The assets held for sale are part of Operating Segment 1 Construction, management and operation of biomass power plants and peletization plants (see Note 20).

#### 14.2 Assets classified as held for sale and discontinued operations

In 2018 the Group was in negotiations with certain parties with respect to the sale of Eqtec plc's subsidiary, Pluckanes Windfarm Limited, which is involved in the generation of electricity through wind. The disposal intention was consistent with the Group's long-term policy for Eqtec plc and its subsidiaries to focus its activities as a technology solution group for waste gasification to energy projects.

Plunckanes Windfarm Limited was part of the group of Eqtec plc which was acquired by Ebioss Energy SE on 7 February 2017 and over which control was lost on 6 August 2018. In that regards the results presented below only cover the periods when control was exercised by Ebioss Energy SE, namely 1 January 2018 to 30 June 2018.

#### *Result of discontinued operations*

The combined results of the discontinued operations included in the loss for the period are set out below.

<i>For the period</i>	1.01.2018- 30.06.2018 EUR'000
Revenue	96
Administrative expenses	(56)
<b>Profit from operating activities</b>	<u>40</u>
Finance cost	(17)
<b>Net finance costs</b>	<u>(17)</u>
<b>Profit from discontinued operations before income tax</b>	<u>23</u>
Income tax	-
<b>Profit from discontinued operations</b>	<u>23</u>
<b>Profit from discontinued operations attributable to:</b>	
Owners of the parent	12
Non-controlling interests	11
<b>Profit from discontinued operations</b>	<u>23</u>

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## Notes to the condensed interim consolidated financial statements

### 14. Assets classified as held for sale and discontinued operations (continued)

#### 14.2 Assets classified as held for sale and discontinued operations (continued)

##### *Cash flows used in discontinued operations*

<i>For the period</i>	<b>1.01.2018- 30.06.2018</b> <b>EUR'000</b>
Cash flow from operating activities	87
Cash flow from investing activities	(1)
Cash flow from financing activities	(61)
Net increase in cash and cash equivalents	25
Cash and cash equivalents at 1 January	105
Cash and cash equivalents in the disposal group at 30 June	130

### 15. Inventory

	<b>30.06.2019</b> <b>EUR'000</b>	<b>31.12.2018</b> <b>EUR'000</b>
Goods	288	72
Spare parts	176	176
Raw materials and consumables	84	84
Work in progress	-	136
	<b>548</b>	<b>468</b>

### 16. Cash at bank and in hand

	<b>30.06.2019</b> <b>EUR'000</b>	<b>31.12.2018</b> <b>EUR'000</b>
Cash at bank	426	86
Cash in hand	303	1
	<b>729</b>	<b>87</b>

### 17. Capital and capital reserves

#### 17.1. 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. In respect of the Company's shares that are held by the Company (of any), all rights are suspended until those shares are reissued.

As at 31 December 2018 and 30 June 2019 the Company has issued 20,918,186 ordinary shares with a nominal value of EUR 1 (BGN 1.96) each.

#### 17.2. 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.

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## Notes to the condensed interim consolidated financial statements

### 18. Loss per share

#### Basic loss per share

The calculation of basic loss per share (LPS) at 30 June 2019 (30 June 2018) is based on the loss attributable to ordinary shareholders of EUR 15,303 thousand (30 June 2018: loss of EUR 8,023 thousand), and a weighted average number of ordinary shares outstanding of 20,887 thousand (30 June 2018: 20,887 thousand), calculated as follows:

#### (i) Loss attributable to ordinary shareholders (basic)

<i>In thousands of EUR</i>	30.06.2019	30.06.2018
Loss for the period	(13,890)	(8,023)
<b>Loss attributable to ordinary shareholders</b>	<b>(13,890)</b>	<b>(8,023)</b>

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

<i>In thousands of shares</i>	30.06.2019	30.06.2018
Issued ordinary shares at 1 January	20,918	20,918
Effect from repurchased own shares	-	(31)
<b>Weighted average number of ordinary shares at 30 June</b>	<b>20,918</b>	<b>20,887</b>
Loss per share (EUR)	(0.66)	(0.38)

#### Diluted loss per share

On 18 March 2019 and in regards to the SSF signed between Ebioss Energy SE and GEM Global Yield Fund in October 2018, Ebioss Energy SE issued 5,500,000 warrants, giving the right to GEM to subscribe for 5,500,000 newly issued Ordinary Shares from the capital of Ebioss Energy SE. The warrants were issued for no consideration and may be exercised at a price of EUR 1.35 per share within 12 months of their issuance and at EUR 1 within the period commencing on the first date after 12 months and ending 36 months after the issue date.

Potential exercise of the warrants would have resulted in a decrease of the loss per share and therefore have an anti-dilutive effect.

### 19. Loans and borrowings

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.

<i>In thousands of EUR</i>	<i>Note</i>	30.06.2019	31.12.2018
<b>Non-current liabilities</b>			
Unsecured corporate bonds issues	(a)	12,786	15,774
Bank loans	(c)	625	55
Lease liabilities		144	-
Other non-current loans and borrowings		69	69
		<b>13,624</b>	<b>15,898</b>
<b>Current liabilities</b>			
Unsecured corporate bonds issues	(a)	5,473	1,845
Bank loans and overdrafts	(c)	4,983	4,461
Loans payable to related parties	21	913	943
Lease liabilities		89	1
Other loans and borrowings		2,621	2,773
		<b>14,079</b>	<b>10,023</b>
<b>Total</b>		<b>27,703</b>	<b>25,921</b>

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## Notes to the condensed interim consolidated financial statements

### 19. Loans and borrowings (continued)

#### (a) Corporate bonds issue

*In thousands of EUR*

<b>Carrying amount of liability at 1 January 2018</b>	<b>16,772</b>
Accrued interest	1,272
Paid interest	(416)
Revaluation of GBP bonds as at 31 December 2018	(9)
<b>Carrying amount of liability at 31 December 2018/ 1 January 2019</b>	<b>17,619</b>
Accrued interest	649
Revaluation of GBP bonds	(9)
<b>Carrying amount of liability at 30 June 2019</b>	<b>18,259</b>

On 18 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 18 June 2020 and maturity dates of the coupon payments shall be as follows: 18 June 2016, 18 June 2017, 18 June 2018, 18 June 2019 and 18 June 2020.

The Company shall have the right after expiration of a 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.

On 16 December 2015, 40 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 22 December 2020 and maturity dates of the coupon payments shall be as follows: 22 December 2016, 22 December 2017, 22 December 2018, 22 December 2019 and 22 December 2020.

On 14 April 2016, 20 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 20 April 2021 and maturity dates of the coupon payments shall be as follows: 20 April 2017, 20 April 2018, 20 April 2019, 20 April 2020 and 20 April 2021.

On 12 July 2016, 20 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 12<sup>th</sup> July 2021 and maturity dates of the coupon payments shall be as follows: 20 April 2017, 20 April 2018, 20 April 2019, 20 April 2020 and 20 April 2021.

On 24 February 2017, 16 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 GBP 100 thousand each. Maturity date of the principal payment shall be 24 February 2022 and maturity dates of the coupon payments shall be as follows: 24 February 2018, 24 February 2019, 24 February 2020, 24 February 2021 and 24 February 2022.

On 2 June 2017, 20 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 2 June 2022 and maturity dates of the coupon payments shall be as follows: 2 June 2018, 2 June 2019, 2 June 2020, 2 June 2021 and 2 June 2022.

# **EBIOSS ENERGY SE**

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## **Notes to the condensed interim consolidated financial statements**

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### **19. Loans and borrowings (continued)**

#### **(a) Corporate bonds issue (continued)**

The initial placement of bond emissions 2-6 was done through the Luxembourg Stock Exchange. As at 30 June 2019 the bonds are traded on Euro MTF market of the Luxembourg Stock Exchange which is an exchange regulated market and is an MTF in accordance with the MiFID Directive.

As at 30 June 2019 interest payments for the total amount of EUR 1,878 thousand, which fell due during 2018 and the first half of 2019, have not been paid and are considered overdue.

On 18 April 2019 Ebioss Energy SE signed Bond Conversion Agreements to convert the principal of the due amount of the 16 interest-bearing registered, freely transferable, non-convertible, non-collateral corporate bonds issued by the Company on 24 February 2017 with a par value of GBP 100 thousand each into equity shares.

On 7 June 2019 Ebioss Energy SE signed an agreement with one of its principal bondholders according to which the issued corporate bonds together with the pending interest held by Premaat for the total amount of EUR 12,056 thousand and additional loan amounting to EUR 1,000 thousand, as well as bonds held by Pactio for the total amount of EUR 4,000 thousand will be treated as follows:

- EUR 4,000 will be converted into capital with nominal value EUR 1 each share considering that the maximum participation of Premaat in the issued share capital of Ebioss Energy SE should always be less than 10%. This amount could be increased to up to EUR 6,000 under the same condition after 30 months from the 1st capital conversion and upon positive financial result in Ebioss Energy SE for the year-end 2021.
- The rest of the amount will be considered as debt with 2% fixed interest on an annual basis for 7 years and grace period of 2 years. The collateral on the debt will be first rank pledge over 100,000,000 shares that Ebioss Energy SE holds in EQTEC pls, first rank pledge over 100% of the shares that Ebioss Energy SE will acquire in one of the new companies through the in-kind contribution procedure, first rank pledge over the debt to be repaid by Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD to Ebioss for the total amount of EUR 21,260 thousand as well as substitution of the pledge over the debt from the 3 Bulgarian subsidiaries with pledge over the shares in the new company that Ebioss Energy SE will acquire in exchange of the shares of the 3 Bulgarian subsidiaries which is currently under negotiations.

The agreements signed on 18 April 2019 and 7 June 2019 are expected to become effective and enter in force during the second half of 2019 following a general meeting of the shareholders.

#### **(b) Loans payable to third parties**

As at 30 June 2019 the Group's main credit funding granted by third parties included the following agreements:

- EUR 1,000 thousand received on 28 February 2018. The interest rate on the loan is 5% and the loan is repayable 1 year after its receipt.
- EUR 1,000 thousand received on 29 March 2018. The interest rate on the loan is 5% and the loan is repayable 1 year after its receipt.

As of the date of signing the financial statements the payments of the principle and the accumulated interest for loan agreement dated 28 February 2018 was part of the bonds conversion agreement (signed but not effectively in force yet) as described above. The outstanding loan balance related to the two contracts have not been repaid as at the date of these financial statements.



