OTRA INFORMACION RELEVANTE TESLA ENERGY STORAGE, SE

16 de septiembre de 2024

En virtud de lo previsto en el artículo 17 del Reglamento (UE) nº 596/2014 sobre abuso de mercado y el artículo 227 de la Ley 6/2023, de 17 de marzo, de los Mercados de Valores y de los Servicios de Inversión, y disposiciones concordantes, así como en la Circular 3/2020 del segmento BME Growth de BME MTF Equity, ponemos en su conocimiento la siguiente información relativa a la sociedad TESLA ENERGY STORAGE, SE:

Se adjuntan a la presente las cuentas anuales, tanto individuales, como consolidadas, de la Compañía correspondientes a los ejercicios 2021, 2022 y 2023, junto con los correspondientes informes de auditoría.

Dichas cuentas anuales fueron aprobadas por la Junta General Extraordinaria de Accionistas celebrada el pasado día 10 de septiembre de 2024, tal y como se ha comunicado hoy al Mercado a través de la oportuna Otra Información Relevante.

Los informes de auditoría incorporan salvedades que serán objeto de publicación mediante Otra Información Relevante separada.

La información comunicada ha sido elaborada bajo la exclusiva responsabilidad del emisor y sus administradores.

Quedamos a su disposición para cuantas aclaraciones consideren oportunas.

En Sofía (Bulgaria), 16 de septiembre de 2024

D. José Óscar Leiva Méndez
Presidente de TESLA ENERGY STORAGE, SE

AKILES CORPORATION SE

CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023

CONTENTS

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Auditor

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55 6-ti Septemvri Str.
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AKILES CORPORATION SE

DIRECTOR’S REPORT

The Board of Directors presents its consolidated report on the activities of AKILES CORPORATION SE (the Company) and its subsidiaries (the Group) for the period ended 31.12.2023.

Incorporation and principal activities

Akiles Corporation SE (the” Company”) is a joint stock company registered in Sofia, Bulgaria with UIC: 202356513. It was incorporated on 7 January 2011. The financial statements as at 31 December 2023 consolidate the individual financial statements of the Company and its subsidiaries together referred to as the “Group” and individually as “Group entities”.

Principal activities

Akiles Corporation SE went through an insolvency procedure that as of the reporting date is terminated taking place between November 2020 until March 2022.

It was initiated by the Company itself acting as an insolvent debtor on 11th of November 2020 at the Sofia City Court. In December 2020 UBB filed another petition for opening of insolvency proceedings against the Company which suspended the initial one filed. In February 2021 a third petition for opening of insolvency procedure against the Company was filed by EF Facet Discretionary Portfolios, another creditor of the Company which was adjoined to the insolvency petition of UBB and thus a uniform legal process with two pretending creditors was in progress.

Based on out-of-court settlement agreement, reached between the Company and UBB on 16.02.2022, the legal procedure for opening of bankruptcy against the Company was terminated with explicit ruling of the Sofia City Court 15.03.2022. Few days earlier also the insolvency procedure, opened by request of the Company itself as well as of EF Facet Discretionary Portfolios was terminated.

On 17.02.2023, pursuant to a Contract for Assignment of Receivables (cession), ATZ Project EOOD acquired all receivables of United Bulgarian Bank AD towards Akiles Corporation SE (in its capacity of co-debtor) arising from the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016.

The value of the receivables in relation to the Bank loan agreement and the additional annexes thereto amounts to EUR 5,019,687. The assigned claim has passed from United Bulgarian Bank AD to the new creditor along with its privileges, securities and other accessories, including accrued interest.

Pursuant to Preliminary Agreement for sale of the Company's shares, as well as sale of receivables dated 07.04.2023, Akiles has transferred to a third party (indicated by the new creditor under the Cession contract dated 17.02.2023), the Company's shares from the capital of Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD.

According to the Preliminary Agreement dated 07.04.2023, the new creditor, as the holder of the receivables under the Cession contract dated 17.02.2023, has undertaken to discharge the obligations of Akiles Corporation SE under the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016, as a counterperformance related to the transfer of the Company's shares from the capital of Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD and in connection with the reciprocal obligation to transfer all the receivables to Akiles towards these subsidiaries.

On 13.04.2023, through a Contract for Assignment of Receivables (Cession), ATZ Project EOOD sold to new party Energowind EOOD all receivables from Karlovo Biomass EOOD (as the principal debtor) and Akiles Corporation SE, Heat Biomass EOOD and Biomass Distribution EOOD (as co-debtors) arising from the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016.

On 29.06.2023 Energowind EOOD, in its capacity as the ultimate assignee and current holder of the receivables mentioned above, has agreed to cancel all the obligations of Akiles Corporation SE amounting to EUR 5,019,687 against these receivables. As a result Akiles Corporation SE does not have any liability regarding UBB debt after this transaction.

The principal activity of the Group 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 principal business activities and is preparing an in-kind contribution of

AKILES CORPORATION SE

DIRECTOR'S REPORT

Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365. As a result the Company will focus on the production and sale of battery storage battery units. The in kind contribution is expected to be finalized in 2024 and is subject to the approval of the valuation to be prepared by nominated experts from the Bulgarian Trade Register and the Due Diligence report by the shareholders of Tesla Global SE and Akiles Corporation SE shareholders.

As of 31 December 2023, the following subsidiaries of Akiles Corporation SE were consolidated in the consolidated financial statements of the Group.

Subsidiary	Country of incorporation	% ownership 31.12.2023	% ownership 31.12.2022
Heat Biomass EOOD	Bulgaria	-	100,00%
Karlovo Biomass EOOD	Bulgaria	-	100,00%
Tvarditsa Biomass EOOD	Bulgaria	100,00%	100,00%
Nova Zagora Biomass EOOD	Bulgaria	100,00%	100,00%
Plovdiv Biomass EOOD	Bulgaria	100,00%	100,00%
United Biomass EOOD	Bulgaria	100,00%	100,00%
Biomass Distribution EOOD	Bulgaria	-	100,00%
Brilla EOOD	Bulgaria	100,00%	100,00%
Tvarditsa PV EOOD	Bulgaria	100,00%	100,00%
Eqtec Bulgaria EOOD	Bulgaria	100,00%	100,00%
Energotec Eco AD	Bulgaria	100,00%	100,00%
Winntec IKE, Greece	Greece	100,00%	100,00%

2. Review of current position, future developments and significant risks

The Group's development to date, financial results and position are presented in the consolidated financial statements. For the period ended 31.12.2023 the financial result of the Group is profit in the amount of EUR 3 564 thousand. Net equity is a negative value amounting to EUR 31 753 thousand. As of 31 December 2023 the earnings per share are a positive value of EUR 0.15.

3. Analysis of key, financial and non-financial, performance indicators relevant to the business operations of the Group

The Company management periodically review its gearing and liquidity ratios which are indicators of financial stability.

Gearing ratio (total liabilities / total equity)

31.12.2023	31.12.2022
-1,01	-1,01

Liquidity ratio (current assets / current liabilities)

31.12.2023	31.12.2022
0,003	0,002

4. Events after the reporting period

On 15.04.2024 an extraordinary General Meeting of the shareholders was held and the decisions taken were inscribed in the Bulgarian Trade Register on 24.04.2024. Among the most important decisions taken are the following:

- the name of the company is changed to Tesla Energy Storage SE
- the new Board of Directors will consist of Oscar Leiva Mendez, Juan Molins Monteys, Dusan Lichardus, Horia Grigorescu and Johannes Antonie Marius Marijnen
- Adoption of resolution for delegation to the Board of Directors of „AKILES CORPORATION" SE to accomplish increase of the Company's registered capital, on the grounds of art. 196 of the Commerce Act, by emitting new shares, up to a maximum nominal amount of € 450'000'000
- The capital of the Company will be increased predominantly by way of contribution in kind of all the shares from the capital of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365 subject to the approval of the shareholders of Tesla Global SE and Akiles Corporation SE.

In 2024, following the resolution of the extraordinary General Meeting to convert Group's payables in the amount of EUR 11,4 mln. into shares through an in-kind contribution, the Company signed debt conversion agreements with all creditors. The conversions are subject to the successful completion of the in-kind contribution of the shares of Tesla Global SE. The most significant payables subject to the conversion are as follows:

- An agreement dated 11 April 2024 whereby EF FACET BALANCED DISCRETIONARY PORTFOLIO FUND agrees to exchange its payable amounting to EUR 546 thousand against 546,459 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.
- An agreement dated 11 April 2024 whereby EF FACET CAUTIOUS DISCRETIONARY PORTFOLIO FUND agrees to exchange its payable amounting to EUR 911 thousand against 910 766 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.
- An agreement dated 10 April 2024 whereby BTC DOCE S.à.r.l agrees to exchange its payable amounting to EUR 1 680 thousand against 1 680 000 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.
- An agreement dated 14 April 2024 whereby Arrizabal Elkartea SL agrees to exchange its payable amounting to EUR 419 thousand against 419 147 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.

After the reporting date Tesla Global SE acquired shares of the parent Company and as a result as of the date of the above-mentioned Ordinary Shareholders meeting owns 2 338 461 shares which represents 8,54% from the total issued shares issued less treasury own shares and 9,6% from the total shares issued. Thus, the shareholding of Tesla Global SE exceeds the shareholding of the parent company Elektra Holding AD. Tesla Global SE presented during the last Ordinary Shareholders Meeting and the decisions stated above have been voted by them.

On 05 June 2024 an agreement was signed with Tsvetomir Toshev Yordanov, according to which the liability to the seller related to the shares acquired in Petrolprom Bulgaria OOD will no longer be settled through the transfer of 540,000 shares, but through monetary payment of 540 000 euro payable within 8 months as of signing of this agreement.

On 06 June 2024 the Group signed Sales purchase agreement for disposal of 50.43% of the share capital of PetrolProm Bulgaria OOD. The transfer of ownership was registered under the company's file in the Bulgarian Trade Registry on 13 June 2024.

On 06 June 2024 the Group reached an agreement with PROMONTORIA POSEIDON DAC for settlement of the remaining debt in 12 monthly instalments of EUR 24 thousand, starting from July 2024 to June 2025.

On 16 July 2024 following an ordinary General Meeting of the shareholders held on 25 June 2024 the scope of activity of the parent company had changed in the Trade Registry to include Production and assembly of battery energy storage systems ("BESS"), including component manufacturing and end product assembly and other services related to BESS projects.

There are no other significant events, adjusting or non-adjusting, which have a bearing on the understanding of the separate financial statements of the Group.

5. Future development of the Group

The future business activity of the Group is subject to the successful completion of in kind contribution of the shares of the capital of Tesla Global SE. This will enable the Company to focus on and further expand the key activity of Tesla Global SE which is the production and sale of battery storage units using the highest-quality liquid-cooled battery modules. The factory designing, engineering, and assembling the battery storage units is located in Slovakia and historically is known for its huge expertise in the field of energy. The company is initiating the construction of the first Gigafactory in Europe (Romania) for 4GW/year of Battery Energy Storage Solutions.

6. Activities in the field of research and development

As of 31.12.2023 the Group does not have any activities in the field of research and development.

7. Information concerning acquisitions of own shares required under the procedure provided for in Art. 187e of the Commerce Act

As at 31 December 2023 the Company held 2,996,176 own shares with nominal value EUR 1 (31.12.2022: 4,411,560 own shares with nominal value EUR 1) at total amount of EUR 2,996 thousand (31.12.2022: EUR 4,412 thousand).

8. Existence of branches of the Group companies

The Company does not have branches as of 31.12.2023 and in 2022.

9. Company`s financial risk management objectives and policies

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

- credit risk
- liquidity risk
- market risk

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

Risk management framework

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

(a) Credit risk

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

The carrying amount of Group's financial assets represent the maximum exposure to credit risk.

(b) Liquidity risk

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

(c) Market risk

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

Currency risk

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

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

Interest rate risk

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

Capital management

The Management's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. There were no changes in the Group's approach to capital management during the year.

Fair value of financial assets and liabilities

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

CORPORATE GOVERNACE STATEMENT

1. Code of Corporate Governance

The Group has issued a Code of Corporate Governance approved by Jose Oscar Leiva Mendez. The Group strictly follows this Code of Corporate Governance. This document is published on the official website of Akiles Corporation SE.

2. System of internal control and management of risks

Internal control is defined as a process integrated into the Group's activities and executed by the Board of Directors, the Audit Committee, by management and employees.

The Group has established adequate and effective internal control, which is continuous process integrated in all of the Group`s activities and is designed to achieve:

- compliance with legislation
- compliance with internal rules and contracts
- reliability and completeness of financial and operational information
- economy, efficiency and effectiveness of the activities
- protection of assets and information

Everyone in the Group has a certain responsibility with regard to internal control. The Group has created adequate organizational structure to ensure segregation of duties, proper division of responsibilities and adequacy of reporting levels. The control functions of the participants in the internal control system are regulated in the job descriptions of the persons concerned. There is commitment to competence at each working place and there are strict requirements for the knowledge and skills needed for each position. The management has set the values of integrity and ethical behavior through Code of conduct.

Risks relevant to financial reporting include external and internal events, transactions, and circumstances that may arise and have a negative impact on the entity's ability to initiate, record, and process financial data. The management applies a conservative approach to identifying the business risks that are material for the preparation of the financial statements, assesses their significance and likelihood of their occurrence, and decides how to address these risks, how to manage them, and how to evaluate the results reliably.

3. Information under Article 10, Paragraph 1, Letters "c", "d", "f", "h" and "i" of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 regarding take-over offers;

- **significant direct and indirect shareholdings (including indirect shareholdings through pyramid structures and cross-shareholdings) within the meaning of Article 85 of Directive 2001/34/EC;**

As of 31 December 2023 the major shareholder in the Company is Elektra Holding AD.

- **holders of any securities with special control rights and a description of those rights**

No securities with special control rights exist.

- **any restrictions on voting rights, such as limitations of the voting rights of holders of a given percentage or number of 30.4.2004 EN Official Journal of the European Union L 142/19 votes, deadlines for exercising voting rights, or systems whereby, with the company's cooperation, the financial rights attaching to securities are separated from the holding of securities**

No restriction of voting rights exist in articles of association.

- **the rules governing the appointment and replacement of board members and the amendment of the articles of association;**

The appointment and replacement of board members and the amendment of the articles of association can be done only through decision of General Shareholders meeting.

- **the powers of board members, and in particular the power to issue or buy back shares**

With the amendment of the Articles of Association as of 15.04.2024, the Board of Directors is entrusted with the powers until the date 31.12.2024, acting with own discretion and having the right to specify all the parameters of the respective emission, to increase the capital of the Company up to reaching the maximum amount of € 450'000'000 /four hundred and fifty million Euro/, through issuing new shares or through conversion of debts.

4. Information regarding composition and functioning of the administrative, managerial and supervisory bodies and their committees, as well as description of the diversity policy applied as regards the administrative, managerial and supervisory bodies of the issuer in connection with aspects such as age, gender or education and professional experience

As of 31.12.2023 the Group's management bodies are the following:

1. Board of Directors with the following members:

- Jose Oscar Leiva Mendez
- Carlos Cuervo Arango Martinez
- Juan Molins Monteys
- Onorfe Servera Andreu

The Board of Directors conduct regular meetings at least once in three months to review the results of the Group, to evaluate business risks and to discuss future prospects for development of the Group.

The Group has appointed an Audit Committee to supervise the financial reporting and ensure the independence of the appointed auditors.

In respect to the members of the management/supervisory bodies the Group applies the policy of diversity regarding gender, age, education and professional background. This is to ensure that the members have been appointed based on their expertise and capacity to contribute to the achievement of the Group's objectives.

Director's responsibilities

The Directors confirm that suitable accounting policies have been used and applied consistently and reasonable prudent judgements and estimates have been made in the preparation of the consolidated financial statements as of 31.12.2023.

The Directors also confirm that applicable accounting standards have been followed and that the consolidated financial statements have been prepared on the going concern basis.

The Directors are responsible for keeping proper accounting records, for safeguarding the assets of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As of 31 December 2023 Managing Director is Jose Oscar Leiva Mendez.