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## Notes to the condensed interim consolidated financial statements

### 19. Loans and borrowings (continued)

#### (c) Bank loans

Bank loans structure as at 30 June 2019:

Bank	Borrower	Interest rate	Balance 30.06.2019 EUR'000	Maturity
				overdue principle payments; payable on demand
UBB AD	Karlovo Biomass EOOD	3M EURIBOR +6%	4,319	30.06.2020
BBVA	Ebioss Energy SE	4.50%	142	23.01.2020
BBVA	Ebioss Energy SE	2.65%	89	23.03.2022
Credit Suisse/Magellan GFS	Ebioss Energy SE		560	Payable on demand
Andbank-overdraft	Ebioss Energy SE	n/a	4	Payable on demand
BNP Paribas - overdraft	Ebioss Energy SE	n/a	7	Payable on demand
Pireos Bulgaria- overdraft	PetrolProm Bulgaria EOOD	3M SOFIBOR+4.75%	310	15.07.2019
Popular Bank	TNL SL	6.50%	13	14.11.2020
Banco Sabadell	TNL SL	4.00%	58	31.07.2028
La Caixa Bank	TNL SL	4.62%	104	04.05.2018
Credit cards	Wintec Word SL	-	2	Payable on demand
<b>TOTAL BANK LOANS</b>			<b>5,608</b>	

Repayment of principle amounting to EUR 616 thousand on the loan granted by UBB AD to Karlovo Biomass EOOD was due prior to the reporting date.

During the first half of 2019 Ebioss Energy SE obtained additional financing of GBP 500 thousand. The indicative interest rate on the loan is 2.14% (subject to change) and the loan is repayable 3 year after its receipt. As at 30 June 2019 187,500,000 of shares in Eqtec plc owned by Ebioss Energy SE are used as collateral on the loan.

#### (d) Reconciliation of movements of liabilities to cash flows arising from financing activities

<i>In thousands of EUR</i>	Corporate bonds	Loans payable to related parties	Bank loans and overdrafts	Lease liabilities	Other loans	Total
<b>Balance at 1 January 2019</b>	17,619	943	4,516	1	2,842	25,921
<b>Changes from financing cash flows</b>						
Proceeds from loans and borrowings	-	-	631	-	200	831
Repayment of borrowings	-	(47)	(121)	-	(201)	(369)
Payment of lease liabilities	-	-	-	(20)	-	(20)
<b>Total changes from financing cash flows</b>	-	(47)	510	(20)	(1)	442
<b>The effect of changes in foreign exchange rates</b>	(9)	-	(21)	-	-	(30)
<b>Other changes</b>						
<b>Liability related</b>						
New lease (IFRS 16)	-	-	-	124	-	124
Acquired through business combination	-	-	365	125	-	490
Repaid by transfer of shares in Eqtec plc	-	-	-	-	(242)	(242)
Interest expense	649	17	264	3	91	1,024
Interest paid	-	-	(26)	-	-	(26)
<b>Total liability related other changes</b>	649	17	603	252	(151)	1,370
<b>Balance at 30 June 2019</b>	18,259	913	5,608	233	2,690	27,703

# EBIOSS ENERGY SE

## 30 June 2019

### Notes to the condensed interim consolidated financial statements

#### 20. Segment reporting

As at 30 June 2019/ 31 December 2018 the Group has respectively three/two reportable segments:

#### In thousands of EUR

	Segment 1 Construction, management and operation of biomass power plants and pelletization plants		Segment 2 Sale and management of waste collection systems		Segment 3 Gas and oil trading		Total
	30.06.2019	30.06.2018	30.06.2019	30.06.2018	3.06-30.06.2019	30.06.2019	30.06.2018
<b>For the six months ended</b>							
Revenues	-	552	1,165	1,533	362	1,527	2,085
Other income	-	118	-	8	-	-	126
Raw materials and consumables used	(26)	(459)	-	(13)	(1)	(27)	(472)
Cost of goods sold	-	(4)	(955)	(955)	(322)	(1,277)	(959)
Expenses for hired services	(209)	(622)	(90)	(251)	(2)	(301)	(873)
Inter segment incomes/(expenses) for hired services	-	13	-	(13)	-	-	-
Employee benefit expenses	(225)	(1,070)	(194)	(469)	(14)	(433)	(1,539)
Depreciation and amortisation	(23)	(179)	(9)	(130)	(4)	(36)	(309)
Impairment loss and write-offs	(6,970)	(2,628)	-	(2,559)	-	(6,970)	(5,187)
Other expenses	(82)	(434)	(25)	(168)	-	(107)	(602)
<b>Loss from operating activities</b>	<b>(7,535)</b>	<b>(4,713)</b>	<b>(108)</b>	<b>(3,017)</b>	<b>19</b>	<b>(7,624)</b>	<b>(7,730)</b>
Finance income	12	-	-	-	-	12	-
Finance expenses	(2,445)	(1,534)	(22)	(88)	(2)	(2,469)	(1,622)
Inter-segment finance income	27	53	-	5	-	27	58
Inter-segment finance (expense)	-	(5)	(27)	(53)	-	(27)	(58)
<b>Net finance costs</b>	<b>(2,406)</b>	<b>(1,486)</b>	<b>(49)</b>	<b>(136)</b>	<b>(2)</b>	<b>(2,457)</b>	<b>(1,622)</b>
Share of loss of equity accounted investees	(531)	-	-	-	-	(531)	-
Loss on disposal of associates	(3,229)	-	-	-	-	(3,229)	-
<b>Profit/(Loss) before income tax</b>	<b>(13,701)</b>	<b>(6,199)</b>	<b>(157)</b>	<b>(3,153)</b>	<b>17</b>	<b>(13,841)</b>	<b>(9,352)</b>
Income tax (expense)/ benefit	(78)	133	-	(54)	-	(78)	79
<b>Profit/(Loss) from continuing operations</b>	<b>(13,779)</b>	<b>(6,066)</b>	<b>(157)</b>	<b>(3,207)</b>	<b>17</b>	<b>(13,919)</b>	<b>(9,273)</b>
Profit from discontinued operations	-	23	-	-	-	-	23
<b>Profit/(Loss) for the period</b>	<b>(13,779)</b>	<b>(6,043)</b>	<b>(157)</b>	<b>(3,207)</b>	<b>17</b>	<b>(13,919)</b>	<b>(9,250)</b>
Other comprehensive income	7	15	-	134	-	7	149
<b>Total comprehensive income/ (loss)</b>	<b>(13,772)</b>	<b>(6,028)</b>	<b>(157)</b>	<b>(3,073)</b>	<b>17</b>	<b>(13,912)</b>	<b>(9,101)</b>

**EBIOSS ENERGY SE****30 June 2019****Notes to the condensed interim consolidated financial statements****20. Segment reporting (continued)***In thousands of EUR*

	Segment 1 Construction, management and operation of biomass power plants and peletization plants		Segment 2 Sale and management of waste collection systems		Segment 3 Gas and oil trading		Total
	30.06.2019	31.12.2018	30.06.2019	31.12.2018	3.06-30.06.2019	30.06.2019	31.12.2018
Total assets for reportable segments	25,987	38,075	1,534	1,711	1,514	29,035	39,786
Total liabilities for reportable segments	31,035	27,988	1,547	2,390	1,043	33,625	30,378

# EBIOSS ENERGY SE

30 June 2019

## Notes to the condensed interim consolidated financial statements

### 21. Related party transactions and balances

Related parties are as follows:

Related party	Relationship
Southeimer LLC, Spain	Ultimate parent
Elektra Holding AD, Bulgaria	Parent of EBIOSS ENERGY SE
Arrizabal Elkarte SL, Portugal	shareholder in the subsidiary TNL SL
GG Eco Energy Limited, United Kingdom	Associate of Eqtec plc

#### Directors

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

Remuneration of key management personnel of the group for the period 01.01.2019-30.06.2019 is EUR 84 thousand (for the first six months of 2018: EUR 285 thousand).

#### Balances with related parties

*In thousands of EUR*

	Balance outstanding as at			Balance outstanding as at		
	30.06.2019			31.12.2018		
	Loans receivable	Trade and other receivables	Payables	Loans receivable	Trade and other receivables	Payables
Elektra Holding AD	-	-	(597)	-	-	(310)
Directors	-	73	(86)	-	53	(121)
Eqtec plc	-	-	(60)	-	-	-
Winttec Greece	84	-	-	43	-	-
	84	73	(743)	43	53	(431)

#### Loans due to related parties

*In thousands of EUR*

Payables to:	Balance outstanding as at	
	30.06.2019	31.12.2018
Elektra Holding AD	722	753
Close family members	191	190
	913	943

#### Transactions with related parties

<i>In thousands of EUR</i>	Description	For the period	For the period
		ended 30.06.2019	ended 30.06.2018
Arrizabal Elkarte SL	Cost of goods sold		(33)
Arrizabal Elkarte SL	Loans		(75)
Elektra Holding AD – amounts received	Loans	-	11
Elektra Holding AD – amounts repaid	Loans	(45)	(75)
Elektra Holding AD – interest accrued	Loans	14	14
Close family members – amounts repaid	Loans	(2)	-
Close family members – amounts repaid	Loans	-	3
Close family members – interest accrued	Loans	3	1

# EBIOSS ENERGY SE

30 June 2019

## Notes to the condensed interim consolidated financial statements

### 22. Correction of errors

The direct holdings acquired by Ebioss Energy SE in TNL SL, Winttec World SL, TNL World SL and Winttec Greece IKE in September 2018 should not have been treated as a share-for-share exchange with Winttec SGPS but rather as a purchase requiring a further payment of EUR 500 thousand. The correction of the error result in:

- Recalculation (decrease) of the profit on disposal of Winttec SGPS by EUR 500 thousand;
- Recognition of a liability amounting to EUR 500 thousand.

The effect of the correction of the error impacting this set of financial statements is as follows:

#### Consolidated statement of financial position

*In thousands of EUR*

	Trade and other payables	Retained earnings / profit or loss
Balances at 31 December 2018, as previously reported	2,663	(26,505)
Adjustments	500	(500)
<b>Restated balances at 31 December 2018</b>	<b>3,163</b>	<b>(27,005)</b>

### 23. Commitments and contingent liabilities

- Ebioss Energy SE, Heat Biomass EOOD and Biomass Distribution EOOD are joint debtors in relation to a Loan contract dated 02.06.2014 between Karlovo Biomass EOOD and United Bulgarian Bank AD as well as under Annex 1 dated 1 September 2016 to the said contract up to the moment of repayment of the whole amount under the loan contract. As at 30 June 2019 (31 December 2018) the outstanding principal to this loan is EUR 3,955 thousand (EUR 3,955 thousand) out of which the payment of principle amounting to EUR 616 thousand (EUR 396 thousand) was due prior to the reporting date.
- As per a share lending agreement signed between Ebioss Energy SE and Elektra Holding AD, Elektra agreed to lend up to 2,000,000 own ordinary shares to Ebioss Energy SE. Ebioss Energy SE agrees to return to the Share lender the shares borrowed or the lump sum of up to EUR 2,000 thousand within a certain timeframe.

The shares lent are to serve as collateral for a financing received under a Share Subscription Facility (SSF) agreement signed between Ebioss Energy SE and GEM Global Yield Fund LLC SCS (GEM) in October 2018 and January 2019. As at 30 June 2019 Ebioss Energy SE has effectively borrowed 1,515,730 shares from Elektra Holding AD. The ownership over those shares was transferred to GEM against consideration received amounting to EUR 587 thousand.

The Group has no other commitments or contingent liabilities as at 30 June 2019 and 31 December 2018.

### 24. Events after the reporting period end

I. On 15 August 2019 an ordinary annual GM of the shareholders in EBIOSS ENERGY SE was held, based on which the following resolutions were taken:

- 1) The name of the company was changed from "EBIOSS ENERGY" SE to "AKILES CORPORATION" SE;
- 2) Alexandra Tcherveniakova and Luis Sanchez Angrill were released from their position as members of the Board of directors of the Company and they were substituted by Juan Molins Montey's and Onofre Servera Andreu;

**24. Events after the reporting period (continued)**

3) The capital of the Company is to be increased with € 6,449,625 (six million four hundred and forty-nine thousand six hundred and twenty five-Euro), comprising in-kind contribution of receivables, which were conferred in the capital of the Company by the following shareholders:

a) in-kind contribution of receivables of EF FACET DISCRETIONARY PORTFOLIOS, investment company with variable capital, registered in UK with company number IC000836, with seat and registered address in Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset, BH21 7SB, accomplished under art. 73, para. 3 of the Commerce Act, which receivables are towards the Company and are evolving from Bond Conversion Agreement dated 10.07.2019 and which receivables are at the amount of € 1,849,925 (one million eight hundred and forty-nine thousand nine hundred and twenty-five Euro) and which receivables the Company is obligated to pay by issuance and allotment in favor of EF FACET DISCRETIONARY PORTFOLIOS of new shares from the capital of the Company, whereat the amount of the receivables is confirmed by Evaluation report of three nominated experts, which is prepared in conformity with the requirements of art. 72, para. 2 of the Commerce Act, which was submitted and respectively accepted by the Trade Register with Act for registration No 20190802181621-3/15.08.2019.

b) in-kind contribution of receivables of Omarov Abdullagadzhi Omarovich, born on 16.04.1962, in the Republic of Dagestan, a citizen of the Russian Federation, with the address Moscow, 14 Borisovski prodi str, ap. 97, passport type P, number 713250387, issued on 12.02.2011 from FMS 77527 and valid until 12.02.2021, accomplished under art. 73, para. 3 of the Commerce Act, which receivables are towards the Company and under Agreement for transfer of shares as of 29.03.2019, which receivables are at the amount of 4,500,000 (four million and five hundred thousand) Euro and which receivables the Company is obligated to pay by issuance and allotment in favor of Omarov Abdullagadzhi Omarovich of new shares from the capital of the Company, whereat the amount of the receivables is confirmed by Evaluation report of three nominated experts, which is prepared in conformity with the requirements of art. 72, para. 2 of the Commerce Act, which was submitted and respectively accepted by the Trade Register with Act for registration No 20190705180005-3/15.08.2019.

c) In-kind contribution of receivables of Stanislav Raynov Novakov, PIN 6506196923, holder if identity card No 644901077, issued 22.10.2013 by the Ministry of Interior – Sofia, with permanent address: city of Sofia 1618, "Paskal Todorv" Str. 5 , accomplished under art. 73, para. 3 of the Commerce Act, which receivables are towards the Company and under Agreement for transfer of shares as of 03.04.2019, which receivables are at the amount of € 99700 (ninety-nine thousand and seven hundred Euro) and which receivables the Company is obligated to pay by issuance and allotment in favor of Omarov Abdullagadzhi Omarovich of new shares from the capital of the Company, whereat the amount of the receivables is confirmed by Evaluation report of three nominated experts, which is prepared in conformity with the requirements of art. 72, para. 2 of the Commerce Act, which was submitted and respectively accepted by the Trade Register with Act for registration No 20190705183600-4/15.08.2019.

The above resolutions are still pending for inscription with the Trade Register.

II. On 9 August 2019 the subsidiary company of Ebioss – "PETROLPROM BULGARIA" EOOD acquired 100% of the share capital of "SILENA COMPANY" EOOD. The acquisition was successfully inscribed in the Trade Register on 4 of September 2019.

III. On 11 July 2019 the subsidiary company of EBIOSS – SYNGAS ITALY SRL filed a request with the Tribunal of the city of Siena, Italy for opening of voluntary insolvency procedure due to continuous insolvency. On 24 September 2019 the first court hearing under the lawsuit was held and the verdict of the court is expected to be announced within the month of October 2019.

## **Report on Review of Interim Consolidated Financial Information**

To the shareholders of Ebioss Energy SE  
Address: 1404, Sofia  
3 Bulgaria Blvd., fl.11-12

### **Introduction**

We have reviewed the accompanying condensed interim consolidated financial statements of Ebioss Energy SE as at 30 June 2019, which comprise the condensed interim consolidated statements of financial position as at 30 June 2019 and the related condensed interim consolidated statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows for the period then ended and the accompanying summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standards, as adopted by EU. Our responsibility is to express a conclusion on this condensed interim consolidated financial information based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the entity as at 30 June 2019, and of its financial performance and its cash flows for the six month period then ended in accordance with International Financial Reporting Standards, as adopted by EU.

### Material Uncertainty Related to the Going Concern

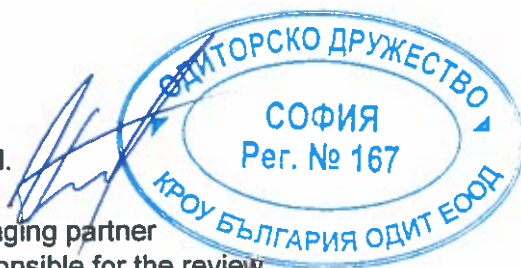
We draw attention to the disclosures in note 3 "Use of judgements and estimates", section "Going concern basis of accounting" in the condensed interim consolidated financial statements, which indicates that the management believes that current and future planned activities of the Group, as well as funds secured, will enable the Group to continue its operations and settle its obligations in the ordinary course of business without sale of assets and change of its operating activities. It shall be noted that the Group's financial result for the period is a loss amounting to EUR 13,919 thousand mainly due to impairment related to Group's assets. The accumulated loss as at 30 June 2019 amounts to EUR 40,895 thousand. The Group is in delay on covering interest payments amounting to EUR 1,878 thousand in relation to its unsecured corporate bonds issued. The future activity of the Company depends on the in-kind contributions and completing the bondholders' agreements as presented in Note 3. These facts indicate material uncertainty with regards to the Company's ability to continue as a going concern without continuing support of its shareholders and providers of finance. Our conclusion is not modified in respect of this matter.

### Emphasis of matter

We draw attention to Note 7 Impairment loss and write-offs in the condensed interim consolidated financial statements where impairment amounting to EUR 5 000 thousand regarding the assets held for sale is disclosed. This impairment is an estimate based on Management's best knowledge of current events and actions. These amounts could differ significantly had the management valued the assets according to the requirements of IFRS 5 Assets held for sale and discontinued operations. The actual amount of the impairment would be more accurately determined at the preparation of the year-end financial statements. Our conclusion is not modified in respect of this matter.

Crowe Bulgaria Audit Ltd.

Georgi Kaloyanov, Managing partner  
Registered auditor, responsible for the review



31 October 2019  
Sofia



## **EBIOSS ENERGY SE**

### **CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS**

**For the six months ended 30 June 2019**

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**CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS**  
For the six months ended 30 June 2019

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## **DIRECTORS AND OTHER OFFICERS**

### **Executive Directors**

Jose Oscar Leiva Mendez  
Luis Sanchez Angrill

### **Registered seat**

49 Bulgaria Blvd.  
Floor 11-12  
Sofia 1404

### **Address for correspondence**

49 Bulgaria Blvd.  
Floor 11-12  
Sofia 1404

### **Legal Consultant**

Angel Panayotov  
49 Bulgaria Blvd.  
Floor 11-12  
Sofia 1404

### **Bank**

UniCredit Bulbank AD, Bulgaria  
United Bulgarian Bank, Bulgaria  
Raiffeisen Bank, Bulgaria  
BNP Paribas Securities Services, Spain  
Gestion de Patrimonios Mobiliarios Sociedad de Valores, S.A., Spain  
Banco de Sabadell S.A., Spain  
Banco Popular Portugal S.A.  
Banco Bilbao Vizcaya Argentaria S.A., Spain  
Andbank, Spain

### **Auditor**

Crowe Bulgaria Audit EOOD  
55 6-ti Septemvri Str.  
Sofia 1142  
Bulgaria

# CONDENSED INTERIM SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June

	Note	2019 EUR'000	2018 EUR'000 Restated
Revenue from services	5	-	123
Depreciation and amortization	11,12	(23)	(13)
Expenses for hired services		(164)	(94)
Employee benefit expenses	6	(225)	(291)
Investments impairment	7	(3,754)	(3,348)
Impairment loss on loans and trade receivables	8	(5,143)	(3,932)
Other expenses		(100)	(164)
<b>Result from operating activities</b>		<b>(9,409)</b>	<b>(7,719)</b>
Finance income		412	488
Finance cost		(2,209)	(705)
<b>Net finance expense</b>	9	<b>(1,797)</b>	<b>(217)</b>
<b>Loss before income tax</b>		<b>(11,206)</b>	<b>(7,936)</b>
Income tax benefit		-	60
<b>Loss for the period</b>		<b>(11,206)</b>	<b>(7,876)</b>
<b>Total comprehensive loss for the period</b>		<b>(11,206)</b>	<b>(7,876)</b>
<b>Basic loss per share (in EUR)</b>	15	<b>(0.54)</b>	<b>(0.38)</b>

On 31.10.2019 the Board of Directors of EBIOS ENERGY SE authorised these condensed interim separate financial statements for issue.