By order of the Board of Directors,

Jose Oscar Leiva Mendez
Executive Director

Sofia, 09 September 2024

Crowe

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INDEPENDENT AUDITOR`S REPORT

To the shareholders of
TESLA ENERGY STORAGE SE (former name Akiles Corporation SE)

Address: 68 Vitosha Blvd, Floor 1
Sofia 1463, Bulgaria

Report on the Audit of the Consolidated Financial Statements

Qualified Audit Opinion

We have audited the consolidated financial statements of TESLA ENERGY STORAGE SE and its subsidiaries ("the Group") which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and Bulgarian legislation.

Basis for Qualified Opinion

As presented in note 3 Use of judgements and estimates A. Going concern in the consolidated financial statements, the accumulated loss as at 31 December 2023 amounts to EUR 72,815 thousand. The equity as of 31 December 2023 is negative and amounts to EUR 31,440 thousand. As of 31 December 2023 the Group has total liabilities in the amount of EUR 31,812 thousand consisting of:

1) Bond emissions amounting to EUR 14,500 thousand and interest payments amounting to EUR 7,981 thousand in relation to its unsecured corporate bonds issued that are overdue and immediately payable.

2) Other liabilities in the amount of EUR 1,859 thousand are immediately payable.

3) Liabilities amounting to EUR 6,554 thousand that are agreed to be settled through debt conversion agreements.

4) Liabilities amounting to EUR 918 thousand that are renegotiated.

As at the date of issuance of these financial statements the Group was unable to conclude re-negotiations or obtain replacement financing for liabilities amounting to EUR 24,340 thousand under 1) and 2) listed above. As stated in note 3A, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The future development of the Group's business operations, as well as debt conversion for debt amounting to EUR 6,554 thousand, depends on the successful completion of in kind contribution of the shares of the capital of Tesla Global SE and re-listing of the parent company's shares on BME Growth, as well as the realization of the plan to expand the business activity in the production and sale of battery storage units. The in-kind contribution and other measures presented in note 3 Use of judgements and estimates A. Going concern to ensure continuing as a going concern for the foreseeable future are subject to complex clauses and the fulfillment of large number of conditions precedent. Thus, if the management assessment for feasibility of refinancing arrangements is changed by new circumstances arising from future development of macroeconomic environment or investors' and creditors' position in ongoing negotiations, there is material uncertainty that the Group will continue as going concern.

The Group presents total liabilities amounting to EUR 31,812 thousand consisting of liabilities for unsecured bond emissions, loans payable to related and third parties, as well as trade and other liabilities. In the course of our audit procedures we received confirmation letters from the creditors for liabilities amounting to EUR 20,267 thousand and the liabilities amounting to EUR 11,348 thousand were tested via alternative procedures. Liabilities amounting to EUR 24,340 thousand are immediately due and the corresponding contracts are at different stages of renegotiation and liabilities amounting to EUR 6,554 thousand are renegotiated under debt conversion agreements subject to meeting conditions precedent. According to legal letter received none of the liabilities of the Group are claimed in court and management provides written representations confirming ongoing negotiations to cut principal debt. Nevertheless, due to the lack of final signed renegotiation agreements, as well as lack of effective payments and conversions made as at the date of this report, we were not able to obtain reasonable assurance whether any additional adjustments to those liabilities may arise in relation to any change in the creditors' position in ongoing negotiations.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Bulgaria, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Emphasis of matter

We draw attention to Note 3. *Use of judgements and estimates* letter D. *Loss of control over subsidiaries* in the consolidated financial statements, which describes the circumstances surrounding the loss of control over the subsidiaries Petrolprom Bulgaria OOD and Silena Company EOOD, and the Management's judgement not to consolidate the financial position and results of Winntec Greece IKE and the respective impact on the Group's financial statements. Our opinion is not modified in respect of this matter.

Key Audit Matters

Except for the matters described in the Basis for Qualified Opinion section, we have determined that there are no other key audit matters to communicate in our report.

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

Management is responsible for the other information. The other information comprises the annual management report, prepared by the management in accordance with Chapter VII of the Bulgarian Accountancy Act, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon unless explicitly stated in our report and to the extent stated in our report.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or whether our knowledge obtained in the audit may indicate that there is a material misstatement or otherwise the other information appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and Bulgarian legislation, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Audit Committee ("Those charged with governance") are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of our audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Reporting Pursuant to Article 59 of Bulgarian Independent Financial Audit Act in relation to Article 10 of Regulation (EC) № 537/2014

In accordance with the requirements of Bulgarian Independent Financial Audit Act and in relation with Article 10 of Regulation (EC) № 537/2014, we report additionally the information as follows:

- Crowe Bulgaria Audit EOOD was appointed as statutory auditor of the financial statements of TESLA ENERGY STORAGE SE for the year ended on 31 December 2023 by the Ordinary General meeting of the shareholders, held on 15.04.2024, for a period of three years.

- The audit of the consolidated financial statements of the Group for the year ended on 31 December 2023 has been made for fifth non-consecutive year.
- We confirm that our audit opinion is consistent with the additional report to the audit committee, which was provided in ac4cordance with Article 60 of Bulgarian Independent Financial Audit Act.
- We declare that prohibited non-audit services referred to in Article 64 of Bulgarian Independent Financial Audit Act were not provided.
- We confirm that we remained independent of the Group in conducting the audit.
- For the period for which we were engaged as statutory auditors, we have not provided any other services to the Group in addition to the statutory audit, which have not been disclosed in the management report or consolidated financial statements.

For Crowe Bulgaria Audit EOOD, Audit company, registration № 167

Gyulyay Rahman
Statutory Manager, Registered auditor responsible for the audit

ОДИТОРСКО ДРУЖЕСТВО
СОФИЯ
Рег. № 167
КРОУ БЪЛГАРИЯ ОДИТ ЕООД

10 September 2024
Sofia, Bulgaria

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December

	Note	2023 EUR'000	2022 EUR'000
Revenue	4	902	101
Expenses for hired services		(68)	(16)
Depreciation and amortisation	7, 8	(1)	(1)
Employee benefit expenses	5	(289)	(295)
Other expenses		(823)	(3)
Loss from operating activities		**(279)**	**(214)**
Finance income		1	94
Finance costs		(2,018)	(1,905)
Net finance income/ (costs)	6	**(2,017)**	**(1,811)**
Gain on disposal of subsidiaries	9	5,860	-
Profit/ (Loss) before income tax		**3,564**	**(2,025)**
Income tax benefit	16	-	-
Profit/ (Loss) for the period		**3,564**	**(2,025)**
Other comprehensive income			
Items that will be reclassified to profit or loss:			
Foreign currency translation differences		-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income/ (loss) for the period		**3,564**	**(2,025)**
Profit/ (Loss) attributable to:			
Owners of the parent		3,564	(2,025)
Non-controlling interests		-	-
Profit/ (Loss) for the period		**3,564**	**(2,025)**
Total comprehensive income/ (loss) attributable to:			
Owners of the parent		3,564	(2,025)
Non-controlling interests		-	-
Total comprehensive income/ (loss) for the period		**3,564**	**(2,025)**
Basic profit/ (loss) per share (EUR)	13	**0.15**	**(0.09)**

On 15.04.2024 the Board of Directors of AKILES CORPORATION SE authorised these consolidated financial statements for issue.

Executive Director:
Jose Oscar Leiva Mendez

Prepared by:
Ivan Milev

According to Independent Auditor's report dated: 10.09.2024

For Crowe Bulgaria Audit EOOD, Audit company, registration № 167

Gyulyay Rahman, Statutory manager
Registered auditor responsible for the audit

ОДИТОРСКО ДРУЖЕСТВО
СОФИЯ
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 December

	Note	2023 EUR'000	2022 EUR'000
Assets			
Property, plant and equipment	7	290	290
Intangible assets	8	1	2
Non-current assets		**291**	**292**
Loans provided	19	17	16
Trade and other receivables	10	46	45
Cash and cash equivalents	11	25	1
Current assets		**88**	**62**
Total assets		**379**	**354**
Equity			
Share capital	12.1	27,368	27,368
Share premium	12.2	16,937	18,122
Treasury shares reserve	12.3	(2,996)	(4,412)
Revaluation surplus		66	66
Accumulated loss		(72,815)	(76,379)
Equity attributable to owners of the parent		(31,440)	(35,235)
Non-controlling interests		-	-
Total equity		**(31,440)**	**(35,235)**
Liabilities			
Deferred tax liabilities	16	7	7
Non-current liabilities		**7**	**7**
Loans and borrowings	14	26,823	30,488
Trade and other payables	15	4,984	5,089
Income tax payable		5	5
Current liabilities		**31,812**	**35,582**
Total liabilities		**31,819**	**35,589**
Total equity and liabilities		**379**	**354**

On 15.04.2024 the Board of Directors of AKILES CORPORATION SE authorised these consolidated financial statements for issue.

Executive Director:
Jose Oscar Leiva Mendez

Prepared by:
Ivan Milev

According to Independent Auditor's report dated: 10.09.2024

For Crowe Bulgaria Audit EOOD, Audit company, registration № 167

Gyulyay Rahman, Statutory manager
Registered auditor responsible for the audit

ОДИТОРСКО ДРУЖЕСТВО СОФИЯ Рег. № 167 КРОУ БЪЛГАРИЯ ОДИТ ЕООД

The notes on pages 7 to 43 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December

	Share capital EUR'000	Share premium EUR'000	Treasury shares reserve EUR'000	Revaluation surplus EUR'000	Retained earnings EUR'000	Total attributable to owners of the Parent EUR'000	Non-controlling interest EUR'000	Total equity EUR'000
Balance at 1 January 2023	27,368	18,122	(4,412)	66	(76,379)	(35,235)	-	(35,235)
Comprehensive income								
Profit for the period	-	-	-	-	3,564	3,564	-	3,564
Total comprehensive income	-	-	-	-	3,564	3,564	-	3,564
Transactions with owners of the Company								
Treasury shares sold	-	(1,185)	1,416	-	-	231	-	231
Total transactions with owners of the Company	-	(1,185)	1,416	-	-	231	-	231
Balance at 31 December 2023	27,368	16,937	(2,996)	66	(72,815)	(31,440)	-	(31,440)

On 15.04.2024 the Board of Directors of AKILES CORPORATION SE authorised these consolidated financial statements for issue.

Executive Director:
Jose Oscar Leiva Mendez

Prepared by:
Ivan Milev

According to Independent Auditor's report dated: 10.09.2024

For Crowe Bulgaria Audit EOOD, Audit company, registration № 167

Gyulyay Rahman, Statutory manager
Registered auditor responsible for the audit

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The notes on pages 7 to 43 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
For the year ended 31 December

	Share capital EUR'000	Share premium EUR'000	Treasury shares reserve EUR'000	Revaluation surplus EUR'000	Retained earnings EUR'000	Total attributable to owners of the Parent EUR'000	Non-controlling interest EUR'000	Total equity EUR'000
Balance at 1 January 2022	27,368	18,122	(4,412)	66	(74,354)	(33,210)	-	(33,210)
Comprehensive income								
Loss for the period	-	-	-	-	(2,025)	(2,025)	-	(2,025)
Total comprehensive income	-	-	-	-	(2,025)	(2,025)	-	(2,025)
Balance at 31 December 2022	27,368	18,122	(4,412)	66	(76,379)	(35,235)	-	(35,235)

On 15.04.2024 the Board of Directors of AKILES CORPORATION SE authorised these consolidated financial statements for issue.

Executive Director:
Jose Oscar Leiva Mendez

Prepared by:
Ivan Milev

According to Independent Auditor's report dated: 10. 09. 2024

For Crowe Bulgaria Audit EOOD, Audit company, registration № 167

Gyulyay Rahman, Statutory manager
Registered auditor responsible for the audit

ОДИТОРСКО ДРУЖЕСТВО
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CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2023 EUR'000	2022 EUR'000
Profit/ (Loss) for the period before tax		**3,564**	**(2,025)**
Adjustments for:			
Depreciation and amortisation		1	1
Interest expense		1,982	1,905
Interest income		(1)	(1)
Impairment losses and write-offs		-	-
Gain on disposal of subsidiaries		(5,860)	-
Other finance costs		2	-
Net exchange rate (gains)/losses		34	(93)
Cash flows from operations before working capital changes		(278)	(213)
Changes in working capital:			
Trade and other receivables		1	-
Trade and other payables		303	213
Cash used in operating activities		304	213
Other cash flow from operating activities:			
Other financial costs paid		(2)	-
Net cash flows from operating activities		**24**	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash flows from investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash flows from financing activities		-	-
Net increase/ (decrease) in cash and cash equivalents		**24**	-
Cash and cash equivalents at 1 January		1	1
Cash and cash equivalents at 31 December	11	**25**	**1**

On 15.04.2024 the Board of Directors of AKILES CORPORATION SE authorised these consolidated financial statements for issue.

Executive Director:
Jose Oscar Leiva Mendez

Prepared by:
Ivan Milev

According to Independent Auditor's report dated: 10.09.2024

For Crowe Bulgaria Audit EOOD, Audit company, registration № 167

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1. Incorporation and principal activities

Incorporation of the parent company

Akiles Corporation SE (the" Company") is a joint stock company registered in Sofia, Bulgaria with UIC: 202356513. It was incorporated on 7 January 2011. The financial statements as at 31 December 2023 consolidate the individual financial statements of the Company and its subsidiaries together referred to as the "Group" and individually as "Group entities".

The parent Company's shares are registered for public trading on BME Growth (Madrin, Spain), however no trading is observed since November 2020 as the instruments are suspended from trading. The Company is considered a public interest entity.

Principal activities

The Company went through an insolvency procedure that as of the reporting date is terminated taking place between November 2020 until March 2022.

It was initiated by the Company itself acting as an insolvent debtor on 11th of November 2020 at the Sofia City Court. In December 2020 UBB filed another petition for opening of insolvency proceedings against the Company which suspended the initial one filed. In February 2021 a third petition for opening of insolvency procedure against the Company was filed by EF Facet Discretionary Portfolios, another creditor of the Company which was adjoined to the insolvency petition of UBB and thus a uniform legal process with two pretending creditors was in progress.

Based on out-of-court settlement agreement, reached between the Company and UBB on 16.02.2022, the legal procedure for opening of bankruptcy against Akiles Corporation SE was terminated with explicit ruling of the Sofia City Court 15.03.2022. Few days earlier also the insolvency procedure, opened by request of the Company itself as well as of EF Facet Discretionary Portfolios was terminated.

On 17.02.2023, pursuant to a Contract for Assignment of Receivables (cession), ATZ Project EOOD acquired all receivables of United Bulgarian Bank AD towards Akiles Corporation SE (in its capacity of co-debtor) arising from the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016. The value of the receivables in relation to the Bank loan agreement and the additional annexes thereto amounts to EUR 5,019,687. The assigned claim has passed from United Bulgarian Bank AD to the new creditor along with its privileges, securities and other accessories, including accrued interest.

Pursuant to Preliminary Agreement for sale of the Company's shares, as well as sale of receivables dated 07.04.2023, Akiles has transferred to a third party (indicated by the new creditor under the Cession contract dated 17.02.2023), the Company's shares from the capital of Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD.

According to the Preliminary Agreement dated 07.04.2023, the new creditor, as the holder of the receivables under the Cession contract dated 17.02.2023, has undertaken to discharge the obligations of Akiles Corporation SE under the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016, as a counter performance related to the transfer of the Company's shares from the capital of Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD and in connection with the reciprocal obligation to transfer all the receivables to Akiles towards these subsidiaries.

On 13.04.2023, through a Contract for Assignment of Receivables (Cession), ATZ Project EOOD sold to new party Energowind EOOD all receivables from Karlovo Biomass EOOD (as the principal debtor) and Akiles Corporation SE, Heat Biomass EOOD and Biomass Distribution EOOD (as co-debtors) arising from the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016.

On 29.06.2023 Energowind EOOD, in its capacity as the ultimate assignee and current holder of the receivables mentioned above, has agreed to cancel all the obligations of Akiles Corporation SE amounting to EUR 5,019,687 against these receivables. As a result Akiles Corporation SE does not have any liability regarding UBB debt after this transaction.

The principal activity of the Group 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.