Executive Director:  
Jose Oscar Leiva Mendez

Reviewed according to review report dated 31.10.2019

Crowe Bulgaria Audit EOOD., Audit firm  
Georgi Kaloyanov, Managing partner  
Registered auditor responsible for the review



Prepared by:  
Sonia Mihaylova

# CONDENSED INTERIM SEPARATE STATEMENT OF FINANCIAL POSITION

ASSETS	Note	30 June 2019 EUR'000	31 December 2018 EUR'000 Restated
<b>Non-current assets</b>			
Investments in subsidiaries	10	6,443	5,903
Investments in associates	10	-	7,259
Other investments	10	1,726	-
Deferred tax asset		458	458
Property, plant and equipment	11	107	4
Loans provided	17.1	8	4
Intangible assets	12	1	1
<b>Total non-current assets</b>		<b>8,743</b>	<b>13,629</b>
<b>Current assets</b>			
Loans provided	17.1	17,289	21,414
Trade and other receivables		299	377
Cash and cash equivalents	13	358	23
<b>Total current assets</b>		<b>17,946</b>	<b>21,814</b>
<b>Total assets</b>		<b>26,689</b>	<b>35,443</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	14.1	20,918	20,918
Share premium		15,614	15,614
Accumulated loss		(34,943)	(23,737)
<b>Total equity</b>		<b>1,589</b>	<b>12,795</b>
<b>Non-current liabilities</b>			
Loans and borrowings	16	13,409	15,812
<b>Total non-current liabilities</b>		<b>13,409</b>	<b>15,812</b>
<b>Current liabilities</b>			
Loans and borrowings	16	8,811	5,220
Trade and other payables		2,880	1,616
<b>Total current liabilities</b>		<b>11,691</b>	<b>6,836</b>
<b>Total liabilities</b>		<b>25,100</b>	<b>22,648</b>
<b>Total equity and liabilities</b>		<b>26,689</b>	<b>35,443</b>

On 31.10.2019 the Board of Directors of EBIOS ENERGY SE authorised these condensed interim separate financial statements for issue.

Executive Director:  
Jose Oscar Leiva Mendez

Prepared by:  
Sonia Mihaylova

Reviewed according to review report dated 31.10.2019

Crowe Bulgaria Audit EOOD., Audit firm  
Georgi Kaloyanov, Managing partner  
Registered auditor responsible for the review

ЕБИОС ЕНЕРДЖИ ЕД  
София

EBIOS ENERGY SE  
Sofia



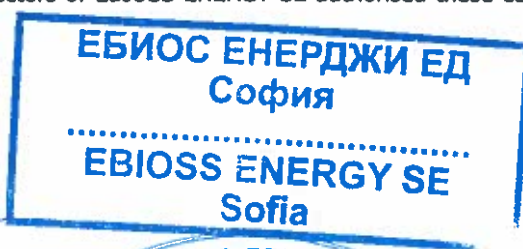
# EBIOSS ENERGY SE

## CONDENSED INTERIM SEPARATE STATEMENT OF CHANGES IN EQUITY

	Share capital EUR'000	Share premium EUR'000	Reserve for own shares EUR'000	Accumulated loss EUR'000	Total EUR'000
<b>Restated balance at 1 January 2019</b>	<b>20,918</b>	<b>15,614</b>	<b>-</b>	<b>(23,737)</b>	<b>12,795</b>
<b>Total comprehensive loss</b>					
Loss for the period	-	-	-	(11,206)	(11,206)
<b>Total comprehensive loss</b>				<b>(11,206)</b>	<b>(11,206)</b>
<b>Balance at 30 June 2019</b>	<b>20,918</b>	<b>15,614</b>	<b>-</b>	<b>(34,943)</b>	<b>1,589</b>
<b>Balance at 1 January 2018</b>	<b>20,918</b>	<b>15,662</b>	<b>(74)</b>	<b>(3,343)</b>	<b>33,163</b>
<b>Total comprehensive loss</b>					
Loss for the period, as restated	-	-	-	(7,876)	(7,876)
<b>Total comprehensive loss</b>				<b>(7,876)</b>	<b>(7,876)</b>
<b>Transactions with owners of the Company</b>					
Own shares acquired	-	(510)	(964)	-	(1,474)
Own shares sold	-	469	1,028	-	1,497
<b>Total transactions with owners of the Company</b>		<b>(41)</b>	<b>64</b>	<b>-</b>	<b>23</b>
<b>Restated balance at 30 June 2018</b>	<b>20,918</b>	<b>15,621</b>	<b>(10)</b>	<b>(11,219)</b>	<b>25,310</b>

On 31.10.2019 the Board of Directors of EBIOSS ENERGY SE authorised these condensed interim separate financial statements for issue.

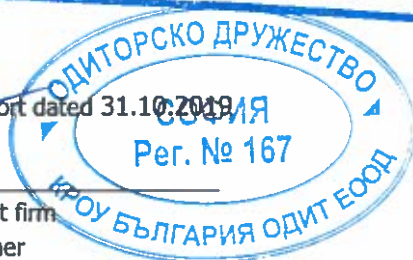
Executive Director:  
Jose Oscar Leiva Mendez



Prepared by:  
Sonia Mihaylova

Reviewed according to review report dated 31.10.2019

Crowe Bulgaria Audit EOOD., Audit firm  
Georgi Kaloyanov, Managing partner  
Registered auditor responsible for the review



**CONDENSED INTERIM SEPARATE STATEMENT OF CASH FLOWS**

	Note	Six months to 30 June 2019 EUR'000	Six months to 30 June 2018 EUR'000 Restated
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss for the period before tax		(11,206)	(7,936)
Adjustment for:			
Depreciation expense		23	13
Impairments		8,897	7,280
Interest expense		764	687
Interest income		(401)	(488)
Loss on share lending		225	-
Loss on disposal of investments		1,195	-
Other financial expenses		25	11
Net exchange rate (gains)/losses		(11)	7
		(489)	(426)
Changes in working capital:			
Trade and other payables		(92)	320
Trade and other receivables		(33)	(394)
<b>Cash used in operating activities</b>		<b>(614)</b>	<b>(500)</b>
Interest paid		-	(428)
Other financial expenses paid		(25)	(11)
Exchange rates gains realized		5	(1)
<b>Net cash used in operating activities</b>		<b>(634)</b>	<b>(940)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Loans provided to related parties		(159)	(1,196)
Repaid loans from related parties		51	26
Proceeds from sale of investments		343	-
<b>Net cash used in investing activities</b>		<b>235</b>	<b>(1,170)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from loans from related parties		35	389
Repayment of loans from related parties		(62)	(304)
Proceeds from loans from third parties		200	2,003
Proceeds from bank loans		581	142
Repayment of bank loans		-	(169)
Proceeds from sale of own shares		-	1,497
Repurchase of own shares		-	(1,474)
Payment of lease liabilities		(20)	(6)
<b>Net cash from financing activities</b>		<b>734</b>	<b>2,078</b>
<b>Net change in cash and cash equivalents</b>		<b>335</b>	<b>(32)</b>
Cash and cash equivalents at 1 January		23	37
<b>Cash and cash equivalents at 30 June</b>		<b>358</b>	<b>5</b>

On 30.10.2019 the Board of Directors of EBIOSS ENERGY SE authorized these condensed interim separate financial statements for issue.

Executive Director:  
Jose Oscar Leiva Mendez

Prepared by:  
Sonia Mihaylova

Reviewed according to review report dated 31.10.2019

Crowe Bulgaria Audit EOOD., Audit firm  
Georgi Kaloyanov, Managing partner  
Registered auditor responsible for the review



**NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS****1. Incorporation and principal activities****Incorporation**

EBIOSS ENERGY SE (the Company) is a joint stock company registered in Sofia, Bulgaria with UIC: 202356513. It was incorporated on 7 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 1 October 2012 EBIOSS ENERGY EOOD was transformed into EBIOSS ENERGY OOD and on the same date the share capital 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:

<b>Shareholders</b>	<b>Relative share %</b>	<b>Number of shares</b>	<b>Total share capital in BGN'000</b>	<b>Total share capital in EUR'000</b>
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
<b>Total:</b>	<b>100</b>	<b>2,423,550</b>	<b>24,236</b>	<b>12,392</b>

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:

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



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

On 12 December 2012 EBIOSS ENERGY OOD was 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.

In 2013 the share capital of the Company was increased from EUR 12,392 thousand to EUR 18,022. In 2014 the share capital of the Company was increased from EUR 18,022 thousand to EUR 20,918 thousand.

By decision of the extraordinary general meeting of the shareholders of Ebioss Energy AD, held on 13 February 2017 the company was transformed into European company, as per Regulation (EC) № 2157/2001. The Bulgarian Trade Register has inscribed the relevant corporate changes on 23 March 2017 and thereafter EBIOSS has the legal form of "Societas Europaea" or "SE". The capital of the company was denominated in Euro (the conversion of the registered capital has been made according to the official fixed exchange rate of the Bulgarian National Bank, where €1= BGN 1.95583) and the nominal value of the shares was changed into 1 EUR each, according to the rules of the Regulation. All the other corporate characteristics of the company remained unchanged.

**Principal activities**

The principal activity of the Company in the last years has been the management of projects in the field of biomass gasification power plants, production of pellets and waste collection systems.

At present the Company is restructuring its principle business activities and is performing in-kind contributions of new lines of business activities for the purpose of diversification – potentially tourism, oil and gas, retail business, waste container production, real estate etc. The in-kind contributions of the new business lines are expected to be finalized till the end of December 2019.

**2. Basis of accounting**

These condensed interim separate financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*, and should be read in conjunction with the Company's last annual financial statements as at and for the year ended 31 December 2018 ("last annual financial statements"). They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

This is the first set of the Company's financial statements in which IFRS 16 has been applied. Changes in significant accounting policies are described in Note 4.

These interim financial statements were authorised for issue by the Company's board of directors on 31.10.2019.

**3. Use of judgements and estimates**

The preparation of the condensed interim separate financial statements in conformity with IAS 34 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.