1. Incorporation and principal activities (continued)

Principal activities (continued)

At present the Company is restructuring its principal business activities and is preparing an in-kind contribution of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365. As a result the Company will focus on the production and sale of battery storage battery units. The in-kind contribution is expected to be finalized in 2024 and is subject to the approval of the valuation to be prepared by nominated experts from the Bulgarian Trade Register and the Due Diligence report by the shareholders of Tesla Global SE and Akiles Corporation SE shareholders.

As of 31 December 2023, the following subsidiaries of Akiles Corporation SE were consolidated in the consolidated financial statements of the Group:

Subsidiary	Country of incorporation	% ownership 31.12.2023	% ownership 31.12.2022
Tvarditsa Biomass EOOD	Bulgaria	100,00%	100,00%
Nova Zagora Biomass EOOD	Bulgaria	100,00%	100,00%
Plovdiv Biomass EOOD	Bulgaria	100,00%	100,00%
United Biomass EOOD	Bulgaria	100,00%	100,00%
Brilla EOOD	Bulgaria	100,00%	100,00%
Tvarditsa PV EOOD	Bulgaria	100,00%	100,00%
Eqtec Bulgaria EOOD	Bulgaria	100,00%	100,00%
Energotec Eco AD	Bulgaria	100,00%	100,00%

As of 31 December 2022, the following subsidiaries of Akiles Corporation SE were consolidated in the consolidated financial statements of the Group:

Subsidiary	Country of incorporation	% ownership 31.12.2022
Heat Biomass EOOD	Bulgaria	100,00%
Karlovo Biomass EOOD	Bulgaria	100,00%
Tvarditsa Biomass EOOD	Bulgaria	100,00%
Nova Zagora Biomass EOOD	Bulgaria	100,00%
Plovdiv Biomass EOOD	Bulgaria	100,00%
United Biomass EOOD	Bulgaria	100,00%
Biomass Distribution EOOD	Bulgaria	100,00%
Brilla EOOD	Bulgaria	100,00%
Tvarditsa PV EOOD	Bulgaria	100,00%
Eqtec Bulgaria EOOD	Bulgaria	100,00%
Energotec Eco AD	Bulgaria	100,00%

Pursuant to Preliminary Agreement for sale of the Company's shares, as well as sale of receivables dated 07.04.2023, Akiles has transferred to a third party (indicated by ATZ Project EOOD – the new creditor of all receivables of United Bulgarian Bank AD towards Akiles Corporation SE (in its capacity of co-debtor) and the Company's shares from the capital of Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD against the cancelation of all liabilities of the Company in relation to the UBB debt (see Note 9).

2. Basis of accounting

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU). The Board of Directors authorized the issuance of the consolidated financial statements on 15.04.2024. Along with this authorization, the Board has granted the Chief Executive Officer the authority to amend the financial statements based on audit findings prior to their final issuance. Additionally, the Chief Executive Officer is authorized to prepare the final version of the annual activity report.

Details of the Group's accounting policies are included in Note 23.

3. Use of judgements and estimates

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

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.

A. Going concern basis of accounting

The consolidated financial statements of Akiles Corporation SE as at 31 December 2023 have been prepared on the basis of the going concern concept. The Group's financial result for the period is a profit amounting to EUR 3,564 thousand mainly due to the realized gain from the sale of the power plants of Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD in 2023 through disposal of the subsidiaries. The accumulated loss as at 31 December 2023 amounts to EUR 72,815 thousand. The equity as of 31 December 2023 is negative and amounts to EUR 31,440 thousand.

The Group has total liabilities in the amount of EUR 31,812 thousand consisting of:

- Bond emissions amounting to EUR 14,500 thousand and interest payments amounting to EUR 7,981 thousand in relation to its unsecured corporate bonds issued. The Group is in delay on covering those liabilities. The non-payment of these liabilities represents an event of default and the total amount of the bond liabilities of EUR 22 481 thousand are considered overdue.
- Other liabilities in the amount of EUR 1,859 thousand that are immediately payable.
- Liabilities amounting to EUR 6,554 thousand that are agreed to be settled through debt conversion agreements. The creditors have agreed to convert these liabilities into newly emitted shares in 2024. All debt conversions are subject to accomplishment of capital increase of Akiles's capital and reverse takeover of the whole capital of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365, where the current shareholders of Tesla Global SE will subscribe newly emitted shares from the capital of Akiles. If the above reverse takeover is not completed, the debt conversion agreements shall not be deemed valid and liabilities amounting to EUR 6,554 thousand will become immediately due.
- Liabilities amounting to EUR 918 thousand that are renegotiated.

The parent company and its subsidiaries do not have active business operations. The business operations of the entire Group are in process of restructuring.

These current conditions and events indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

The management believes that the measures taken which are listed below will enable the Group to continue its operations and settle its obligations in the ordinary course of business.

On 15.04.2024 an extraordinary General Meeting of the shareholders was held and the decisions taken were inscribed in the Bulgarian Trade Register on 24.04.2024. Among the most important decisions taken are the following:

- the name of the company is changed to Tesla Energy Storage SE
- the new Board of Directors will consist of Oscar Leiva Mendez, Juan Molins Monteys, Dusan Lichardus, Horia Grigorescu and Johannes Antonie Marius Marijnen
- Adoption of resolution for delegation to the Board of Directors of „AKILES CORPORATION" SE to accomplish increase of the Company's registered capital, on the grounds of art. 196 of the Commerce Act, by emitting new shares, up to a maximum nominal amount of € 450'000'000
- The capital of the Company will be increased predominantly by way of contribution in kind of all the shares from the capital of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365 subject to the approval of the shareholders of Tesla Global SE and Akiles Corporation SE.

3. Use of judgements and estimates (continued)

A. Going concern basis of accounting

The future business activity of the Group is subject to the successful completion of in-kind contribution of the shares of the capital of Tesla Global SE and re-listing of the Company's shares on BME Growth. This will enable the Group to focus on and further expand the key activity of Tesla Global SE which is the production and sale of battery storage units using the highest-quality liquid-cooled battery modules. The factory designing, engineering, and assembling the battery storage units is located in Slovakia and historically is known for its huge expertise in the field of energy. The Group is initiating the construction of the first Gigafactory in Europe (Romania) for 4GW/year of Battery Energy Storage Solutions.

In view of the above directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and the Group will be able to secure financing necessary to repay the outstanding immediately payable liabilities and execute successfully the debt conversion agreements. For these reasons, the Group continues to adopt the going concern basis of accounting in preparing the consolidated financial statements.

B. Significant sources of estimation uncertainties

The military conflict between the Republic of Ukraine and the Russian Federation and in the Gaza Strip have a negative impact on the macro- and micro-economic plan of the EU and the middle East. The economic sanctions imposed between the EU member states, on one hand, and the Russian Federation, on the other, may have some adverse economic effects in the countries where the Group will operate.

Therefore, the overall impact on the Group's business activity and its financial performance will depend on future developments, which are highly uncertain and currently cannot be predicted. However, the Management has been actively working to minimize the negative impact, to seek additional financing and to follow the Group's business strategy. The Management will continue to monitor the development of the situation and the effect on all aspects of the Group's activities.

In view of this, the management believes in the Group's ability to continue as a going concern.

D. Loss of control over subsidiaries

The parent company holds directly 50,43% of the equity interest in its subsidiary PetrolProm Bulgaria OOD and 50,43% indirectly of the equity interest in its subsidiary Silena Company EOOD. The management considers that effective control over these entities is not established despite owning a majority of voting rights. This conclusion is drawn based on several significant factors which impair the ability to exercise control as defined under IFRS 10:

- Non-compliance with Shareholder Agreements: Akiles, a key shareholder, has failed to meet its financial obligations as stipulated in the Shareholders Agreement dated February 15, 2019. This non-compliance has notably weakened the parent company's influence over corporate decisions.
- Insolvency Proceedings: As of November 2020, Akiles has been subjected to insolvency proceedings, severely restricting the parent company's capability to inject further capital and thereby diminishing its effective influence over the subsidiaries' operational and financial policies.
- Communication Barriers: There has been a significant deterioration in communications pertaining to the management and strategic operations of the investees, further evidencing the lack of effective control.
- Absence of Control Power: The parent company does not possess the necessary power to govern the financial and operating policies of the investee entities to obtain benefits from their activities. The management is appointed by the suggestions of the other shareholder.
- Extraordinary Shareholders' Meeting: An extraordinary meeting held on June 1, 2021, led to a reassessment of the control status, resulting in the conclusion that the parent company Akiles no longer retains control over PetrolProm Bulgaria OOD and Silena Company EOOD as of this date.

The investments in PetrolProm Bulgaria OOD and Silena Company EOOD have been classified as financial assets at fair value through profit or loss in accordance with IFRS 9 in the consolidated financial statements for the year ending

3. Use of judgements and estimates (continued)

D. Loss of control over subsidiaries (continued)

31st December 2023. This reclassification reflects the loss of control as specified and substantiated by the outlined events and circumstances.

The Group has elected not to consolidate the financial statements of Winntec Greece IKE, which has been inactive since 2018. This decision is based on the reasons that the company is not engaged in any operational or financial activities since 2018 and it has no significant transactions or balances that would impact the Group's consolidated financial statements. The financial position and results of Winntec Greece IKE are immaterial to the Group's consolidated financial statements. As a result, its exclusion does not affect the fair presentation of the Group's financial position, performance, or cash flows.

E. 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.

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

Further information about the assumptions made in measuring fair values is included in the respective notes.

4. Revenue

A. Revenue streams

The Group's revenue for the presented periods represents other income. The Group has not generated revenue from sale of production, goods and/ or services.

For the year ended 31 December	**2023**	**2022**
	EUR'000	**EUR'000**
Other revenue	902	101
Total revenue	**902**	**101**

In 2023 and 2022 the Group has been written-off liabilities with expired limitation period, as well as other non-payable liabilities at the total amount of EUR 902 (2022: EUR 101 thousand). There are no other sources of revenue for the periods.

5. Employee benefit expenses

For the year ended 31 December	2023 EUR'000	2022 EUR'000
Wages and salaries	271	276
Social security contributions	18	19
	289	**295**

6. Finance income and costs

For the year ended 31 December	2023 EUR'000	2022 EUR'000
Interest income	1	1
Net FX gains	-	93
Finance income	**1**	**94**
Interest expense	(1,982)	(1,905)
Net FX losses	(34)	-
Bank expenses	(2)	-
Finance costs	**(2,018)**	**(1,905)**
Net finance costs recognised in profit or loss	**(2,017)**	**(1,811)**

7. Property, plant and equipment

	Land	Buildings	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
Cost									
At 1 January 2022	772	1,024	2,429	189	4	2	2	23	4,445
At 31 December 2022	772	1,024	2,429	189	4	2	2	23	4,445
At 31 December 2023	772	1,024	2,429	189	4	2	2	23	4,445
Depreciation and impairment loss									
Balance at 1 January 2022	484	1,024	2,429	188	4	1	2	23	4,155
Depreciation for the period	-	-	-	-	-	-	-	-	-
Balance at 31 December 2022	484	1,024	2,429	188	4	1	2	23	4,155
Balance at 31 December 2023	484	1,024	2,429	188	4	1	2	23	4,155
Net book value									
At 31 December 2022	288	-	-	1	-	1	-	-	290
At 31 December 2023	288	-	-	1	-	1	-	-	290

7. Property, plant and equipment (continued)

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. The valuation reports of the appraiser show the following amounts for the value of land as at 31 December 2023 and 2022:

	31 December 2023 EUR'000	31 December 2022 EUR'000
Tvarditsa Biomass EOOD	46	46
Plovdiv Biomass EOOD	77	77
United Biomass EOOD	60	60
Tvarditsa PV EOOD	105	105
	288	**288**

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.

Valuation technique and significant unobservable inputs

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Market comparison technique and residual technique of valuation: 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.	• Coefficient reflecting the value of the difference between the plots owned and those used for comparison purposes (1.3-1.9).	The estimated fair value would increase (decrease) if: • The estimated coefficient reflecting the differences was higher (lower).

7. Property, plant and equipment (continued)

Measurement of fair value (continued)

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 58 thousand.

8. Intangible assets

	Development costs in progress EUR 000	Development costs EUR 000	Patents and trade marks EUR 000	Software EUR 000	Other EUR 000	Total EUR 000
Cost						
Balance at 1 January 2022	**10,298**	**10**	**622**	**5**	**4**	**10,939**
Balance at 31 December 2022	**10,298**	**10**	**622**	**5**	**4**	**10,939**
Balance at 31 December 2023	**10,298**	**10**	**622**	**5**	**4**	**10,939**
Amortisation and impairment						
Balance at 1 January 2022	**10,298**	**10**	**622**	**5**	**1**	**10,936**
Amortisation for the period	-	-	-	-	1	1
Balance at 31 December 2022	**10,298**	**10**	**622**	**5**	**2**	**10,937**
Amortisation for the period	-	-	-	-	1	1
Balance at 31 December 2023	**10,298**	**10**	**622**	**5**	**3**	**10,938**
Net book value						
At 1 January 2022	-	-	-	-	3	3
At 31 December 2022	-	-	-	-	2	2
At 31 December 2023	-	-	-	-	1	1

Development costs in progress represented licences, contracts, permits, designs, etc. related to development phase of the three projects for construction and operation of pelletization plants in Tvarditsa Biomass EOOD, Plovdiv Biomass EOOD and Tvarditsa PV EOOD.

Based on the Management's decision, the development costs in progress have been fully impaired in 2021.

Impairment testing for CGUs containing goodwill

As at 31 December 2023 and 2022 the Group performed a test for impairment based on the best estimates and judgments of the Management. It is determined that no additional impairment is needed.

9. 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:

In thousands of EUR	**Acquisition date**	**Goodwill recognized at acquisition**	**Goodwill as at 31 December 2023**	**Goodwill as at 31 December 2022**
Heat Biomass EOOD	30 November 2012	1,221	-	-
Karlovo Biomass EOOD	30 November 2012	825	-	-
Nova Zagora Biomass EOOD	30 November 2012	185	-	-
United Biomass EOOD	30 November 2012	103	-	-
Tvarditsa Biomass EOOD	30 November 2012	411	-	-
Eqtec Iberia SL	30 November 2012	76	-	-
Winttec SGPS SA (former TNL SGPS)	1 August 2014	1,915	-	-
Eqtec plc	7 February 2017	3,461	-	-
Citytainer Brasil Soluções Ambientais Ltd	3 May 2017	778	-	-
PetrolProm Bulgaria EOOD	3 June 2019	627	-	-
Total		**9,602**	-	-

On 17.02.2023, pursuant to a Contract for Assignment of Receivables (cession), ATZ Project EOOD acquired all receivables of United Bulgarian Bank AD towards Akiles Corporation SE (in its capacity of co-debtor) arising from the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016. The value of the receivables in relation to the Bank loan agreement and the additional annexes thereto amounts to EUR 5,019,687. The assigned claim has passed from United Bulgarian Bank AD to the new creditor along with its privileges, securities and other accessories, including accrued interest.

Pursuant to Preliminary Agreement for sale of the Company's shares, as well as sale of receivables dated 07.04.2023, Akiles has transferred to a third party (indicated by the new creditor under the Cession contract dated 17.02.2023), the Company's shares from the capital of Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD.

According to the Preliminary Agreement dated 07.04.2023, the new creditor, as the holder of the receivables under the Cession contract dated 17.02.2023, has undertaken to discharge the obligations of Akiles Corporation SE under the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016, as a counter performance related to the transfer of the Company's shares from the capital of Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD and in connection with the reciprocal obligation to transfer all the receivables to Akiles towards these subsidiaries.

On 13.04.2023, through a Contract for Assignment of Receivables (Cession), ATZ Project EOOD sold to new party Energowind EOOD all receivables from Karlovo Biomass EOOD (as the principal debtor) and Akiles Corporation SE, Heat Biomass EOOD and Biomass Distribution EOOD (as co-debtors) arising from the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016.

On 29.06.2023 Energowind EOOD, in its capacity as the ultimate assignee and current holder of the receivables mentioned above, has agreed to cancel all the obligations of Akiles Corporation SE amounting to EUR 5,019,687 against these receivables. As a result Akiles Corporation SE does not have any liability regarding UBB debt after this transaction.

9. Acquisitions and disposals of subsidiaries (continued)

9.1 Disposal of Karlovo Biomass EOOD

The effect of the disposal of Karlovo Biomass EOOD is described below:

in thousand EUR		Disposal of Karlovo Biomass EOOD
Fair value of consideration paid		-
Fair value of investment retained		-
Less share of consolidated carrying value at the date control is lost		
Net assets	(19,326)	
Liabilities and loans to Parent	13,863	
		5,463
Group gain on disposal		5,463

9.2 Disposal of Heat Biomass EOOD

The effect of the disposal of Heat Biomass EOOD is described below:

in thousand EUR		Disposal of Heat Biomass EOOD
Fair value of consideration paid		-
Fair value of investment retained		-
Less share of consolidated carrying value at the date control is lost		
Net assets	(3,439)	
Liabilities and loans to Parent	3,433	
		6
Group gain on disposal		6

9.3 Disposal of Biomass Distribution EOOD

The effect of the disposal of Biomass Distribution EOOD is described below:

in thousand EUR		Disposal of Biomass Distribution EOOD
Fair value of consideration paid		-
Fair value of investment retained		-
Less share of consolidated carrying value at the date control is lost		
Net assets	(6,708)	
Liabilities and loans to Parent	6,317	
		391
Group gain on disposal		391

10. Trade and other receivables

	Note	31.12.2023 EUR'000	31.12.2022 EUR'000
Trade and other receivables from related parties	19	43	43
Trade receivables from clients		3	2
		46	**45**

11. Cash at bank and in hand

	31.12.2023 EUR'000	31.12.2022 EUR'000
Cash at bank	25	1
	25	**1**

12. Capital and capital reserves

12.1. 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 2023 and 2022 the Company has issued 27,367,811 ordinary shares with a nominal value of EUR 1 (BGN 1.96) each.

12.2. Treasury shares reserve

The share premium/discount from the purchase price of own treasury shares is included in the Share premium reserve.

As at 31 December 2023 the Group held 2,996,176 own treasury shares with nominal value EUR 1 (31.12.2022: 4,411,560 own treasury shares with nominal value EUR 1) at total amount of EUR 2,996 thousand (31.12.2022: EUR 4,412 thousand).

12.3 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.

13. Loss per share

Basic loss per share

The calculation of basic loss per share (LPS) at 31 December 2023 (31 December 2022) is based on the profit attributable to ordinary shareholders of EUR 3,564 thousand (31 December 2022: loss of EUR 2,025 thousand), and a weighted average number of ordinary shares outstanding of 23,163 thousand (31 December 2022: 22,956 thousand), calculated as follows:

(i) Loss attributable to ordinary shareholders (basic)

In thousands of EUR	2023	2022
Profit / (Loss) for the period	3,564	(2,025)
Profit / (Loss) attributable to ordinary shareholders	**3,564**	**(2,025)**

13. Loss per share (continued)

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

In thousands of shares	31.12.2023	31.12.2022
Issued ordinary shares at 1 January	27,368	27,368
Effect from repurchased treasury shares	(4,205)	(4,412)
Weighted average number of ordinary shares at 31 December	23,163	22,956
Profit / (Loss) per share (EUR)	0.15	(0.09)

Diluted loss per share

The Group does not have dilutive potential ordinary shares in the form of bonds, convertible into shares of the Parent company or share options.

14. 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.

In thousands of EUR	*Note*	31.12.2023	31.12.2022
Current liabilities			
Unsecured corporate bonds issues	(a)	22,481	20,998
Bank loans and overdrafts	(c)	1	5,381
Loans payable to related parties	19	992	975
Loans payable to third parties	(b)	3,349	3,134
Total		**26,823**	20,998

(a) Corporate bonds issue

In thousands of EUR	
Carrying amount of liability at 1 January 2022	**19,769**
Accrued interest	1,241
Net FX loss on GBP bonds during the period	(12)
Carrying amount of liability at 31 December 2022	**20,998**
Accrued interest	1,701
Net FX loss on GBP bonds during the period	4
Other movements	(222)
Carrying amount of liability at 31 December 2023	**22,481**

As at 31 December 2023 interest payments for the total amount of EUR 7,981 thousand, which fell due in 2018, 2019, 2020, 2021, 2022 and 2023 and the repayment of the principles of all the bond emissions for the amount of EUR 14,500 thousand which were due on 18 June 2020, 22 December 2020, 20 April 2021 and 2 June 2022 respectively have not been paid and are considered overdue.

The bondholders have negotiated disposal of their receivables with principle in the amount of EUR 10,500 to a third party. The transaction is subject to conditions precedent including resumption of trading of the Company's shares on the BME Growth market with a long stop date 21st July 2024. As of the date of issuance of these financial statements the Company's share have not resumpted trading on the BME Growth market and the Transaction is in process of renegotiating. At present an investment fund specialized in debt restructuring is currently negotiating with the two principal bondholders and expects the settlement agreement to be reached in the foreseeable future again subject to resumption of trading of the Company's shares on the BME Growth market and the completion of the transaction for share capital increase from Tesla Global SA.

14. Loans and borrowings (continued)

(a) Corporate bonds issue (continued)

The overdue payments are subject to renegotiations which is conditional upon the intended transaction for share capital increase from Tesla Group SA.

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 was 18 June 2020 and maturity dates of the coupon payments were as follows: 18 June 2016, 18 June 2017, 18 June 2018, 18 June 2019 and 18 June 2020.

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 was 22 December 2020 and maturity dates of the coupon payments were 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 was 20 April 2021 and maturity dates of the coupon payments were as follows: 20 April 2017, 20 April 2018, 20 April 2019, 20 April 2020 and 20 April 2021.

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 was 20 April 2021 and maturity dates of the coupon payments were as follows: 20 April 2017, 20 April 2018, 20 April 2019, 20 April 2020 and 20 April 2021.

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 was 2 June 2022 and maturity dates of the coupon payments were 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 31 December 2023 and 2022 the bonds are not traded.

(b) Loans payable to third parties

As at 31 December 2023 the Group's main credit funding granted by third parties included the following agreements:

- EUR 1,050 thousand received on 28 February 2018. The interest rate on the loan is 5% and the loan is repayable 1 year after its receipt. The accumulated interest and other accrued expenses amount to EUR 630 thousand.
- EUR 1,000 thousand received on 26 March 2018. The interest rate on the loan is 5% and the loan is repayable 1 year after its receipt. The accumulated interest and other accrued expenses amount to EUR 292 thousand.

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 this contract has not been repaid as at the date of these financial statements and are considered overdue.

On 12.07.2023 through a cession agreement, the liabilities under the Bank loan received from BBVA at the total amount of EUR 377 thousand as of 31 December 2023 have been transferred to Promontoria Poseidon DAC. Therefore, as at 31 December 2023 the Group of Akiles classifies these liabilities under the "Loans payable to third parties" category. The accumulated interest amounts to EUR 21 thousand.

14. Loans and borrowings (continued)

(c) Bank loans

Bank loans structure as at 31 December 2023 and 2022 is, as follows:

Bank	Borrower	Interest rate	Balance 31.12.2023 EUR'000	Balance 31.12.2022 EUR'000	Maturity
UBB AD	Karlovo Biomass EOOD	3M EURIBOR + 6,00%	-	4,959	Payable on demand payable on demand
BBVA	Akiles Corporation SE	2,00%	-	374	Payable on demand
GPM – overdraft	Akiles Corporation SE	n/a	-	9	Payable on demand
Sabadel – credit card	Akiles Corporation SE	n/a	-	13	Payable on demand
Other overdrafts	Akiles Corporation SE	n/a	1	26	
TOTAL BANK LOANS			**1**	**5,381**	

15. Trade and other payables

	Note	31.12.2023 EUR'000	31.12.2022 EUR'000
Payables to related parties	19	1,196	1,149
Payables to suppliers		2,837	3,065
Payables to employees		698	601
Tax and contributions liabilities		228	187
Other payables		25	87
		4,984	**5,089**

The payables to suppliers include the liability towards the seller of the shares of PetrolProm Bulgaria OOD which will be settled through transfer of 540,000 shares at nominal value EUR 1 each share from the capital of Akiles Corporation SE.

Payables to suppliers and to employees amounting to EUR 2,060 thousand and EUR 676 thousand respectively have been agreed to be settled through debt conversion agreements to convert these liabilities into newly emitted shares. All debt conversions are subject to accomplishment of capital increase of Akiles's capital and reverse takeover of the whole capital of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365, where the current shareholders of Tesla Global SE will subscribe newly emitted shares from the capital of Akiles. If the above reverse takeover is not completed, this agreement shall not be deemed valid.

16. Taxation

Under the current provisions of Bulgarian Corporate Income Tax Act, a company may use its accumulated loss with restriction of five years in the time period to reduce the income tax it would otherwise have to pay on future taxable income. The Group has not recognized deferred tax assets in relation to accumulated tax losses because of the uncertainty that it would recognize future taxable income.

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

In thousands of EUR	Assets 2023	Assets 2022	Liabilities 2023	Liabilities 2022	Net 2023	Net 2022
Land and developments costs	-	-	7	7	7	7
Tax (assets) / liabilities	**-**	**-**	**7**	**7**	**7**	**7**

Movement in deferred tax balances

In thousands of EUR	Balance 1 January 2022	Recognized in profit or loss	Balance 31 December 2022	Recognized in profit or loss	Balance 31 December 2023
Land and developments costs	7	-	7	-	7
	7	**-**	**7**	**-**	**7**

17. Financial instruments

Accounting classifications and fair values

The following tables shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value since their carrying amount is considered to be a reasonable approximation of the fair value.

31 December 2023

In thousands of EUR	Note	FVTPL	Financial assets at amortised cost	Other financial liabilities at amortised cost	Total	Fair value
Financial assets not measured at fair value						
Loans provided	19	-	17	-	17	
Trade receivables	10, 19	-	46	-	46	
Cash and cash equivalents	11	-	25	-	25	
		-	**88**	**-**	**88**	
Financial liabilities measured at fair value						
Own shares lent by Elektra Holding AD	19	620	-	-	620	Level 1
		620	**-**	**-**	**620**	
Financial liabilities not measured at fair value						
Loans and borrowings	14, 19	-	-	(26,823)	(26,823)	
Trade payables	15, 19	-	-	(4,033)	(4,033)	
		-	**-**	**(30,856)**	**(30,856)**	

17. Financial instruments (continued)

Accounting classifications and fair values (continued)

31 December 2022

In thousands of EUR	**Note**	**FVTPL**	**Financial assets at amortised cost**	**Other financial liabilities at amortised cost**	**Total**	**Fair value**
Financial assets not measured at fair value						
Loans provided	19	-	16	-	16	
Trade receivables	10, 19	-	45	-	45	
Cash and cash equivalents	11	-	1	-	1	
		-	**62**	**-**	**62**	
Financial liabilities measured at fair value						
Own shares lent by Elektra Holding AD	19	620	-	-	620	Level 1
		620	**-**	**-**	**620**	
Financial liabilities not measured at fair value						
Loans and borrowings	14, 19	-	-	(30,488)	(30,488)	
Trade payables	15, 19	-	-	(4,215)	(4,215)	
		-	**-**	**(34,703)**	**(34,703)**	

Overview

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

- credit risk
- liquidity risk
- market risk

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

Risk management framework

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

(a) Credit risk

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

The carrying amount of Group's financial assets represent the maximum exposure to credit risk.

17. Financial instruments (continued)

Risk management framework (continued)

(a) Credit risk (continued)

Trade receivables and loans provided

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The maximum exposure to credit risk for trade receivables and loans provided at the reporting date was as follows:

	Note	31.12.2023 EUR'000	31.12.2022 EUR'000
Loans provided to related parties	19	17	16
Trade receivables from related parties	19	43	43
Trade receivables from third parties	10	3	2
		63	**61**

Cash and cash equivalents

The Group held cash and cash equivalents of EUR 25 thousand at 31 December 2023 (31 December 2022: EUR 1 thousand).

The estimated impairment on cash and cash equivalents was calculated based on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

(b) Liquidity risk

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

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements as at 31 December 2023:

In thousands of EUR	Note	Carrying amount	Contractual cash flows	1 year or less	1-2 years	2-5 years
Non-derivative financial liabilities						
Corporate bonds issued	14	22,481	22,481	22,481	-	-
Bank loans and overdrafts	14	1	1	1	-	-
Loans payable to related parties	19	992	992	992	-	-
Loans payable to third parties	14	3,349	3,349	3,349	-	-
Trade payables to related parties	19	1,196	1,196	1,196	-	-
Trade payables to third parties	15	2,837	2,837	2,837	-	-
		30,856	**30,856**	**30,856**	**-**	**-**

17. Financial instruments (continued)

Risk management framework (continued)

(b) Liquidity risk (continued)

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements as at 31 December 2022:

In thousands of EUR	Note	Carrying amount	Contractual cash flows	1 year or less	1-2 years	2-5 years
Non-derivative financial liabilities						
Corporate bonds issued	14	20,998	20,998	20,998	-	-
Bank loans and overdrafts	14	5,381	5,381	5,381	-	-
Loans payable to related parties	19	975	975	975	-	-
Loans payable to third parties	14	3,134	3,134	3,134	-	-
Trade payables to related parties	19	1,149	1,149	1,149	-	-
Trade payables to third parties	15	3,065	3,065	3,065	-	-
		34,703	**34,703**	**33,703**	-	-

(c) Market risk

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

Currency risk

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than BGN. The majority of the Company's transactions are denominated in EUR and the BGN is pegged to the EUR. Some transactions, including one of the bonds emissions (see note 14) are denominated in GBP.

Interest rate risk

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

31 December 2023	**Fixed interest rate EUR'000**	**Variable interest rate EUR'000**	**Interest-free EUR'000**	**Total EUR'000**
Financial assets				
Loans provided	-	-	17	17
Trade and other receivables	-	-	46	46
Cash and cash equivalents	-	-	25	25
Financial liabilities				
Loans and borrowings	4,342	22,481	-	26,823
Trade and other payables	-	-	4,033	4,033

31 December 2022	Fixed interest rate EUR'000	Variable interest rate EUR'000	Interest-free EUR'000	Total EUR'000
Financial assets				
Loans provided	-	-	16	16
Trade and other receivables	-	-	45	45
Cash and cash equivalents	-	-	1	1
Financial liabilities				
Loans and borrowings	4,531	25,957	-	30,488
Trade and other payables	-	-	4,215	4,215

(d) Capital management

The Management's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. There were no changes in the Group's approach to capital management during the year.

(e) Fair value of financial assets and liabilities

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

18. Segment reporting

No operating segments have been identified that are subject to disclosure in accordance with the requirements of IFRS 8 Operating Segments.

19. Related party transactions and balances

Related parties are as follows:

Related party	Relationship
Southeimer LLC, Spain	Ultimate parent
Elektra Holding AD, Bulgaria	Parent of Akiles Corporation SE
Epsion Resorts AD	Under common control, controlled by Elektra Holding AD
Levi Capital EOOD	Under common control, controlled by Elektra Holding AD
Luxur PV EOOD	Under common control, controlled by Elektra Holding AD
Bul PV EOOD	Under common control, controlled by Elektra Holding AD
Bul Biomass EOOD	Under common control, controlled by Elektra Holding AD
Smolyan Biomass EOOD	Under common control, controlled by Elektra Holding AD
Titan Power OOD	Under common control, controlled by Elektra Holding AD
Eco El Invest OOD	Under common control, controlled by Elektra Holding AD

Directors

The Executive Director of Akiles Corporation SE is Jose Oscar Leiva Mendez.

Non-executive Directors of Akiles Corporation SE as if 31 December 2023 and 2022 are Carlos Cuervo Arango Martinez, Juan Molins Monteys and Onofre Servera Andreu.

The remuneration accrued in favour of the key management personnel for 2023 amounts to EUR 97 thousand (2022: EUR 97 thousand).