The significant judgements made by management in applying the Company's accounting policies and the key source of uncertainty were the same as those described in the last annual financial statements, except for the new significant judgements related to lessee accounting under IFRS 16, which are described in Note 4B.

**NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS****3. Use of judgements and estimates (continued)****A. Going concern basis of accounting**

The interim separate financial statements of Ebioss Energy SE as at 30 June 2019 have been prepared on the basis of the going concern concept. The Company's financial result for the period is a loss amounting to EUR 11,206 thousand mainly due to impairments of loans and receivables from related parties, recognition of impairment related to the remaining shareholding in Eqtec plc and loss on sale of investments. The accumulated loss as at 30 June 2019 amounts to EUR 34,943 thousand. The Company is in delay on covering interest payments amounting to EUR 1,878 thousand in relation to its unsecured corporate bonds issued.

The management believes that the current and future planned activities of the Company as well as the funds to be secured will enable the Company to continue its operations and settle its obligations in the ordinary course of business and has taken the below listed actions to improve the financial position and performance of the Company.

On 18 April 2019 Ebioss Energy SE signed Bond Conversion Agreements to convert the principal of the due amount of the 16 interest-bearing registered, freely transferable, non-convertible, non-collateral corporate bonds issued by the Company on 24 February 2017 with a par value of GBP 100 thousand each into equity shares.

On 7 June 2019 Ebioss Energy SE signed an agreement with one of its principal bondholders according to which the issued corporate bonds together with the pending interest held by Premaat for the total amount of EUR 12,056 thousand and additional loan amounting to EUR 1,000 thousand, as well as bonds held by Pactio for the total amount of EUR 4,000 thousand will be treated as follows:

- EUR 4,000 will be converted into capital with nominal value EUR 1 each share considering that the maximum participation of Premaat in the issued share capital of Ebioss Energy SE should always be less than 10%. This amount could be increased to up to EUR 6,000 under the same condition after 30 months from the 1st capital conversion and upon positive financial result in Ebioss Energy SE for the year-end 2021.
- The rest of the amount will be considered as debt with 2% fixed interest on an annual basis for 7 years and grace period of 2 years. The collateral on the debt will be first rank pledge over 100,000,000 shares that Ebioss Energy SE holds in EQTEC plc, first rank pledge over 100% of the shares that Ebioss Energy SE will acquire in one of the new companies through the in-kind contribution procedure, first rank pledge over the debt to be repaid by Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD to Ebioss for the total amount of EUR 21,260 thousand as well as substitution of the pledge over the debt from the 3 Bulgarian subsidiaries with pledge over the shares in the new company that Ebioss Energy SE will acquire in exchange of the shares of the 3 Bulgarian subsidiaries which is currently under negotiations.
- The Company has committed to meet certain financial performance criteria.

At present the Company is restructuring its principal business activities and is preparing in-kind contributions of new lines of business activities for the purpose of diversification – potentially tourism, oil and gas retail business, waste container production, real estate etc. The in-kind contributions of the new business lines of activities is expected to be finalized in till the end of December 2019.

The management is currently negotiating the sale of the power plants of Karlovo Biomass EOOD and Heat Biomass EOOD as well as the pelletizing installation of Biomass Distribution EOOD and has concluded preliminary agreements which are expected to be finalized by the end of 2019.

The Board of directors has prepared business plans based on their best estimation of the cash flows of the Company in the short and medium term. Such forecasts inherently contain management judgments and estimates in respect of future trading conditions, the timing of receipts and payments and other relevant matters. The main management judgments, estimates and assumptions used in the prepared business plans are that the management will be successful in the planned capital increase.

Having considered the business plans, the directors have a reasonable expectation that Ebioss Energy SE has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the interim separate financial statements.

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**NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS****3. Use of judgements and estimates (continued)****B. Measurement of fair values**

A number of the Company's accounting policies and disclosures require the measurement at 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.

**4. Changes in significant accounting policies**

Except as described below, the accounting policies applied in these interim separate financial statements are the same as those applied in the last annual financial statements.

The changes in the accounting policies are also expected to be reflected in the Company's separate financial statements as at and for the year ended 31 December 2019.

The Company has initially adopted IFRS 16 *Leases* from 1 January 2019. A number of other new standards are also effective from 1 January 2019 but they do not have a material effect on the Company's financial statements.

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. As a result the Company, as a lessee, has recognised right-of-use assets representing its rights to use the underlying asset and lease liability representing its obligation to make lease payments.

The Company has applied IFRS16 using the modified retrospective approach under which the lessee measures the lease liability at the date of initial application as the present value of the remaining lease payments. The comparative information for 2018 has not been restated – i.e. it is presented as previously reported under IAS 17 and related interpretations. The details of the changes in accounting policies are described below.

**A. Definition of a lease**

Previously the Company determined at contract inception whether an agreement was or contained a lease under IFRIC 4 *Determining Whether an Arrangement contains a Lease*. The Company now assesses whether a contract is or contains a lease based on the new definition of lease. Under IFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange of consideration.

**B. As a lessee**

The Company leases office premises.

As a lessee, the Company previously classified leases as operating or finance leases based on the assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Company recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

However the Company has elected not to recognise right-of-use and lease liabilities for short term lease contracts. The Company recognises the lease payments associated with any such leases as an expense on a straight-line basis over the lease term.

The Company presents the right-of-use assets in "property, plant and equipment". The Company presents lease liabilities in "loans and borrowings" in the statement of financial position.

**NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS****4. Changes in significant accounting policies (continued)****B. As a lessee (continued)****i. Significant accounting policies**

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured as cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by the lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

**ii. Transition**

Previously, the Company classified property leases as operating lease under IAS 17.

At transition, for leases classified as operating leases under IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Company applied the exemption not to recognise right-of-use asset and lease liabilities for leases with less than 12 months of lease term.

**C. Impacts on the financial statements**

As a result of initially applying IFRS 16, in relation to the leases that were previously classified as operating leases, the Company recognised EUR 124 thousand of right-of-use assets and EUR 124 thousand lease liability as at 1 January 2019.

Also in relation to those leases under IFRS 16, the Company has recognised depreciation and interest costs, instead of operating lease expenses. During the six months ended 30 June 2019, the Company recognised EUR 21 thousand depreciation charge and EUR 3 thousand of interest cost from these leases.

**5. Revenue from services**

For the six months ended 30 June

	<b>2019</b>	<b>2018</b>
	<b>EUR'000</b>	<b>EUR'000</b>
Revenue from services	-	123
	-	123

The recognised revenue is related to contracts for consultancy services, concluded with Karlovo Biomass EOOD, Biomass Distribution EOOD, Heat Biomass EOOD and Syngas Italy Srl (see also note 16.4).

**6. Employee benefit expenses**

For the six months ended 30 June

	<b>2019</b>	<b>2018</b>
	<b>EUR'000</b>	<b>EUR'000</b>
Wages and salaries	209	266
Social security contributions	16	25
	225	291

**NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS****7. Impairments of investments**

For the six months ended 30 June

	<b>2019</b> <b>EUR'000</b>	<b>2018</b> <b>EUR'000</b> <b>Restated</b>
Eqtec plc	3,754	-
Winttec SGPS SA	-	2,698
Syngas Italy SRL	-	650
	<u>3,754</u>	<u>3,348</u>

As at 30 June 2019 Ebioss Energy SE owns 510,595,698 shares in Eqtec plc (31.12.2018: 676,406,368 shares) which account for a share of 16.59% of the share capital of Eqtec plc.

Eqtec plc's shares are quoted on AIM of the London Stock Exchange market and their market price as at 30 June 2019 is 0.303 GBX/share.

**8. Impairment loss on loans and trade receivables**

For the six months ended 30 June

	<b>2019</b> <b>EUR'000</b>	<b>2018</b> <b>EUR'000</b>
Impairment of trade receivables	111	154
Impairment of loans provided to Karlovo Biomass	4,516	-
Impairment of loans to Heat Biomass	511	-
Impairment of loans to Syngas	-	3,778
Impairment of loans to Biomass Distribution	5	-
	<u>5,143</u>	<u>3,932</u>

**9. Finance income and costs**

For the six months ended 30 June

	<b>2019</b> <b>EUR'000</b>	<b>2018</b> <b>EUR'000</b>
Interest income	401	488
Net FX gains	11	-
	<u>412</u>	<u>488</u>
Loss on investments	(1,195)	-
Loss on lending shares	(225)	-
Interest expense	(764)	(687)
Bank expenses	(25)	(11)
Net FX loss	-	(7)
<b>Finance costs</b>	<u>(2,209)</u>	<u>(705)</u>
<b>Net finance expense recognized in profit or loss</b>	<u>(1,797)</u>	<u>(217)</u>

The loss on investments realized relates to shares of Eqtec plc sold or used for repaying debt or covering liabilities during the first six months of 2019.

**10. Investments**

	<b>30.06.2019</b> <b>EUR'000</b>	<b>31.12.2018</b> <b>EUR'000</b>
Balance at 1 January	13,162	24,105
New investments	540	14
Investments disposals	(1,779)	-
Impairment of investments	(3,754)	(10,957)
<b>Balance at the end of the period</b>	<u>8,169</u>	<u>13,162</u>
Investments in subsidiaries	6,443	5,903
Investments in associates (Eqtec plc)	-	7,259
Other investments	1,726	-
<b>Total investments</b>	<u>8,169</u>	<u>13,162</u>

**NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS****10. Investments (continued)**

On 3 June 2019 Ebioss Energy SE acquired 50,43% of Petrolprom Bulgaria OOD, a company specialized in oil and gas retail business, for the price of EUR 540 thousand. The parties have agreed that the liability to the seller will be settled through emission and subscription of 540,000 new shares from the capital of Ebioss Energy SE. The investment might be remeasured during the 12 months measurement period.

During the reporting period the shareholding of Ebioss Energy in Eqtec plc has decreased from 37.48% to 16.59%. Ebioss Energy SE has lost its significant influence over Eqtec plc and the latter is no longer considered an associated company. The remaining participation of 510,595,698 shares was valued with reference to the market price at AIM on the London Stock Exchange as at 30 June 2019 which was 0.303 GBX/share.