19. Related party transactions and balances (continued)

Balances with related parties

In thousands of EUR	Balance outstanding as at			
	31.12.2023		**31.12.2022**	
	Receivables	Payables	Receivables	Payables
Elektra Holding AD	-	(620)	-	(620)
Eqtec PLC	-	(10)	-	(70)
Eqtec Iberia	-	(1)	-	(11)
Directors	37	(565)	37	(448)
Close family members of the management	6	-	6	-
	43	**(1,196)**	**43**	**(1,149)**

The amount of EUR 620 thousand payable to Elektra Holding AD (31.12.2022: EUR 620 thousand) is related to share lending agreements signed between the parties where Elektra has effectively lent 5,488,000 shares (31.12.2022: 5,488,000 shares) to Akiles which were either sold by Akiles or used for the purpose of repayment of its loan liabilities. The liability to Elektra is measured based on the number of shares effectively lent and with reference to the market price of the shares at BME Growth as at 31 December 2023 – 0.113 EUR per share (31 December 2022 – 0.113 EUR per share). Nevertheless, according to the signed share lending agreements 5 488 000 should be transferred back to Elektra Holding AD.

Loans provided to related parties

In thousands of EUR

	Balance outstanding as at	
Receivables from:	**31.12.2023**	**31.12.2022**
Employees, management and other close family members	17	16
Total loans provided to related parties	**17**	**16**

Loans due to related parties

In thousands of EUR

	Balance outstanding as at	
Payables to:	**31.12.2023**	**31.12.2022**
Elektra Holding AD	768	757
Close family members of the management	224	218
Total loans due to related parties	**992**	**975**

Transactions with related parties

In thousands of EUR	**Description**	**For the period ended 31.12.2023**	**For the period ended 31.12.2022**
Elektra Holding AD – interest accrued	Loans	24	24
Close family members – interest accrued	Loans	7	7

20. Commitments and contingent liabilities

As of the end of 2022 Akiles Corporation SE, Heat Biomass EOOD and Biomass Distribution EOOD were 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 31 December 2022 the outstanding liability to this loan is EUR 4,959 thousand. As at 31 December 2022 the outstanding principal to this loan is EUR 3,696 thousand. Akiles Corporation had stopped paying the instalments due and on 26.02.2020.

On 17.02.2023, pursuant to a Contract for Assignment of Receivables (cession), ATZ Project EOOD acquired all receivables of United Bulgarian Bank AD towards Akiles Corporation SE (in its capacity of co-debtor) arising from the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016. The value of the receivables in relation to the Bank loan agreement and the additional annexes thereto amounts to EUR 5,019,687. The assigned claim has passed from United Bulgarian Bank AD to the new creditor along with its privileges, securities and other accessories, including accrued interest.

Pursuant to Preliminary Agreement for sale of the Company's shares, as well as sale of receivables dated 07.04.2023, Akiles has transferred to a third party (indicated by the new creditor under the Cession contract dated 17.02.2023), the Company's shares from the capital of Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD.

According to the Preliminary Agreement dated 07.04.2023, the new creditor, as the holder of the receivables under the Cession contract dated 17.02.2023, has undertaken to discharge the obligations of Akiles Corporation SE under the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016, as a counter performance related to the transfer of the Company's shares from the capital of Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD and in connection with the reciprocal obligation to transfer all the receivables to Akiles towards these subsidiaries.

On 13.04.2023, through a Contract for Assignment of Receivables (Cession), ATZ Project EOOD sold to new party Energowind EOOD all receivables from Karlovo Biomass EOOD (as the principal debtor) and Akiles Corporation SE, Heat Biomass EOOD and Biomass Distribution EOOD (as co-debtors) arising from the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016.

On 29.06.2023 Energowind EOOD, in its capacity as the ultimate assignee and current holder of the receivables mentioned above, has agreed to cancel all the obligations of Akiles Corporation SE amounting to EUR 5,019,687 against these receivables. As a result Akiles Corporation SE does not have any liability regarding UBB debt after this transaction.

The Group has no other commitments or contingent liabilities as at 31 December 2023 and 2022.

21. Events after the reporting period end

On 15.04.2024 an extraordinary General Meeting of the shareholders was held and the decisions taken were inscribed in the Bulgarian Trade Register on 24.04.2024. Among the most important decisions taken are the following:

- the name of the company is changed to Tesla Energy Storage SE
- the new Board of Directors will consist of Oscar Leiva Mendez, Juan Molins Monteys, Dusan Lichardus, Horia Grigorescu and Johannes Antonie Marius Marijnen
- Adoption of resolution for delegation to the Board of Directors of „AKILES CORPORATION" SE to accomplish increase of the Company's registered capital, on the grounds of art. 196 of the Commerce Act, by emitting new shares, up to a maximum nominal amount of € 450'000'000
- The capital of the Company will be increased predominantly by way of contribution in kind of all the shares from the capital of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365 subject to the approval of the shareholders of Tesla Global SE and Akiles Corporation SE.

The future business activity of the Company is subject to the successful completion of in kind contribution of the shares of the capital of Tesla Global SE. This will enable the Company to focus on and further expand the key activity of Tesla Global SE which is the production and sale of battery storage units using the highest-quality liquid-cooled battery modules. The factory designing, engineering, and assembling the battery storage units is located in Slovakia and historically is known for its huge expertise in the field of energy. The company is initiating the construction of the first Gigafactory in Europe (Romania) for 4GW/year of Battery Energy Storage Solutions.

In 2024, following the resolution of the extraordinary General Meeting to convert Group's payables in the amount of EUR 11,4 mln. into shares through an in-kind contribution, the Company signed debt conversion agreements with all creditors. The conversions are subject to the successful completion of the in-kind contribution of the shares of Tesla Global SE. The most significant payables subject to the conversion are as follows:

- An agreement dated 11 April 2024 whereby EF FACET BALANCED DISCRETIONARY PORTFOLIO FUND agrees to exchange its payable amounting to EUR 546 thousand against 546,459 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.
- An agreement dated 11 April 2024 whereby EF FACET CAUTIOUS DISCRETIONARY PORTFOLIO FUND agrees to exchange its payable amounting to EUR 911 thousand against 910 766 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.
- An agreement dated 10 April 2024 whereby BTC DOCE S.à.r.l agrees to exchange its payable amounting to EUR 1 680 thousand against 1 680 000 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.
- An agreement dated 14 April 2024 whereby Arrizabal Elkartea SL agrees to exchange its payable amounting to EUR 419 thousand against 419 147 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.

After the reporting date Tesla Global SE acquired shares of the parent Company and as a result as of the date of the above-mentioned Ordinary Shareholders meeting owns 2 338 461 shares which represents 8,54% from the total issued shares issued less treasury own shares and 9,6% from the total shares issued. Thus, the shareholding of Tesla Global SE exceeds the shareholding of the parent company Elektra Holding AD. Tesla Global SE presented during the last Ordinary Shareholders Meeting and the decisions stated above have been voted by them.

21. Events after the reporting period end (continued)

On 05 June 2024 an agreement was signed with Tsvetomir Toshev Yordanov, according to which the liability to the seller related to the shares acquired in Petrolprom Bulgaria OOD will no longer be settled through the transfer of 540,000 shares, but through monetary payment of 540 000 euro payable within 8 months as of signing of this agreement - until 05 February 2025.

On 06 June 2024 the Group signed Sales purchase agreement for disposal of 50.43% of the share capital of PetrolProm Bulgaria OOD. The transfer of ownership was registered under the company's file in the Bulgarian Trade Registry on 13 June 2024.

On 06 June 2024 the Group reached an agreement with PROMONTORIA POSEIDON DAC for settlement of the remaining debt in 12 monthly instalments of EUR 24 thousand, starting from July 2024 to June 2025.

On 16 July 2024 following an ordinary General Meeting of the shareholders held on 25 June 2024 the scope of activity of the parent company had changed in the Trade Registry to include Production and assembly of battery energy storage systems ("BESS"), including component manufacturing and end product assembly and other services related to BESS projects.

There are no other significant events, adjusting or non-adjusting, which have a bearing on the understanding of the separate financial statements of the Group.

22. Basis of measurement

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

The consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU.

23. Significant accounting policies

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

Basis for consolidation

(I) Business combinations

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

(II) Non-controlling interests

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

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

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

23. Significant accounting policies (continued)

(iii) Subsidiaries

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

(iv) Loss of control

On the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, depending on the level of influence retained, it is accounted for as an equity-accounted investee or as a financial asset in accordance with IFRS 9 *Financial instruments.*

(v) Transactions eliminated on consolidation

Intra-group balances arising from intra-group transactions should be eliminated.

(vi) Acquisitions from entities under common control

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

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

(vii) Provisional acquisition accounting

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

Investments in associates

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

23. Significant accounting policies (continued)

Investments in associates (continued)

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

Revenue from contracts with customers

Information about the Group's accounting policies relating to contracts with customers is provided in Note 4.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The key operating decision maker has determined two operating segments for reporting purposes - construction, management and operation of biomass power plants and pelletization plants and sale and management of waste collection systems.

Finance income and finance costs

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

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

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

Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Group's entities are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The functional currency of the parent and all the subsidiaries in the Group is BGN. The consolidated financial statements are presented in thousands of EUR, which is the Group's presentation currency.

(ii) Transactions and balances

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

23. Significant accounting policies (continued)

(iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency at the exchange rate of EUR to BGN of 1/1.95583, as the Bulgarian lev (BGN) is pegged to the euro (EUR).

Tax

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

Deferred tax is not recognised for:

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

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

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

Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is represented as if the operation had been discontinued from the start of the comparative year.

23. Significant accounting policies (continued)

Assets classified as held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated to assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, investment property, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss. Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

Property, plant and equipment

Property, plant and equipment are initially measured at cost. After initial recognition, property, plant and equipment except land is carried at cost less accumulated depreciation and any accumulated impairment losses.

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

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

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

Depreciation

Depreciation commences when the assets are ready for their intended use. Depreciation is calculated using the most appropriate depreciation method - on a straight-line basis or based on the hours in use (for the palletization installation) so as to write off the cost of each asset to its residual value over its estimated useful life. Land is not depreciated. The estimated useful lives of other property, plant and equipment are as follows:

Buildings	5-50 years
Equipment	4-14 years
Furniture	10 years
Computers	2-5 years
Motor vehicles	4-6 years
Heat boilers	15-20 years
Power plants	12-20 years
Pelletization installation	175,200 machine hours

The residual values and useful lives of the assets are reviewed, and adjusted if appropriate, at each reporting date. Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

23. Significant accounting policies (continued)

Property, plant and equipment (continued)

Subsequent costs

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

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

Intangible assets and goodwill

Goodwill

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

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

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

Development costs

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

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

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

23. Significant accounting policies (continued)

Intangible assets and goodwill (continued)

Amortisation

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

Patents and trademarks	5-20 years
Development costs	5 years
Computer software	3 years

Amortization of the development costs in progress will start when the projects are finalised and the production commences.

Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition, are included at cost of acquisition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Financial instruments

(i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

23. Significant accounting policies (continued)

Financial instruments (continued)

(ii) Classification and subsequent measurement financial assets (continued)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Groups' continuing recognition of the assets.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

23. Significant accounting policies (continued)

Financial instruments (continued)

(ii) Classification and subsequent measurement financial assets (continued)

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest (continued)

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual per amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and losses

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss, except for derivatives designated as hedging instruments for which hedge accounting is applied.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

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

23. Significant accounting policies (continued)

Financial instruments (continued)

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Impairment

(i) Non-financial assets

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

(ii) Financial assets

The Group recognises loss allowances for ECLs on its financial assets measured at amortised cost, debt investments measured at FVOCI; and contract assets.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

23. Significant accounting policies (continued)

Financial instruments (continued)

Impairment (continued)

(ii) Financial assets (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 365 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

23. Significant accounting policies (continued)

Financial instruments (continued)

Impairment (continued)

(ii) Financial assets (continued)

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Provisions

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

Employee benefits

(i) Defined contribution plans

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

(ii) Defined benefit plan

According to Bulgarian Labour Code at the time when employees acquire pension rights, the company owes 2 monthly salaries for employees with less than 10 years, or 6 monthly salaries to them, in case the employees have worked for the same company for more than 10 years before pensioning. The Group's obligation in respect of this defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and that amount is discounted. The calculation is performed annually based on the projected unit credit method. Except for Bulgaria under the foreign jurisdictions where the Group operates there are no obligations to pay future additional remuneration for the employees, when they reach retirement age.

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

23. Significant accounting policies (continued)

Employee benefits (continued)

(ii) Defined benefit plan (continued)

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

(iii) Short-term employee benefits

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

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

Share capital

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

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

Treasury shares reserve

The parent Company has selected to present treasury shares within equity as a separate line item Treasury shares *reserve.*

24. New standards and interpretations not yet adopted

New standards, effective from 1 January 2023

The Group has adopted the following new standards, amendments and interpretations to IFRS, issued by the International Accounting Standards Board (IASB) which are mandatory for application from the annual period beginning on 1 January 2023, but have no material effect on the Group`s financial result and financial position:

- IFRS 17 Insurance Contracts, (including changes in IFRS 17 from June 2020 and December 2021)
- Amendments to IAS 1 Presentation of Financial Statements and Practice Standard 2 Material Judgements
- Amendments to IAS 12 Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 Income Taxes – International Tax Reform – Pillar Two
- Amendments to IAS 8 Changes in Accounting Policies, Changes in Estimates and Errors

Standards, amendments and interpretations that are not yet effective and have not been adopted early by the Group

As of the date of approval for the issuance of these financial statements, new standards, amendments and interpretations have been issued but are not yet effective or not adopted by the EU for annual periods beginning on 1 January 2023 and have not been adopted early by the Group. Management expects all standards and amendments to be adopted in the Group's accounting policy for the first period beginning after the date of their adoption.

24. New standards and interpretations not yet adopted (continued)

The changes relate to the following standards:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current and Non-current, effective from 1 January 2024, not yet adopted by the EU
- Amendments to IFRS 16 Leases: Leaseback obligation on sale and leaseback, effective from 1 January 2024, adopted by the EU
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements, effective from 1 January 2024, not yet adopted by the EU
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability, effective from 1 January 2025, not yet adopted by the EU

AKILES CORPORATION SE

SEPARATE FINANCIAL STATEMENTS
For the year ended 31 December 2023

CONTENTS

DIRECTORS AND OTHER OFFICERS

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Legal Consultant

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Attorney-at-law

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Banks

BNP Paribas Securities Services, Spain
Gestion de Patrimonios Mobiliarios Sociedad de Valores, S.A., Spain
Andbank, Spain

Auditor

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

AKILES CORPORATION SE

DIRECTOR'S REPORT

The Board of Directors presents its separate report on the activities of AKILES CORPORATION SE (the Company) for the period ended 31.12.2023.

Incorporation and principal activities

Akiles Corporation SE (the" Company") is a joint stock company registered in Sofia, Bulgaria with UIC: 202356513. It was incorporated on 7 January 2011.

On 6 November 2019 the share capital of the Company was increased from EUR 20,918 thousand to EUR 27,368 thousand through 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, which receivables from the Company originate from a Bond Conversion Agreement dated 10.07.2019 and are at the amount of EUR 1,850 thousand and which receivables the Company is obligated to pay by issuance and allotment in favour 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, 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 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 EUR 4,500 thousand and which receivables the Company is obligated to pay by issuance and allotment in favour 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, 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, 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 EUR 100 thousand and which receivables the Company is obligated to pay by issuance and allotment in favour of Stanislav Raynov Novakov 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.

On 3 April 2020 the Executive Director of Akiles Corporation terminated unilaterally and on the grounds of art. 306, para. 5 of the Bulgarian Commerce Act, due to continuous period of force-majeure and objective negative economic factors, the Shareholders Agreement which Akiles had signed with Stanislav Novakov for acquisition of 50% of the registered capital of HM Hotels JSC. As a result of this unilateral termination of the contractual relations with Stanislav Novakov, Akiles returned to him the ownership over 50% of the shares capital of HM Hotels JSC.

The Company's shares are registered for public trading on BME Growth (Madrin, Spain), however no trading is observed since November 2020 as the instruments are suspended from trading. The Company is considered a public interest entity.