The investment in subsidiaries as at 30 June 2019 and 31 December 2018 are presented below:

<b>Subsidiaries</b>	<b>Country of incorporation</b>	<b>% ownership 30.06.2019</b>	<b>Investment amount in EUR'000 30.06.2019</b>	<b>% ownership 31.12.2018</b>	<b>Investment amount in EUR '000 31.12.2018</b>
Heat Biomass EOOD	Bulgaria	100%	-	100%	-
Karlovo Biomass EOOD	Bulgaria	100%	-	100%	-
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
Energotec-Eco AD	Bulgaria	100%	10	43%	10
Biomass Distribution EOOD	Bulgaria	100%	1	100%	1
Syngas Italy SRL	Italy	100%	-	100%	-
Eqtec Bulgaria EOOD	Bulgaria	100%	-	100%	-
TNL Equipamentos Ambientais SL	Spain	80%	250	80%	250
Winttec World SL	Spain	100%	197	100%	197
TNL World EOOD	Bulgaria	100%	1	100%	1
Winttec Greece IKE	Greece	100%	52	100%	52
Petrolprom Bulgaria EOOD	Bulgaria	50.43%	540	-	-
<b>Total investments in subsidiaries</b>			<b>6,443</b>		<b>5,903</b>

<b>Associates</b>	<b>Country of incorporation</b>	<b>% ownership 30.06.2019</b>	<b>Investment amount in EUR'000 30.06.2019</b>	<b>% ownership 31.12.2018</b>	<b>Investment amount in EUR '000 31.12.2018</b>
Eqtec plc (former React Energy)	Ireland	-	-	37.48%	7,259
<b>Total investments in associates</b>		-			<b>7,259</b>

<b>Other investments</b>	<b>Country of incorporation</b>	<b>% ownership 30.06.2019</b>	<b>Investment amount in EUR'000 30.06.2019</b>	<b>% ownership 31.12.2018</b>	<b>Investment amount in EUR '000 31.12.2018</b>
Eqtec plc (former React Energy)	Ireland	16.59%	1,726	-	-
<b>Total investments in associates</b>			<b>1,726</b>		<b>-</b>

All shares from the investment in Karlovo Biomass OOD are pledged in favour of United Bulgarian Bank AD in relation to loan contract dated 2 June 2014 between Karlovo Biomass EOOD as a borrower, United Bulgarian Bank AD as a lender and Ebioss Energy SE as a joint debtor for the amount of EUR 5,600 thousand. As at 30 June 2019 the principal to be repaid by Karlovo Biomass OOD to United Bulgarian Bank AD amounts to EUR 3,955 thousand out of which the payment of principle amounting to EUR 616 thousand was due prior to the reporting date. The Management plans to pay the overdue principle upon completion of the sales transaction of the plant in the foreseeable future.

**NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS**
**11. Property, plant and equipment**

	ROU office	Computers and equipment	Vehicles	Others	Total
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
<b>Cost</b>					
Balance at 1 January 2018	-	19	124	-	143
Additions	-	2	-	-	2
Disposals	-	-	(122)	-	(122)
<b>Balance at 31 December 2018/1 January 2019</b>	-	21	2	-	23
Initial application IFRS 16	124	-	-	-	124
Additions	-	1	-	1	2
<b>Balance at 30 June 2019</b>	124	22	2	1	149
<b>Depreciation</b>					
Balance at 1 January 2018	-	14	56	-	70
Charge for the year	-	3	15	-	18
Disposals	-	-	(69)	-	(69)
<b>Balance at 31 December 2018</b>	-	17	2	-	19
Charge for the period	21	2	-	-	23
<b>Balance at 30 June 2019</b>	21	19	2	-	42
<b>Carrying amounts</b>					
At 1 January 2018	-	5	68	-	73
At 31 December 2018	-	4	-	-	4
<b>At 30 June 2019</b>	103	3	-	1	107

**12. Intangible assets**

	Software EUR'000
<b>Cost</b>	
Balance at 1 January 2018	6
<b>Balance at 31 December 2018</b>	6
<b>Balance at 30 June 2019</b>	6
<b>Amortisation</b>	
Balance at 1 January 2018	4
Charge for the year	1
<b>Balance at 31 December 2018</b>	5
<b>Balance at 30 June 2019</b>	5
<b>Carrying amounts</b>	
At 1 January 2018	2
At 31 December 2018	1
<b>At 30 June 2019</b>	1

**13. Cash and cash equivalents**

	30.06.2019 EUR'000	31.12.2018 EUR'000
Cash at bank	358	23
<b>Cash and cash equivalents</b>	<b>358</b>	<b>23</b>
	<b>30.06.2019 EUR'000</b>	<b>31.12.2018 EUR'000</b>
Cash and cash equivalents are denominated in following currencies:		
EUR	3	23
GBP	355	-
	<b>358</b>	<b>23</b>

**NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS****14. Capital and capital reserves****14.1. 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.

As at 31 December 2018 and 30 June 2019 the Company has issued 20,918,186 ordinary shares with a nominal value of EUR 1 (BGN 1.96) each.

**14.2. 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 30 June 2019 the Company held no own shares.

As at 30 June 2018 the Company held 9,864 own shares with nominal value EUR 1 at total amount of EUR 10 thousand.

**15. Loss per share****Basic loss per share**

The calculation of basic loss per share at 30 June 2019 was based on the loss attributable to ordinary shareholders of EUR 5,981 thousand (30 June 2018: restated loss of EUR 7,876 thousand), and a weighted average number of ordinary shares outstanding of 20,918 thousand (30 June 2018: 20,887 thousand), calculated as follows:

**(i) Loss attributable to ordinary shareholders (basic)**

<i>In thousands of EUR</i>	<b>30.06.2019</b>	<b>30.06.2018</b> Restated
Loss for the period	(11,206)	(7,876)
<b>Loss attributable to ordinary shareholders</b>	<b>(11,206)</b>	<b>(7,876)</b>

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

<i>In thousands of shares</i>	<b>30.06.2019</b>	<b>30.06.2018</b> Restated
Issued ordinary shares at 1 January	20,918	20,918
Effect from repurchased own shares	-	(31)
<b>Weighted average number of ordinary shares at 30 June</b>	<b>20,918</b>	<b>20,887</b>
Loss per share (EUR)	(0.54)	(0.38)

**Diluted loss per share**

On 18 March 2019 and in regards to the SSF signed between Ebioss Energy SE and GEM Global Yield Fund in October 2018, Ebioss Energy SE issued 5,500,000 warrants, giving the right to GEM to subscribe for 5,500,000 newly issued Ordinary Shares from the capital of Ebioss Energy SE. The warrants were issued for no consideration and may be exercised at a price of EUR 1.35 per share within 12 months of their issuance and at EUR 1 within the period commencing on the first date after 12 months and ending 36 months after the issue date.

Potential exercise of the warrants would have resulted in a decrease of the loss per share and therefore have an anti-dilutive effect.



**NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS****16. 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.

*In thousands of EUR*

	<b>Note</b>	<b>30.06.2019</b>	<b>31.12.2018</b>
<b>Non-current liabilities</b>			
Unsecured corporate bonds issues	(a)	12,786	15,774
Bank loans	(c)	558	38
Lease liabilities		65	-
		<b>13,409</b>	<b>15,812</b>
<b>Current liabilities</b>			
Unsecured corporate bonds issues	(a)	5,473	1,845
Loans payable to related parties		920	1,090
Overdraft		13	11
Bank loans	(c)	233	193
Lease liabilities		43	1
Loans payable to third parties	(b)	2,129	2,080
		<b>8,811</b>	<b>5,220</b>
		<b>22,220</b>	<b>21,032</b>

**(a) Corporate bonds issue**

*In thousands of EUR*

<b>Carrying amount of liability at 1 January 2018</b>	<b>16,772</b>
Accrued interest	1,272
Paid interest	(416)
Revaluation of GBP bonds as at 31 December 2017	(9)
<b>Carrying amount of liability at 31 December 2018/ 1 January 2019</b>	<b>17,619</b>
Accrued interest	649
Revaluation of GBP bonds	(9)
<b>Carrying amount of liability at 30 June 2019</b>	<b>18,259</b>

On 18 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 18 June 2020 and maturity dates of the coupon payments shall be as follows: 18 June 2016, 18 June 2017, 18 June 2018, 18 June 2019 and 18 June 2020.

The Company shall have the right after expiration of a 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.

On 16 December 2015, 40 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 22 December 2020 and maturity dates of the coupon payments shall be as follows: 22 December 2016, 22 December 2017, 22 December 2018, 22 December 2019 and 22 December 2020.

On 14 April 2016, 20 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 20 April 2021 and maturity dates of the coupon payments shall be as follows: 20 April 2017, 20 April 2018, 20 April 2019, 20 April 2020 and 20 April 2021.

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**NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS****16. Loans and borrowings (continued)****(a) Corporate bonds issue (continued)**

On 12 July 2016, 35 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 12<sup>th</sup> July 2021 and maturity dates of the coupon payments shall be as follows: 20 April 2017, 20 April 2018, 20 April 2019, 20 April 2020 and 20 April 2021.

On 24 February 2017, 16 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 GBP 100 thousand each. Maturity date of the principal payment shall be 24 February 2022 and maturity dates of the coupon payments shall be as follows: 24 February 2018, 24 February 2019, 24 February 2020, 24 February 2021 and 24 February 2022.

On 2 June 2017, 20 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 2 June 2022 and maturity dates of the coupon payments shall be as follows: 2 June 2018, 2 June 2019, 2 June 2020, 2 June 2021 and 2 June 2022.

The initial placement of bond emissions 2-6 was done through the Luxembourg Stock Exchange. As at 30 June 2019 the bonds are traded on Euro MTF market of the Luxembourg Stock Exchange which is an exchange regulated market and is an MTF in accordance with the MiFID Directive.

As at 30 June 2019 interest payments for the total amount of EUR 1,878 thousand, which fell due during 2018 and the first half of 2019, have not been paid and are considered overdue.

On 18 April 2019 Ebioss Energy SE signed Bond Conversion Agreements to convert the principal of the due amount of the 16 interest-bearing registered, freely transferable, non-convertible, non-collateral corporate bonds issued by the Company on 24 February 2017 with a par value of GBP 100 thousand each into equity shares.