Akiles Corporation SE went through an insolvency procedure that as of the reporting date is terminated taking place between November 2020 until March 2022.

It was initiated by the Company itself acting as an insolvent debtor on 11th of November 2020 at the Sofia City Court. In December 2020 UBB filed another petition for opening of insolvency proceedings against the Company which suspended the initial one filed. In February 2021 a third petition for opening of insolvency procedure against the Company was filed by EF Facet Discretionary Portfolios, another creditor of the Company which was adjoined to the insolvency petition of UBB and thus a uniform legal process with two pretending creditors was in progress.

Based on out-of-court settlement agreement, reached between the Company and UBB on 16.02.2022, the legal procedure for opening of bankruptcy against Tesla Energy Storage SE was terminated with explicit ruling of the Sofia City Court 15.03.2022. Few days earlier also the insolvency procedure, opened by request of the Company itself as well as of EF Facet Discretionary Portfolios was terminated.

On 17.02.2023, pursuant to a Contract for Assignment of Receivables (cession), ATZ Project EOOD acquired all receivables of United Bulgarian Bank AD towards Akiles Corporation SE (in its capacity of co-debtor) arising from the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016.

The value of the receivables in relation to the Bank loan agreement and the additional annexes thereto amounts to EUR 5,019,687. The assigned claim has passed from United Bulgarian Bank AD to the new creditor along with its privileges, securities and other accessories, including accrued interest.

Pursuant to Preliminary Agreement for sale of the Company's shares, as well as sale of receivables dated 07.04.2023, Akiles has transferred to a third party (indicated by the new creditor under the Cession contract dated 17.02.2023), the Company's shares from the capital of Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD.

According to the Preliminary Agreement dated 07.04.2023, the new creditor, as the holder of the receivables under the Cession contract dated 17.02.2023, has undertaken to discharge the obligations of Akiles Corporation SE under the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016, as a counterperformance related to the transfer of the Company's shares from the capital of Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD and in connection with the reciprocal obligation to transfer all the receivables to Akiles towards these subsidiaries.

On 13.04.2023, through a Contract for Assignment of Receivables (Cession), ATZ Project EOOD sold to new party Energowind EOOD all receivables from Karlovo Biomass EOOD (as the principal debtor) and Akiles Corporation SE, Heat Biomass EOOD and Biomass Distribution EOOD (as co-debtors) arising from the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016.

On 29.06.2023 Energowind EOOD, in its capacity as the ultimate assignee and current holder of the receivables mentioned above, has agreed to cancel all the obligations of Akiles Corporation SE amounting to EUR 5,019,687 against these receivables. As a result Akiles Corporation SE does not have any liability regarding UBB debt after this transaction.

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 principal business activities and is preparing an in-kind contribution of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365. As a result the Company will focus on the production and sale of battery storage battery units. The in kind contribution is expected to be finalized in 2024 and is subject to the approval of the valuation to be prepared by nominated experts from the Bulgarian Trade Register and the Due Diligence report by the shareholders of Tesla Global SE and Akiles Corporation SE shareholders.

2. Review of current position, future developments and significant risks

The Company's development to date, financial results and position are presented in the separate financial statements. For the period ended 31.12.2023 the financial result of the Company is net loss in the amount of EUR 1 519 thousand. Net equity is a negative value amounting to EUR 31 626 thousand. As of 31 December 2023 the earnings per share are a negative value of EUR 0.07.

3. Analysis of key, financial and non-financial, performance indicators relevant to the business operations of the Group

The Company management periodically review its gearing and liquidity ratios which are indicators of financial stability.

Gearing ratio (total liabilities / total equity)

31.12.2023	31.12.2022
-1	-1

Liquidity ratio (current assets / current liabilities)

31.12.2023	31.12.2022
0	0

4. Events after the reporting period

On 15.04.2024 an extraordinary General Meeting of the shareholders was held and the decisions taken were inscribed in the Bulgarian Trade Register on 24.04.2024. Among the most important decisions taken are the following:

- the name of the company is changed to Tesla Energy Storage SE
- the new Board of Directors will consist of Oscar Leiva Mendez, Juan Molins Monteys, Dusan Lichardus, Horia Grigorescu and Johannes Antonie Marius Marijnen
- Adoption of resolution for delegation to the Board of Directors of „AKILES CORPORATION” SE to accomplish increase of the Company’s registered capital, on the grounds of art. 196 of the Commerce Act, by emitting new shares, up to a maximum nominal amount of € 450’000’000
- The capital of the Company will be increased predominantly by way of contribution in kind of all the shares from the capital of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365 subject to the approval of the shareholders of Tesla Global SE and Akiles Corporation SE.

In 2024, following the resolution of the extraordinary General Meeting to convert Group’s payables in the amount of EUR 11,4 mln. into shares through an in-kind contribution, the Company signed debt conversion agreements with all creditors. The conversions are subject to the successful completion of the in-kind contribution of the shares of Tesla Global SE. The most significant payables subject to the conversion are as follows:

- An agreement dated 11 April 2024 whereby EF FACET BALANCED DISCRETIONARY PORTFOLIO FUND agrees to exchange its payable amounting to EUR 546 thousand against 546,459 newly emitted Ordinary dematerialized shares (“the Exchanged shares) from the capital increase of “AKILES CORPORATION” SE.
- An agreement dated 11 April 2024 whereby EF FACET CAUTIOUS DISCRETIONARY PORTFOLIO FUND agrees to exchange its payable amounting to EUR 911 thousand against 910 766 newly emitted Ordinary dematerialized shares (“the Exchanged shares) from the capital increase of “AKILES CORPORATION” SE.
- An agreement dated 10 April 2024 whereby BTC DOCE S.à.r.l agrees to exchange its payable amounting to EUR 1 680 thousand against 1 680 000 newly emitted Ordinary dematerialized shares (“the Exchanged shares) from the capital increase of “AKILES CORPORATION” SE.
- An agreement dated 14 April 2024 whereby Arrizabal Elkartea SL agrees to exchange its payable amounting to EUR 419 thousand against 419 147 newly emitted Ordinary dematerialized shares (“the Exchanged shares) from the capital increase of “AKILES CORPORATION” SE.

After the reporting date Tesla Global SE acquired shares of the parent Company and as a result as of the date of the above-mentioned Ordinary Shareholders meeting owns 2 338 461 shares which represents 8,54% from the total issued shares issued less treasury own shares and 9,6% from the total shares issued. Thus, the shareholding of Tesla Global SE exceeds the shareholding of the parent company Elektra Holding AD. Tesla Global SE presented during the last Ordinary Shareholders Meeting and the decisions stated above have been voted by them.

On 05 June 2024 an agreement was signed with Tsvetomir Toshev Yordanov, according to which the liability to the seller related to the shares acquired in Petrolprom Bulgaria OOD will no longer be settled through the transfer of 540,000 shares, but through monetary payment of 540 000 euro payable within 8 months as of signing of this agreement.

On 06 June 2024 the Group signed Sales purchase agreement for disposal of 50.43% of the share capital of PetrolProm Bulgaria OOD. The transfer of ownership was registered under the company's file in the Bulgarian Trade Registry on 13 June 2024.

On 06 June 2024 the Group reached an agreement with PROMONTORIA POSEIDON DAC for settlement of the remaining debt in 12 monthly instalments of EUR 24 thousand, starting from July 2024 to June 2025.

On 16 July 2024 following an ordinary General Meeting of the shareholders held on 25 June 2024 the scope of activity of the parent company had changed in the Trade Registry to include Production and assembly of battery energy storage systems ("BESS"), including component manufacturing and end product assembly and other services related to BESS projects.

There are no other significant events, adjusting or non-adjusting, which have a bearing on the understanding of the separate financial statements of the Group.

5. Future development of the Company

The future business activity of the Company is subject to the successful completion of in kind contribution of the shares of the capital of Tesla Global SE. This will enable the Company to focus on and further expand the key activity of Tesla Global SE which is the production and sale of battery storage units using the highest-quality liquid-cooled battery modules. The factory designing, engineering, and assembling the battery storage units is located in Slovakia and historically is known for its huge expertise in the field of energy. The company is initiating the construction of the first Gigafactory in Europe (Romania) for 4GW/year of Battery Energy Storage Solutions.

6. Activities in the field of research and development

As of 31.12.2023 the Company does not have any activities in the field of research and development.

7. Information concerning acquisitions of own shares required under the procedure provided for in Art. 187e of the Commerce Act

As at 31 December 2023 the Company held 2,996,176 own shares with nominal value EUR 1 (31.12.2022: 4,411,560 own shares with nominal value EUR 1) at total amount of EUR 2,996 thousand (31.12.2022: EUR 4,412 thousand).

8. Existence of branches of the Company

The Company does not have branches as of 31.12.2023 and in 2022.

9. Company`s financial risk management objectives and policies

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

- credit risk
- liquidity risk
- market risk

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

Risk management framework

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

(a) Credit risk

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

The carrying amount of Company's financial assets represent the maximum exposure to credit risk.

(b) Liquidity risk

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

(c) Market risk

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

Currency risk

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

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

Interest rate risk

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

Capital management

The Management's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. There were no changes in the Company's approach to capital management during the year.

Fair value of financial assets and liabilities

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

AKILES CORPORATION SE

DIRECTOR’S REPORT

CORPORATE GOVERNACE STATEMENT

1. Code of Corporate Governance

The Company has issued a Code of Corporate Governance approved by Jose Oscar Leiva Mendez. The Company strictly follows this Code of Corporate Governance. This document is published on the official website of Akiles Corporation SE.

2. System of internal control and management of risks

Internal control is defined as a process integrated into the Company's activities and executed by the Board of Directors, the Audit Committee, by management and employees.

The Company has established adequate and effective internal control, which is continuous process integrated in all of the Company`s activities and is designed to achieve:

- compliance with legislation

- compliance with internal rules and contracts

- reliability and completeness of financial and operational information

- economy, efficiency and effectiveness of the activities

- protection of assets and information

Everyone in the Company has a certain responsibility with regard to internal control. The Company has created adequate organizational structure to ensure segregation of duties, proper division of responsibilities and adequacy of reporting levels. The control functions of the participants in the internal control system are regulated in the job descriptions of the persons concerned. There is commitment to competence at each working place and there are strict requirements for the knowledge and skills needed for each position. The management has set the values of integrity and ethical behavior through Code of conduct.

Risks relevant to financial reporting include external and internal events, transactions, and circumstances that may arise and have a negative impact on the entity's ability to initiate, record, and process financial data. The management applies a conservative approach to identifying the business risks that are material for the preparation of the financial statements, assesses their significance and likelihood of their occurrence, and decides how to address these risks, how to manage them, and how to evaluate the results reliably.

3. Information under Article 10, Paragraph 1, Letters "c", "d", "f", "h" and "i" of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 regarding take-over offers;

- **significant direct and indirect shareholdings (including indirect shareholdings through pyramid structures and cross-shareholdings) within the meaning of Article 85 of Directive 2001/34/EC;**

As of 31 December 2023 the major shareholder in the Company is Elektra Holding AD.

- **holders of any securities with special control rights and a description of those rights**

No securities with special control rights exist.

- **any restrictions on voting rights, such as limitations of the voting rights of holders of a given percentage or number of 30.4.2004 EN Official Journal of the European Union L 142/19 votes, deadlines for exercising voting rights, or systems whereby, with the company's cooperation, the financial rights attaching to securities are separated from the holding of securities**

No restriction of voting rights exist in articles of association.

- **the rules governing the appointment and replacement of board members and the amendment of the articles of association;**

The appointment and replacement of board members and the amendment of the articles of association can be done only through decision of General Shareholders meeting.

- **the powers of board members, and in particular the power to issue or buy back shares**

With the amendment of the Articles of Association as of 15.04.2024, the Board of Directors is entrusted with the powers until the date 31.12.2024, acting with own discretion and having the right to specify all the parameters of the respective emission, to increase the capital of the Company up to reaching the maximum amount of € 450'000'000 /four hundred and fifty million Euro/, through issuing new shares or through conversion of debts.

4. Information regarding composition and functioning of the administrative, managerial and supervisory bodies and their committees, as well as description of the diversity policy applied as regards the administrative, managerial and supervisory bodies of the issuer in connection with aspects such as age, gender or education and professional experience

As of 31.12.2023 the Company's management bodies are the following:

1. Board of Directors with the following members:

- Jose Oscar Leiva Mendez
- Carlos Cuervo Arango Martinez
- Juan Molins Monteys
- Onorfe Servera Andreu

The Board of Directors conduct regular meetings at least once in three months to review the results of the Company, to evaluate business risks and to discuss future prospects for development of the Company.

The Company has appointed an Audit Committee to supervise the financial reporting and ensure the independence of the appointed auditors.

In respect to the members of the management/supervisory bodies the Company applies the policy of diversity regarding gender, age, education and professional background. This is to ensure that the members have been appointed based on their expertise and capacity to contribute to the achievement of the Company's objectives.

Director's responsibilities

The Directors confirm that suitable accounting policies have been used and applied consistently and reasonable prudent judgements and estimates have been made in the preparation of the separate financial statements as of 31.12.2023.

The Directors also confirm that applicable accounting standards have been followed and that the separate financial statements have been prepared on the going concern basis.

AKILES CORPORATION SE

DIRECTOR'S REPORT

The Directors are responsible for keeping proper accounting records, for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As of 31 December 2023 Managing Director is Jose Oscar Leiva Mendez.

By order of the Board of Directors,

Jose Oscar Leiva Mendez
Executive Director

Sofia, 09 September 2024

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INDEPENDENT AUDITOR`S REPORT

To the shareholders of
TESLA ENERGY STORAGE SE (former name Akiles Corporation SE)

Address: 68 Vitosha Blvd, Floor 1
Sofia 1463, Bulgaria

Report on the Audit of the Separate Financial Statements

Audit Opinion

We have audited the separate financial statements of TESLA ENERGY STORAGE SE ("the Company") which comprise the separate statement of financial position as at 31 December 2023, the separate statement of profit or loss and other comprehensive income, the separate statement of changes in equity and the separate cash flow statement for the year then ended, as well as the notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying separate financial statements give a true and fair view of the financial position of the Company as at 31 December 2023 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and Bulgarian legislation.

Basis for Qualified Opinion

As presented in note 4 Use of judgements and estimates A. Going concern in the separate financial statements, the accumulated loss as at 31 December 2023 amounts to EUR 72,935 thousand. The equity as of 31 December 2023 is negative and amounts to EUR 31,626 thousand. As of 31 December 2023 the Company has total liabilities in the amount of EUR 31,746 thousand consisting of:

1) Bond emissions amounting to EUR 14,500 thousand and interest payments amounting to EUR 7,981 thousand in relation to its unsecured corporate bonds issued that are overdue and immediately payable.

2) Other liabilities in the amount of EUR 1,793 thousand are immediately payable.

3) Liabilities amounting to EUR 6,554 thousand that are agreed to be settled through debt conversion agreements.

4) Liabilities amounting to EUR 918 thousand that are renegotiated.

As at the date of issuance of these financial statements the Company was unable to conclude re-negotiations or obtain replacement financing for liabilities amounting to EUR 24,340 thousand under 1) and 2) listed above. As stated in note 4A, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The future development of the Company's business operations, as well as debt conversion for debt amounting to EUR 6,554 thousand, depends on the successful completion of in kind contribution of the shares of the capital of Tesla Global SE and re-listing of the parent company's shares on BME Growth, as well as the realization of the plan to expand the business activity in the production and sale of battery storage units. The in-kind contribution and other measures presented in note 4 Use of judgements and estimates A. Going concern to ensure continuing as a going concern for the foreseeable future are subject to complex clauses and the fulfillment of large number of conditions precedent. Thus, if the management assessment for feasibility of refinancing arrangements is changed by new circumstances arising from future development of macroeconomic environment or investors' and creditors' position in ongoing negotiations, there is material uncertainty that the Company will continue as going concern.