On 7 June 2019 Ebioss Energy SE signed an agreement with one of its principal bondholders according to which the issued corporate bonds together with the pending interest held by Premaat for the total amount of EUR 12,056 thousand and additional loan amounting to EUR 1,000 thousand, as well as bonds held by Pactio for the total amount of EUR 4,000 thousand will be treated as follows:

- EUR 4,000 will be converted into capital with nominal value EUR 1 each share considering that the maximum participation of Premaat in the issued share capital of Ebioss Energy SE should always be less than 10%. This amount could be increased to up to EUR 6,000 under the same condition after 30 months from the 1st capital conversion and upon positive financial result in Ebioss Energy SE for the year-end 2021.
- The rest of the amount will be considered as debt with 2% fixed interest on an annual basis for 7 years and grace period of 2 years. The collateral on the debt will be first rank pledge over 100,000,000 shares that Ebioss Energy SE holds in EQTEC pls, first rank pledge over 100% of the shares that Ebioss Energy SE will acquire in one of the new companies through the in-kind contribution procedure, first rank pledge over the debt to be repaid by Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD to Ebioss for the total amount of EUR 21,260 thousand as well as substitution of the pledge over the debt from the 3 Bulgarian subsidiaries with pledge over the shares in the new company that Ebioss Energy SE will acquire in exchange of the shares of the 3 Bulgarian subsidiaries which is currently under negotiations.

The agreements signed on 18 April 2019 and 7 June 2019 are expected to become effective and enter in force during the second half of 2019 following a general meeting of the shareholders.

**NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS****16. Loans and borrowings (continued)****(b) Loans payable to third parties**

As at 30 June 2019 the Company was granted credit funding by third parties under the following agreements:

- EUR 1,000 thousand received on 28 February 2018. The interest rate on the loan is 5% and the loan is repayable 1 year after its receipt.
- EUR 1,000 thousand received on 29 March 2018. The interest rate on the loan is 5% and the loan is repayable 1 year after its receipt.

As of the date of signing the financial statements the payments of the principle and the accumulated interest for loan agreement dated 28 February 2018 was part of the bonds conversion agreement (signed but not effectively in force yet) as described above. The outstanding loan balance related to contract 29 March 2018 has not been repaid as at the date of these financial statements.

**(c) Bank loans**

During the first half of 2019 the Company obtained additional financing of GBP 500 thousand. The indicative interest rate on the loan is 2.14% (subject to change) and the loan is repayable 3 year after its receipt. As at 30 June 2019 187,500,000 of shares in Eqtec plc owned by Ebioss Energy SE are used as collateral on the loan.

**(d) Reconciliation of movements of liabilities to cash flows arising from financing activities**

<i>In thousands of EUR</i>	<b>Corporate bonds</b>	<b>Loans payable to related parties</b>	<b>Bank loans and overdrafts</b>	<b>Lease liabilities</b>	<b>Other loans</b>	<b>Total</b>
<b>Balance at 1 January 2019</b>	17,619	1,090	242	1	2,080	21,032
<b><i>Changes from financing cash flows</i></b>						
Proceeds from loans and borrowings	-	35	581	-	200	816
Repayment of borrowings	-	(62)	-	-	-	(62)
Payment of financial lease liabilities	-	-	-	(20)	-	(20)
<b>Total changes from financing cash flows</b>	-	(27)	581	(20)	200	734
<b><i>The effect of changes in foreign exchange rates</i></b>	(9)	-	(21)	-	-	(30)
<b><i>Other changes</i></b>						
<b>Liability related</b>						
New lease (IFRS 16)	-	-	-	124	-	124
Liabilities assumed on behalf of the borrower	-	(162)	-	-	-	(162)
Repaid by transfer of shares in Eqtec plc	-	-	-	-	(242)	(242)
Interest expense	649	19	2	3	91	764
<b>Total liability related other changes</b>	649	(143)	2	127	(151)	484
<b>Balance at 30 June 2019</b>	18,259	920	804	108	2,129	22,220

**NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS****17. Related party transactions and balances**

The Company's parent and ultimate controlling party is Southeimer LLC, Spain.

Related parties are as follows:

<b>Related party</b>	<b>Relationship</b>
Elektra Holding AD	Parent of EBIOSS ENERGY SE
Heat Biomass EOOD	subsidiary, 100% owned by EBIOSS ENERGY SE
Karlovo Biomass EOOD	subsidiary, 100% owned by EBIOSS ENERGY SE
Plovdiv Biomass EOOD	subsidiary, 100% owned by EBIOSS ENERGY SE
Tvardica Biomass EOOD	subsidiary, 100% owned by EBIOSS ENERGY SE
Tvardica PV EOOD	subsidiary, 100% owned by Tvardica Biomass EOOD
United Biomass EOOD	subsidiary, 100% owned by EBIOSS ENERGY SE
Nova Zagora Biomass EOOD	subsidiary, 100% owned by EBIOSS ENERGY SE
Biomass Distribution EOOD	subsidiary, 100% owned by EBIOSS ENERGY SE
Eqtec Bulgaria EOOD	subsidiary, 100% owned by EBIOSS ENERGY SE
Energotec Eco AD	subsidiary, 100% owned and controlled by EBIOSS ENERGY SE
Brila EOOD	subsidiary, 100% owned by Plovdiv Biomass EOOD
Petrolprom Bulgaria OOD	subsidiary, 50.43% owned by EBIOSS ENERGY SE
Syngas Italy S.R.L.	subsidiary, 100% owned by EBIOSS ENERGY SE
WINTTEC SGPS SA (former TNL SGPS), Portugal	subsidiary, 52.62% owned and controlled by EBIOSS ENERGY SE till 5 October 2018
TNL SA, Portugal	subsidiary, 100% owned and controlled by WINTTEC SGPS SA till 5 October 2018
Hirdant, Portugal	subsidiary, 100% owned and controlled by WINTTEC SGPS SA till 5 October 2018
Winntec World SL, Spain (former Addom SL)	subsidiary, 100% owned and controlled by WINTTEC SGPS SA till 5 October 2018; 100% owned and controlled by EBIOSS Energy SE afterwards
TNL SL, Spain	subsidiary, 80% owned and controlled by WINTTEC SGPS SA till 5 October 2018; 80% owned and controlled by EBIOSS Energy SE afterwards
TNL World EOOD, Bulgaria	subsidiary, 100% owned and controlled by WINTTEC SGPS SA till 5 October 2018; 100% owned and controlled by EBIOSS Energy SE afterwards
Winttec Greece IKE, Greece	subsidiary, 100% owned and controlled by WINTTEC SGPS SA till 5 October 2018; 100% owned and controlled by EBIOSS Energy SE afterwards
EQTEC plc (former REACT Energy plc), Ireland	Associated company till loss of significant influence
EQTEC Iberia S.L., Spain	associate, 100% owned and controlled by Eqtec plc
Newry Biomass No. 1 Limited, Ireland	associate, 100% owned and controlled by Eqtec plc
React Biomass Limited, Ireland	associate, 100% owned and controlled by Eqtec plc
Reforce Energy Limited, Ireland	associate, 100% owned and controlled by Eqtec plc
Pluckanes Windfarm Limited, Ireland	associate, 100% owned and controlled by Eqtec plc (since 7.02.2017)
Grass Door Limited, UK	associate, 100% owned and controlled by Eqtec plc (since 7.02.2017)
Newry Biomass Limited, Northern Ireland	associate, 50.02 % owned and controlled by Eqtec plc (since 7.02.2017)
Enfield Biomass Limited, UK	associate, 100% owned and controlled by Eqtec plc (since 7.02.2017)
Moneygorm Wind Turbine Limited, Ireland	associate, 100% owned and controlled by Eqtec plc (since 7.02.2017)
Eqtec No. 1 Limited, Ireland	associate, 100% owned and controlled by Eqtec plc (since 7.02.2017)
Plymouth Biomass Limited, UK	associate, 100% owned and controlled by Eqtec plc (since 7.02.2017)
Clay Cross Biomass Limited, UK	associate, 90% owned and controlled by Eqtec plc (since 7.02.2017)
Altlow Wind Turbine Limited, Ireland	associate, 100% owned and controlled by Eqtec plc (since 7.02.2017)
Citytainer Brasil, Brasil	Subsidiary, owned by WINTTEC SGPS SA (till 5 October 2018)
Citytainer Industria, Brasil	Subsidiary 100% owned and controlled by Citytainer Brasil (till 5 October 2018)
Epsion Resorts EAD (former Ortis 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

**NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS****17. Related party transactions and balances (continued)**

Smolyan Biomass EOOD	under common control
Titan Power OOD	under common control
Eko El Invest	under common control

*Directors*

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

The remuneration accrued in favour of the key management personnel for the first six months of 2019 amounts to EUR 62 thousand (first six months of 2018: EUR 62 thousand).

**17.1 Loans provided to related parties**

	<b>30.06.2019</b> <b>EUR'000</b>	<b>31.12.2018</b> <b>EUR'000</b>
Karlovo Biomass EOOD		
- principal	5,238	9,726
- interest	2,035	1,843
Biomass Distribution		
- principal	4,866	4,853
- interest	799	703
Heat Biomass EOOD		
- principal	1,951	2,448
- interest	472	424
TNL SL		
- principal	1,322	1,035
- interest	118	91
Wintec World SL		
- principal	154	-
- interest	1	-
Eqtec Bulgaria		
- principal	79	78
- interest	4	2
United Biomass EOOD		
- principal	44	41
- interest	9	8
Winttec Greece IKE		
- principal	71	41
- interest	3	1
Plovdiv Biomass EOOD		
- principal	27	26
- interest	6	6
Nova Zagora Biomass EOOD		
- principal	26	25
- interest	5	5
Tvardica Biomass EOOD		
- principal	22	22
- interest	4	4
TNL World EOOD		
- principal	16	16
- interest	2	2
Eqtec Iberia		
- principal	-	-
- interest	4	4
	<u>17,278</u>	<u>21,404</u>

The Company has also provided loans to employees and other third parties amounting to EUR 19 thousand (31 December 2019: EUR 14 thousand).

During the first six months of 2019 impairment loss amounting to EUR 5,032 thousand has been recognised in regards to the loans receivable from related parties.

**NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS****17. Related party transactions and balances (continued)****17.2 Other payables to related parties**

	<b>30.06.2019</b>	<b>31.12.2018</b>
	<b>EUR'000</b>	<b>EUR'000</b>
Jose Oscar Leiva Mendez	86	121
Eqtec plc	60	60
Elektra Holding AD	597	310
	<u>743</u>	<u>491</u>

EUR 587 thousand out of the EUR 597 thousand payables to Elektra Holding AD are related to a share lending agreement signed with GEM signed during 2018.