The Company presents total liabilities amounting to EUR 31,746 thousand consisting of liabilities for unsecured bond emissions, loans payable to related and third parties, as well as trade and other liabilities. In the course of our audit procedures, we received confirmation letters from the creditors for liabilities amounting to EUR 20,267 thousand and the liabilities amounting to EUR 11,348 thousand were tested via alternative procedures. Liabilities amounting to EUR 24,340 thousand are immediately due and the corresponding contracts are at different stages of renegotiation and liabilities amounting to EUR 6,554 thousand are renegotiated under debt conversion agreements subject to meeting conditions precedent. According to legal letter received none of the liabilities of the Company are claimed in court and management provides written representations confirming ongoing negotiations to cut principal debt. Nevertheless, due to the lack of final signed renegotiation agreements, as well as lack of effective payments and conversions made as at the date of this report, we were not able to obtain reasonable assurance whether any additional adjustments to those liabilities may arise in relation to any change in the creditors' position in ongoing negotiations.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the

Crowe

Company in accordance with the ethical requirements that are relevant to our audit of the separate financial statements in Bulgaria, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Emphasis of matter

We draw attention to Note 4. *Use of judgements and estimates* letter C. *Loss of control over subsidiaries* in the separate financial statements, which describes the circumstances surrounding the loss of control over the subsidiaries Petrolprom Bulgaria OOD and Silena Company EOOD and its impact on the Company's financial statements. Our opinion is not modified in respect of this matter.

Key Audit Matters

Except for the matters described in the *Basis for Qualified Opinion* section, we have determined that there are no other key audit matters to communicate in our report.

Information Other than the Separate Financial Statements and Auditor's Report thereon

Management is responsible for the other information. The other information comprises the annual management report, prepared by the management in accordance with Chapter VII of the Bulgarian Accountancy Act, but does not include the separate financial statements and our auditor's report thereon.

Our opinion on the separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon unless explicitly stated in our report and to the extent stated in our report.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or whether our knowledge obtained in the audit may indicate that there is a material misstatement or otherwise the other information appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and Bulgarian legislation, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

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

The Audit Committee ("Those charged with governance") are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate Financial Statements

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

As part of our audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the separate financial statements.
- We are responsible for the direction, supervision and performance of the Company audit.
- We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Reporting Pursuant to Article 59 of Bulgarian Independent Financial Audit Act in relation to Article 10 of Regulation (EC) № 537/2014

In accordance with the requirements of Bulgarian Independent Financial Audit Act and in relation with Article 10 of Regulation (EC) № 537/2014, we report additionally the information as follows:

- Crowe Bulgaria Audit EOOD was appointed as statutory auditor of the financial statements of TESLA ENERGY STORAGE SE for the year ended on 31 December 2023 by the Ordinary General meeting of the shareholders, held on 15.04.2024, for a period of three years.
- The audit of the separate financial statements of the Company for the year ended on 31 December 2023 has been made for fifth non-consecutive year.

- We confirm that our audit opinion is consistent with the additional report to the audit committee, which was provided in ac4cordance with Article 60 of Bulgarian Independent Financial Audit Act.
- We declare that prohibited non-audit services referred to in Article 64 of Bulgarian Independent Financial Audit Act were not provided.
- We confirm that we remained independent of the Company in conducting the audit.
- For the period for which we were engaged as statutory auditors, we have not provided any other services to the Company in addition to the statutory audit, which have not been disclosed in the management report or separate financial statements.

For Crowe Bulgaria Audit EOOD, Audit company, registration № 167

Gyulyay Rahman
Statutory Manager, Registered auditor responsible for the audit

ОДИТОРСКО ДРУЖЕСТВО
СОФИЯ
Рег. № 167
КРОУ БЪЛГАРИЯ ОДИТ ЕООД

10 September 2024
Sofia, Bulgaria

SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December

	Note	2023 EUR'000	2022 EUR'000
Other income	6	922	101
Expenses for hired services		(63)	(11)
Depreciation and amortization	8,9	(1)	(1)
Employee benefit expenses	5	(289)	(295)
Other expenses		(58)	(3)
Profit/(Loss) from operating activities		**511**	**(209)**
Finance income		1	94
Finance cost		(2,031)	(1,540)
Net finance income/ (costs)	6	(2,030)	(1,446)
Loss before income tax		**(1,519)**	**(1,655)**
Income tax benefit		-	-
Loss for the period		**(1,519)**	**(1,655)**
Total comprehensive income for the period		**(1,519)**	**(1,655)**
Basic loss per share (in EUR)	13	**(0.07)**	**(0.07)**

On 15.04.2024 the Board of Directors of AKILES CORPORATION SE authorised these separate financial statements for issue.

Executive Director:
Jose Oscar Leiva Mendez

Prepared by:
Ivan Milev

According to Independent Auditor's report dated: 10.09.2024

For Crowe Bulgaria Audit EOOD, Audit company, registration № 167

Gyulyay Rahman, Statutory manager
Registered auditor responsible for the audit

ОДИТОРСКО ДРУЖЕСТВО
СОФИЯ
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КРОУ БЪЛГАРИЯ ОДИТ ЕООД

The notes set out on pages 6 – 31 are an integral part of these separate financial statements.

AKILES CORPORATION SE

SEPARATE STATEMENT OF FINANCIAL POSITION

	Note	31 December 2023 EUR'000	31 December 2022 EUR'000
ASSETS			
Non-current assets			
Investments in subsidiaries	7	22	22
Property, plant and equipment	8	1	1
Intangible assets	9	1	2
Deferred tax asset	16	-	-
Total non-current assets		**24**	**25**
Current assets			
Loans provided	20.1	17	16
Trade and other receivables	10	54	40
Cash and cash equivalents	11	25	1
Total current assets		**96**	**57**
Total assets		**120**	**82**
EQUITY AND LIABILITIES			
Equity			
Share capital	12.1	27,368	27,368
Share premium		16,937	18,122
Treasury shares reserve	12.2	(2,996)	(4,412)
Accumulated loss		(72,935)	(71,416)
Total equity		**(31,626)**	**(30,338)**
Current liabilities			
Loans and borrowings	14	26,823	25,534
Trade and other payables	15	4,923	4,886
Total current liabilities		**31,746**	**30,420**
Total liabilities		**31,746**	**30,420**
Total equity and liabilities		**120**	**82**

On 15.04.2024 the Board of Directors of AKILES CORPORATION SE authorised these separate financial statements for issue.

Executive Director:
Jose Oscar Leiva Mendez

Prepared by:
Ivan Milev

According to Independent Auditor's report dated: 10.09.2024

For Crowe Bulgaria Audit EOOD, Audit company, registration № 167

Gyulyay Rahman, Statutory manager
Registered auditor responsible for the audit

ОДИТОРСКО ДРУЖЕСТВО СОФИЯ Рег. № 167 КРОУ БЪЛГАРИЯ ОДИТ ЕООД

The notes set out on pages 6 – 31 are an integral part of these separate financial statements.

SEPARATE STATEMENT OF CHANGES IN EQUITY

	Share capital EUR'000	Share premium EUR'000	Treasury shares reserve EUR'000	Accumulated loss EUR'000	Total EUR'000
Balance at 1 January 2023	**27,368**	**18,122**	**(4,412)**	**(71,416)**	**(30,338)**
Comprehensive income					
Loss for the period	-	-	-	(1,519)	(1,519)
Total comprehensive income	**-**	**-**	**-**	**(1,519)**	**(1,519)**
Transactions with owners of the Company					
Treasury shares sold	-	(1,185)	1,416	-	**231**
Total transactions with owners of the Company	**-**	**(1,185)**	**1,416**	**-**	**231**
Balance at 31 December 2023	**27,368**	**16,937**	**(2,996)**	**(72,935)**	**(31,626)**
Balance at 1 January 2022	**27,368**	**18,122**	**(4,412)**	**(69,761)**	**(28,683)**
Comprehensive income					
Loss for the period	-	-	-	(1,655)	(1,655)
Total comprehensive income	**-**	**-**	**-**	**(1,655)**	**(1,655)**
Balance at 31 December 2022	**27,368**	**18,122**	**(4,412)**	**(71,416)**	**(30,338)**

On 15.04.2024 the Board of Directors of AKILES CORPORATION SE authorised these separate financial statements for issue.

Executive Director:
Jose Oscar Leiva Mendez

Prepared by:
Ivan Milev

According to Independent Auditor's report dated: 10.09.2024

For Crowe Bulgaria Audit EOOD, Audit company, registration № 167

Gyulyay Rahman, Statutory manager
Registered auditor responsible for the audit

ОДИТОРСКО ДРУЖЕСТВО
СОФИЯ
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КРОУ БЪЛГАРИЯ ОДИТ ЕООД

SEPARATE STATEMENT OF CASH FLOWS

For the year ended 31 December

	Note	2023 EUR'000	2022 EUR'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the period before tax		**(1,519)**	**(1,655)**
Adjustment for:			
Depreciation and amortisation		1	1
Interest expense		1,995	1,540
Interest income		(1)	(1)
Other financial costs		2	-
Net exchange rate (gains)/losses		34	(93)
Cash flows from operations before working capital changes		512	(208)
Changes in working capital:			
Trade and other receivables		(14)	-
Trade and other payables		(472)	208
Cash used in operating activities		26	-
Other cash flow from operating activities:			
Other financial costs paid		(2)	-
Net cash flows from operating activities		**24**	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash from investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash (used in)/from financing activities		-	-
Net change in cash and cash equivalents		24	-
Cash and cash equivalents at 1 January		1	1
Cash and cash equivalents at 31 December	11	**25**	**1**

On 15.04.2024 the Board of Directors of AKILES CORPORATION SE authorised these separate financial statements for issue.

Executive Director:
Jose Oscar Leiva Mendez

Prepared by:
Ivan Milev

According to Independent Auditor's report dated: 10.09.2024

For Crowe Bulgaria Audit EOOD, Audit company, registration № 167

Gyulyay Rahman, Statutory manager
Registered auditor responsible for the audit

ОДИТОРСКО ДРУЖЕСТВО
СОФИЯ
Рег. № 167
КРОУ БЪЛГАРИЯ ОДИТ ЕООД

The notes set out on pages 6 – 31 are an integral part of these separate financial statements.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1. Incorporation and principal activities

Incorporation

Akiles Corporation SE (the Company) is a joint stock company registered in Sofia, Bulgaria with UIC: 202356513. It was incorporated on 7 January 2011.

The Company's shares are registered for public trading on BME Growth (Madrin, Spain), however no trading is observed since November 2020 as the instruments are suspended from trading. The Company is considered a public interest entity.

Principal activities

The Company went through an insolvency procedure that as of the reporting date is terminated taking place between November 2020 until March 2022.

It was initiated by the Company itself acting as an insolvent debtor on 11th of November 2020 at the Sofia City Court. In December 2020 UBB filed another petition for opening of insolvency proceedings against the Company which suspended the initial one filed. In February 2021 a third petition for opening of insolvency procedure against the Company was filed by EF Facet Discretionary Portfolios, another creditor of the Company which was adjoined to the insolvency petition of UBB and thus a uniform legal process with two pretending creditors was in progress.

Based on out-of-court settlement agreement, reached between the Company and UBB on 16.02.2022, the legal procedure for opening of bankruptcy against Tesla Energy Storage SE was terminated with explicit ruling of the Sofia City Court 15.03.2022. Few days earlier also the insolvency procedure, opened by request of the Company itself as well as of EF Facet Discretionary Portfolios was terminated.

On 17.02.2023, pursuant to a Contract for Assignment of Receivables (cession), ATZ Project EOOD acquired all receivables of United Bulgarian Bank AD towards Akiles Corporation SE (in its capacity of co-debtor) arising from the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016. The value of the receivables in relation to the Bank loan agreement and the additional annexes thereto amounts to EUR 5,019,687. The assigned claim has passed from United Bulgarian Bank AD to the new creditor along with its privileges, securities and other accessories, including accrued interest.

Pursuant to Preliminary Agreement for sale of the Company's shares, as well as sale of receivables dated 07.04.2023, Akiles has transferred to a third party (indicated by the new creditor under the Cession contract dated 17.02.2023), the Company's shares from the capital of Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD.

According to the Preliminary Agreement dated 07.04.2023, the new creditor, as the holder of the receivables under the Cession contract dated 17.02.2023, has undertaken to discharge the obligations of Akiles Corporation SE under the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016, as a counterperformance related to the transfer of the Company's shares from the capital of Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD and in connection with the reciprocal obligation to transfer all the receivables to Akiles towards these subsidiaries.

On 13.04.2023, through a Contract for Assignment of Receivables (Cession), ATZ Project EOOD sold to new party Energowind EOOD all receivables from Karlovo Biomass EOOD (as the principal debtor) and Akiles Corporation SE, Heat Biomass EOOD and Biomass Distribution EOOD (as co-debtors) arising from the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016.

On 29.06.2023 Energowind EOOD, in its capacity as the ultimate assignee and current holder of the receivables mentioned above, has agreed to cancel all the obligations of Akiles Corporation SE amounting to EUR 5,019,687 against these receivables. As a result Akiles Corporation SE does not have any liability regarding UBB debt after this transaction.

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 principal business activities and is preparing an in-kind contribution of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365. As a result the Company will focus on the production and sale of battery storage battery units. The in kind contribution is expected to be finalized in 2024 and is subject to the approval of the valuation to be prepared by nominated experts from the Bulgarian Trade Register and the Due Diligence report by the shareholders of Tesla Global SE and Akiles Corporation SE shareholders.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

2. Basis of accounting

These separate financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU). The Board of Directors authorized the issuance of the separate financial statements on 15.04.2024. Along with this authorization, the Board has granted the Chief Executive Officer the authority to amend the financial statements based on audit findings prior to their final issuance. Additionally, the Chief Executive Officer is authorized to prepare the final version of the annual activity report.

3. Functional and presentation currency

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

4. Use of judgements and estimates

The preparation of the separate financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Although these estimates are based on Management's best knowledge of current events and actions, actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The significant judgements made by management in applying the Company's accounting policies and the key sources of uncertainty were the same as those described in the last annual financial statements, except for those disclosed in section B "Significant sources of estimation uncertainties".

A. Going concern basis of accounting

The separate financial statements of Akiles Corporation SE as at 31 December 2023 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 1,519 thousand mainly due to accrued interest expenses. The accumulated loss as at 31 December 2023 amounts to EUR 72,935 thousand. The equity as of 31 December 2023 is negative and amounts to EUR 31,626 thousand. Based on art. 252, para. 1, item 5 of the Bulgarian Commercial Act, when the net worth of a joint-stock company falls below the amount of the registered capital, such company is obligated within one year to convoke a general meeting and to take a decision for reduction of the capital, for transformation or termination. However, the Management of the Company is actively working to realize new capital increase in order to comply with the provisions of the law.
The Company has total liabilities in the amount of EUR 31,746 thousand consisting of:

- Bond emissions amounting to EUR 14,500 thousand and interest payments amounting to EUR 7,981 thousand in relation to its unsecured corporate bonds issued. The Company is in delay on covering those liabilities. The non-payment of these liabilities represents an event of default and the total amount of the bond liabilities of EUR 22 481 thousand are considered overdue.
- Other liabilities in the amount of EUR 1,793 thousand that are immediately payable.
- Liabilities amounting to EUR 6,554 thousand that are agreed to be settled through debt conversion agreements. The creditors have agreed to convert these liabilities into newly emitted shares in 2024. All debt conversions are subject to accomplishment of capital increase of Akiles's capital and reverse takeover of the whole capital of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365, where the current shareholders of Tesla Global SE will subscribe newly emitted shares from the capital of Akiles. If the above reverse takeover is not completed, the debt conversion agreements shall not be deemed valid and liabilities amounting to EUR 6,554 thousand will become immediately due.
- Liabilities amounting to EUR 918 thousand that are renegotiated.

The Company does not have active business operations. The business operations of the entire Group are in the process of restructuring.

These current conditions and events indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

The management believes that the measures taken which are listed below will enable the Company to continue its operations and settle its obligations in the ordinary course of business.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

A. Going concern basis of accounting (continued)

On 15.04.2024 an extraordinary General Meeting of the shareholders was held and the decisions taken were inscribed in the Bulgarian Trade Register on 24.04.2024.