**17.3 Loans received from related parties**

	<b>30.06.2019</b>	<b>31.12.2018</b>
	<b>EUR'000</b>	<b>EUR'000</b>
Elektra Holding AD	710	741
Close family members of the management	191	190
Energotec Eco AD	19	-
Wintec World SL	-	159
	<u>920</u>	<u>1,090</u>

**17.4 Services provided to related parties**

For the six months ended 30 June

	<b>2019</b>	<b>2018</b>
	<b>EUR'000</b>	<b>EUR'000</b>
Karlovo Biomass EOOD	-	31
Biomass Distribution EOOD	-	31
Heat Biomass EOOD	-	30
Syngas Italy SRL	-	31
	<u>-</u>	<u>123</u>

**17.5 Trade and other receivables from related parties**

	<b>30.06.2019</b>	<b>31.12.2018</b>
	<b>EUR'000</b>	<b>EUR'000</b>
Biomass Distribution EOOD	-	37
Heat Biomass EOOD	-	37
Karlovo Biomass EOOD	-	37
Jose Oscar Leiva Mendez	35	17
	<u>35</u>	<u>128</u>

All outstanding receivables as at 31 December 2018, amounting to EUR 111 thousand, were fully impaired during the current reporting period. The impaired receivables were outstanding for more than 365 days.

**18. Correction of errors**

As at 30 June 2018 the Company recognised an impairment loss in regards to the investment in Winttec SGPS SA amounting to EUR 2,198 thousand based on an agreement for sale of shares dated 14 September 2018. The Company should have fully impaired the investment as at 30 June 2018, recognizing an impairment loss of EUR 2,698 thousand instead, since the agreement required that the ownership over all shares of Winttec SGPS SA was transferred for a total sales price of 1 EUR during the second half of 2018.

**NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS****18. Correction of errors (continued)**

Further on the direct holdings acquired by Ebioss Energy SE in TNL SL, Winttec World SL, TNL World SL and Winttec Greece IKE in September 2018 should not have been treated as a share-for-share exchange but rather as a purchase, resulting in a liability of EUR 500 thousand.

**Statement of financial position***In thousands of EUR*

	Retained earnings/ profit or loss	Trade and other payables
Balances at 31 December 2018, as previously reported	(23,237)	1,116
Adjustments	(500)	500
<b>Restated balances at 31 December 2018</b>	<b>(23,737)</b>	<b>1,616</b>

**Statement of profit or loss and other comprehensive income***In thousands of EUR***First six months  
of 2018****Decrease in:**

Impairment of investments

500

**Result for the period****500**

The Company's basic loss per share for the first six months of 2018, taking into consideration the changes described above would have been (0.38) EUR/per share.

**19. Commitments and contingent liabilities**

- Ebioss Energy SE, Heat Biomass EOOD and Biomass Distribution EOOD are joint debtors in relation to a Loan contract dated 02.06.2014 between Karlovo Biomass EOOD and United Bulgarian Bank AD as well as under Annex 1 dated 1 September 2016 to the said contract up to the moment of repayment of the whole amount under the loan contract. As at 30 June 2019 (31 December 2018) the outstanding principal to this loan is EUR 3,955 thousand (EUR 3,955 thousand) out of which the payment of principle amounting to EUR 616 thousand (EUR 396 thousand) was due prior to the reporting date.
- As per a share lending agreement signed between Ebioss Energy SE and Elektra Holding AD, Elektra agreed to lend up to 2,000,000 own ordinary shares to Ebioss Energy SE. Ebioss Energy SE agrees to return to the Share lender the shares borrowed or the lump sum of up to EUR 2,000 thousand within a certain timeframe.

The shares lent are to serve as collateral for a financing received under a Share Subscription Facility (SSF) agreement signed between Ebioss Energy SE and GEM Global Yield Fund LLC SCS (GEM) in October 2018 and January 2019. As at 30 June 2019 Ebioss Energy SE has effectively borrowed 1,515,730 shares from Elektra Holding AD. The ownership over those shares was transferred to GEM against consideration received amounting to EUR 587 thousand.

**20. Events after the reporting period**

I. On 15 August 2019 an ordinary annual GM of the shareholders in EBIOSS ENERGY SE was held, based on which the following resolutions were taken:

- 1) The name of the company was changed from "EBIOSS ENERGY" SE to "AKILES CORPORATION" SE;
- 2) Alexandra Tcherveniakova and Luis Sanchez Angrill were released from their position as members of the Board of directors of the Company and they were substituted by Juan Molins Monteyes and Onofre Servera Andreu;
- 3) The capital of the Company is to be increased with € 6,449,625 (six million four hundred and forty-nine thousand six hundred and twenty five-Euro), comprising in-kind contribution of receivables, which were conferred in the capital of the Company by the following shareholders:

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**NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS****20. Events after the reporting period (continued)**

a) in-kind contribution of receivables of EF FACET DISCRETIONARY PORTFOLIOS, investment company with variable capital, registered in UK with company number IC000836, with seat and registered address in Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset, BH21 7SB, accomplished under art. 73, para. 3 of the Commerce Act, which receivables are towards the Company and are evolving from Bond Conversion Agreement dated 10.07.2019 and which receivables are at the amount of € 1,849,925 (one million eight hundred and forty-nine thousand nine hundred and twenty-five Euro) and which receivables the Company is obligated to pay by issuance and allotment in favor of EF FACET DISCRETIONARY PORTFOLIOS of new shares from the capital of the Company, whereat the amount of the receivables is confirmed by Evaluation report of three nominated experts, which is prepared in conformity with the requirements of art. 72, para. 2 of the Commerce Act, which was submitted and respectively accepted by the Trade Register with Act for registration No 20190802181621-3/15.08.2019.

b) in-kind contribution of receivables of Omarov Abdullagadzhi Omarovich, born on 16.04.1962, in the Republic of Dagestan, a citizen of the Russian Federation, with the address Moscow, 14 Borisovski prodi str, ap. 97, passport type P, number 713250387, issued on 12.02.2011 from FMS 77527 and valid until 12.02.2021, accomplished under art. 73, para. 3 of the Commerce Act, which receivables are towards the Company and under Agreement for transfer of shares as of 29.03.2019, which receivables are at the amount of 4,500,000 (four million and five hundred thousand) Euro and which receivables the Company is obligated to pay by issuance and allotment in favor of Omarov Abdullagadzhi Omarovich of new shares from the capital of the Company, whereat the amount of the receivables is confirmed by Evaluation report of three nominated experts, which is prepared in conformity with the requirements of art. 72, para. 2 of the Commerce Act, which was submitted and respectively accepted by the Trade Register with Act for registration No 20190705180005-3/15.08.2019.

c) in-kind contribution of receivables of Stanislav Raynov Novakov, PIN 6506196923, holder if identity card No 644901077, issued 22.10.2013 by the Ministry of Interior – Sofia, with permanent address: city of Sofia 1618, "Paskal Todorv"Str. 5 , accomplished under art. 73, para. 3 of the Commerce Act, which receivables are towards the Company and under Agreement for transfer of shares as of 03.04.2019, which receivables are at the amount of € 99700 (ninety-nine thousand and seven hundred Euro) and which receivables the Company is obligated to pay by issuance and allotment in favor of Omarov Abdullagadzhi Omarovich of new shares from the capital of the Company, whereat the amount of the receivables is confirmed by Evaluation report of three nominated experts, which is prepared in conformity with the requirements of art. 72, para. 2 of the Commerce Act, which was submitted and respectively accepted by the Trade Register with Act for registration No 20190705183600-4/15.08.2019.

The above resolutions are still pending for inscription with the Trade Register.

II. On 9 August 2019 the subsidiary company of Ebioss – "PETROLPROM BULGARIA" EOOD acquired 100% of the share capital of "SILENA COMPANY" EOOD. The acquisition was successfully inscribed in the Trade Register on 4th of September 2019.

III. On 11 July 2019 the subsidiary company of EBIOSS – SYNGAS ITALY SRL filed a request with the Tribunal of the city of Siena, Italy for opening of voluntary insolvency procedure due to continuous insolvency. On 24 September 2019 the first court hearing under the lawsuit was held and the verdict of the court is expected to be announced within the month of October 2019.



## **Report on Review of Interim Separate Financial Information**

To the shareholders of Ebioss Energy SE  
Address: 1404, Sofia  
3 Bulgaria Blvd., fl.11-12

### **Introduction**

We have reviewed the accompanying condensed interim separate financial statements of Ebioss Energy SE as at 30 June 2019, which comprise the condensed interim separate statements of financial position as at 30 June 2019 and the related condensed interim separate statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows for the period then ended and the accompanying summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standards, as adopted by EU. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the entity as at 30 June 2019, and of its financial performance and its cash flows for the six month period then ended in accordance with International Financial Reporting Standards, as adopted by EU.

### **Material Uncertainty Related to the Going Concern**

We draw attention to the disclosures in note 3 "Use of judgements and estimates", section "Going concern basis of accounting" in the condensed interim separate financial statements, which

indicates that the management believes that current and future planned activities of the Company, as well as funds secured, will enable the Company to continue its operations and settle its obligations in the ordinary course of business without sale of assets and change of its operating activities. It shall be noted that the Company's financial result for the period is a loss amounting to EUR 11,206 thousand mainly due to impairments of loans and receivables from related parties, recognition of impairment related to the remaining shareholding in Eqtec plc and loss on sale of investments. The accumulated loss as at 30 June 2019 amounts to EUR 34,943 thousand. The Company is in delay on covering interest payments amounting to EUR 1,878 thousand in relation to its unsecured corporate bonds issued. The future activity of the Company depends on the in-kind contributions and completing the bondholders' agreements as presented in Note 3. These facts indicate material uncertainty with regards to the Company's ability to continue as a going concern without continuing support of its shareholders and providers of finance. Our conclusion is not modified in respect of this matter.

#### **Emphasis of matter**

We draw attention to Note 8 Impairment loss on loans and trade receivables in the separate condensed interim financial statements where impairment amounting to EUR 5 143 thousand regarding the related party receivables is disclosed. No impairment is recognized in relation to investments in subsidiaries as presented in Note 10. These impairments are estimates based on Management's best knowledge of current events and actions. These amounts could differ significantly had the management valued the assets according to the requirements of IFRS 9 Financial Instruments and the requirements of IAS 36 Impairment of assets accordingly. The actual amount of the impairment would be more accurately determined at the preparation of the year-end financial statements. Our conclusion is not modified in respect of this matter.

Crowe Bulgaria Audit Ltd.

Georgi Kaloyanov, Managing partner  
Registered auditor, responsible for the review



31 October 2019  
Sofia