Among the most important decisions taken are the following:

- the name of the company is changed to Tesla Energy Storage SE
- the new Board of Directors will consist of Oscar Leiva Mendez, Juan Molins Monteys, Dusan Lichardus, Horia Grigorescu and Johannes Antonie Marius Marijnen.
- Adoption of resolution for delegation to the Board of Directors of „**AKILES CORPORATION" SE** to accomplish increase of the Company's registered capital, on the grounds of art. 196 of the Commerce Act, by emitting new shares, up to a maximum nominal amount of € 450'000'000.
- The capital of the Company will be increased predominantly by way of contribution in kind of all the shares from the capital of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365 subject to the approval of the shareholders of Tesla Global SE and Akiles Corporation SE.

The future business activity of the Company is subject to the successful completion of in kind contribution of the shares of the capital of Tesla Global SE and re-listing of the Company's shares on BME Growth. This will enable the Company to focus on and further expand the key activity of Tesla Global SE which is the production and sale of battery storage units using the highest-quality liquid-cooled battery modules. The factory designing, engineering, and assembling the battery storage units is located in Slovakia and historically is known for its huge expertise in the field of energy. The Company is initiating the construction of the first Gigafactory in Europe (Romania) for 4GW/year of Battery Energy Storage Solutions.

In view of the above directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and the Company will be able to secure financing necessary to repay the outstanding immediately payable liabilities and execute successfully the debt conversion agreements. For these reasons, the Company continues to adopt the going concern basis of accounting in preparing the consolidated financial statements.

B. Significant sources of estimation uncertainties

The military conflict between the Republic of Ukraine and the Russian Federation and in the Gaza Strip have has a negative impact on the macro- and micro-economic plan of the EU and the middle East. The economic sanctions imposed between the EU member states, on one hand, and the Russian Federation, on the other, may have some adverse economic effects in the countries where the Company will operate.

Therefore, the overall impact on the Company's business activity and its financial performance will depend on future developments, which are highly uncertain and currently cannot be predicted. However, the Management has been actively working to minimize the negative impact, to seek additional financing and to follow the Company's business strategy. The Management will continue to monitor the development of the situation and the effect on all aspects of the Company's activities. In view of this, the management believes in the Company's ability to continue as a going concern.

C. Loss of control over subsidiaries

The Company holds directly 50,43% of the equity interest in its subsidiary PetrolProm Bulgaria OOD and 50,43% indirectly of the equity interest in its subsidiary Silena Company EOOD. The management considers that effective control over these entities is not established despite owning a majority of the voting rights. This conclusion is drawn based on several significant factors which impair the ability to exercise control as defined under IFRS 10:

- Non-compliance with Shareholder Agreements: Akiles, a key shareholder, has failed to meet its financial obligations as stipulated in the Shareholders Agreement dated February 15, 2019. This non-compliance has notably weakened the parent company's influence over corporate decisions.
- Insolvency Proceedings: As of November 2020, Akiles has been subjected to insolvency proceedings, severely restricting the parent company's capability to inject further capital and thereby diminishing its effective influence over the subsidiaries' operational and financial policies.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

4. Use of judgements and estimates (continued)

C. Loss of control over subsidiaries (continued)

- Communication Barriers: There has been a significant deterioration in communications pertaining to the management and strategic operations of the investees, further evidencing the lack of effective control.
- Absence of Control Power: The parent company does not possess the necessary power to govern the financial and operating policies of the investee entities to obtain benefits from their activities. The management is appointed by the suggestions of the other shareholder.
- Extraordinary Shareholders' Meeting: An extraordinary meeting held on June 1, 2021, led to a reassessment of the control status, resulting in the conclusion that the parent company Akiles no longer retains control over PetrolProm Bulgaria OOD and Silena Company EOOD as of this date.

The investments in PetrolProm Bulgaria OOD and Silena Company EOOD have been classified as financial assets at fair value through profit or loss in accordance with IFRS 9 in the separate financial statements for the year ending 31st December 2021. This reclassification reflects the loss of control as specified and substantiated by the outlined events and circumstances.

D. 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.

5. Employee benefit expenses

For the year ended 31 December	2023 EUR'000	2022 EUR'000
Wages and salaries	(271)	(276)
Social security contributions	(18)	(19)
	(289)	**(295)**

6. Finance income and costs

For the year ended 31 December		2023 EUR'000	2022 EUR'000
Interest income	(a)	1	1
Net FX gains		-	93
Finance income		**1**	**94**
Interest expense		(1,995)	(1,540)
Net FX losses		(34)	-
Bank expenses		(2)	-
Finance costs		**(2,031)**	**(1,540)**
Net finance expense recognized in profit or loss		**(2,030)**	**(1,446)**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

7. Finance income and costs (continued)

(a) Interest income relates to loans granted to the subsidiaries of the Company or its employees.

In 2023 and 2022 the Company has written-off liabilities with expired limitation period, as well as other non-payable liabilities at the total amount of EUR 922 (2022: EUR 101 thousand). There are no other sources of revenue for the periods.

For the year ended 31 December	2023	2022
	EUR'000	EUR'000
Other revenue	922	101
Total revenue	**922**	**101**

8. Investments

	31.12.2023 EUR'000	31.12.2022 EUR'000
Balance at 1 January	22	22
Balance at the end of the period	**22**	**22**
Investments in subsidiaries	22	22
Total investments	**22**	**22**

On 17.02.2023, pursuant to a Contract for Assignment of Receivables (cession), ATZ Project EOOD acquired all receivables of United Bulgarian Bank AD from the Company's subsidiary Karlovo Biomass EOOD (Akiles Corporation SE as co-debtor Heat Biomass EOOD and Biomass Distribution EOOD as adjoining co-debtors) arising from the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016. The value of the receivables in relation to the Bank loan agreement and the additional annexes thereto amounts to EUR 5,019,687. The assigned claim has passed from United Bulgarian Bank AD to the new creditor along with its privileges, securities and other accessories, including accrued interest.

Pursuant to Preliminary Agreement for disposal of company shares, as well as sale of receivables dated 07.04.2023, Akiles has transferred to a third party (indicated by the new creditor under the Cession contract dated 17.02.2023), the Company's shares from the capital of Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD.

According to the Preliminary Agreement dated 07.04.2023, the new creditor, as the holder of the receivables under the Cession contract dated 17.02.2023, fully releases Akiles Corporation SE from its obligations to pay monetary amounts as a co-debtor under the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016, as a counterperformance related to the transfer of the Company's shares from the capital of Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD and in connection with the reciprocal obligation to transfer all the receivables to Akiles towards these subsidiaries.

On 13.04.2023, through a Contract for Assignment of Receivables (Cession), ATZ Project EOOD sold to new party Energowind EOOD all receivables from Karlovo Biomass EOOD (as the principal debtor) and Akiles Corporation SE, Heat Biomass EOOD and Biomass Distribution EOOD (as co-debtors) arising from the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016.

On 29.06.2023 Energowind EOOD, in its capacity as the ultimate assignee and current holder of the receivables mentioned above, has agreed to cancel all obligations of Akiles Corporation SE as a co-debtor amounting to EUR 5,019,687 against these receivables. As a result, Akiles Corporation SE does not have any liability regarding UBB debt after this transaction.

The investments in subsidiaries as at 31 December 2023 and 31 December 2022 are presented below:

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

9. Investments (continued)

Subsidiaries	Country of incorpo-ration	% ownership 31.12.2023	Investment amount in EUR '000 31.12.2023	% ownership 31.12.2022	Investment amount in EUR '000 31.12.2022
Heat Biomass EOOD	Bulgaria	0%	-	100%	-
Karlovo Biomass EOOD	Bulgaria	0%	-	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%	-
Energotec-Eco AD	Bulgaria	100%	22	100%	22
Biomass Distribution EOOD	Bulgaria	0%	-	100%	-
Eqtec Bulgaria EOOD	Bulgaria	100%	-	100%	-
Winttec Greece IKE	Greece	100%	-	100%	-
Total investments in subsidiaries			**22**		**22**
Other investments					
PetrolProm Bulgaria EOOD	Bulgaria	50.43%	-	50.43%	-
Total other investments			-		-

As at 31 December 2023 and 2022 the Company has not performed tests for impairments of its investment in subsidiaries as all significant investments were fully impaired in prior periods and no indications for reversal of impairment are identified.

The investment in subsidiary PetrolProm Bulgaria OOD has been written-off in 2021 and presented as other investments as the Company considers the control is lost (see Note 4C). As at 31 December 2023 Akiles Corporation SE continues to own 50.43% of the registered capital of PetrolProm Bulgaria OOD acquired for the price of EUR 540 thousand. An Extraordinary General Meeting of Petrolprom Bulgaria OOD was held on 18.06.2021 and from this date the Company does not exercise control over its management as per IFRS 10. The investment in PetrolProm Bulgaria OOD is reclassified as other investment with nil carrying value and change in legal ownership of shares is registered on 13.06.2024 as disclosed in Note 22.

10. Property, plant and equipment

	Computers and equipment EUR'000	Vehicles EUR'000	Total EUR'000
Cost			
Balance at 1 January 2022	**28**	**2**	**30**
Balance at 31 December 2022	**28**	**2**	**30**
Balance at 31 December 2023	**28**	**2**	**30**
Depreciation			
Balance at 1 January 2022	**27**	**2**	**29**
Balance at 31 December 2022	**27**	**2**	**29**
Balance at 31 December 2023	**27**	**2**	**29**
Carrying amounts			
At 1 January 2022	**1**	**-**	**1**
At 31 December 2022	**1**	**-**	**1**
At 31 December 2023	**1**	**-**	**1**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

11. Intangible assets

	Software EUR'000	Other EUR'000	Total EUR'000
Cost			
Balance at 1 January 2022	1	8	9
Balance at 31 December 2022	1	8	9
Balance at 31 December 2023	1	8	9
Amortisation			
Balance at 1 January 2022	1	5	6
Charge for the period	-	1	-
Balance at 31 December 2022	1	6	7
Charge for the period	-	1	1
Balance at 31 December 2023	1	7	8
Carrying amounts			
At 1 January 2022	-	3	3
At 31 December 2022	-	2	2
At 31 December 2023	-	1	1

12. Trade and other receivables

	Note	31.12.2023 EUR'000	31.12.2022 EUR'000
Trade and other receivables from related parties	20.4	54	40
		54	**40**

13. Cash and cash equivalents

	31.12.2023 EUR'000	31.12.2022 EUR'000
Cash at bank	25	1
Cash in hand	-	-
Cash and cash equivalents	**25**	**1**

	31.12.2023 EUR'000	31.12.2022 EUR'000
Cash and cash equivalents are denominated in following currencies:		
EUR	25	1
	25	**1**

14. Capital and capital reserves

12.1. 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 2023 and 2022 the Company has issued 27,367,811 ordinary shares with a nominal value of EUR 1 (BGN 1.96) each.

12.2. Treasury shares reserve

The Company's share premium reserve includes the cost of treasury shares held by the Company.

As at 31 December 2023 the Company held 2,996,176 own treasury shares with nominal value EUR 1 (31.12.2022: 4,411,560 own treasury shares with nominal value EUR 1) at total amount of EUR 2,996 thousand (31.12.2022: EUR 4,412 thousand).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

15. Loss per share

Basic loss per share

The calculation of basic loss per share at 31 December 2023 is based on the loss attributable to ordinary shareholders of EUR 1,519 thousand (31 December 2022: loss of EUR 1,655 thousand), and a weighted average number of ordinary shares outstanding of 23,163 thousand (31 December 2022: 22,956 thousand), calculated as follows:

(i) Loss attributable to ordinary shareholders (basic)

In thousands of EUR	**31.12.2023**	**31.12.2022**
Loss for the period	(1,519)	(1,655)
Loss attributable to ordinary shareholders	(1,519)	(1,655)

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

In thousands of shares	**31.12.2023**	**31.12.2022**
Issued ordinary shares at 1 January	27,368	27,368
Effect from repurchased treasury shares	(4,205)	(4,412)
Weighted average number of ordinary shares at 31 December	23,163	22,956
Loss per share (EUR)	(0.07)	(0.07)

The Company does not have dilutive potential ordinary shares in the form of bonds, convertible into shares of Akiles Corporation SE or share options.

13. 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	**Note**	**31.12.2023**	**31.12.2022**
Current liabilities			
Unsecured corporate bonds issues	(a)	22,481	20,998
Loans payable to related parties	20.3	992	980
Overdraft		1	47
Bank loans	(c)	-	375
Loans payable to third parties	(b)	3,349	3,134
		26,823	**25,534**
		26,823	**25,534**

(a) Corporate bonds issue

In thousands of EUR	
Carrying amount of liability at 1 January 2022	**19,769**
Accrued interest	1,241
Net FX loss on GBP bonds during the period	(12)
Carrying amount of liability at 31 December 2022	**20,998**
Accrued interest	1,701
Net FX loss on GBP bonds during the period	4
Other movements	(222)
Carrying amount of liability at 31 December 2023	**22,481**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

14. Loans and borrowings (continued)

As at 31 December 2023 interest payments for the total amount of EUR 7,981 thousand, which fell due in 2018, 2019, 2020, 2021, 2022 and 2023 and the repayment of the principles of all the bond emissions for the amount of EUR 14,500 thousand which were due on 18 June 2020, 22 December 2020, 20 April 2021 and 2 June 2022 respectively have not been paid and are considered overdue.

The bondholders have negotiated disposal of their receivables with principle in the amount of EUR 10,500 to a third party for the amount of EUR 1,725 thousand. The transaction is subject to conditions precedent including resumption of trading of the Company's shares on the BME Growth market with a long stop date 21st July 2024. As of the date of issuance of these financial statements the Company's share have not resumpted trading on the BME Growth market and the Transaction is in process of renegotiating. At present an investment fund specialized in debt restructuring is currently negotiating with the two principal bondholders and expects the settlement agreement to be reached in the foreseeable future again subject to resumption of trading of the Company's shares on the BME Growth market and the completion of the transaction for share capital increase from Tesla Global SA.

The overdue payments are subject to renegotiations which is conditional upon the intended transaction for share capital increase from Tesla Group SA.

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 was 18 June 2020 and maturity dates of the coupon payments were as follows: 18 June 2016, 18 June 2017, 18 June 2018, 18 June 2019 and 18 June 2020.

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 was 22 December 2020 and maturity dates of the coupon payments were 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 was 20 April 2021 and maturity dates of the coupon payments were as follows: 20 April 2017, 20 April 2018, 20 April 2019, 20 April 2020 and 20 April 2021.

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 was 20 April 2021 and maturity dates of the coupon payments were as follows: 20 April 2017, 20 April 2018, 20 April 2019, 20 April 2020 and 20 April 2021.

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 was 2 June 2022 and maturity dates of the coupon payments were as follows: 2 June 2018, 2 June 2019, 2 June 2020, 2 June 2021 and 2 June 2022.

The initial placement of bond emissions 2-5 was done through the Luxembourg Stock Exchange. As at 31 December 2023 and 2022 the bonds are not traded.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

(b) Loans payable to third parties

As at 31 December 2023 the Company was granted credit funding by third parties under the following agreements:

- EUR 1,050 thousand received on 28 February 2018. The interest rate on the loan is 5% and the loan is repayable 1 year after its receipt. The accumulated interest and other accrued expenses amount to EUR 630 thousand.
- EUR 1,000 thousand received on 26 March 2018. The interest rate on the loan is 5% and the loan is repayable 1 year after its receipt. The accumulated interest and other accrued expenses amount to EUR 292 thousand.

The outstanding loan balances related to both contracts have not been repaid as at the date of these financial statements and are considered overdue.

On 12.07.2023 through a cession agreement, the liabilities under the Bank loan received from BBVA with principle of EUR 377 thousand as of 31 December 2023 have been transferred to Promontoria Poseidon DAC. Therefore, as at 31 December 2023 Akiles classifies these liabilities under the "Loans payable to third parties" category.

(c) Bank loans

On 10 December 2019 a loan of EUR 357 thousand was granted by BBVA. The funds were used for repayment the overdue liabilities (principal and interest) under prior two loan agreements. The facility is payable on demand and the negotiated interest rate comes to 2.00%. Under the provision of the loan the bank may consider the loan fully due and demand immediate repayment if the borrower enters into a legal insolvency procedure. As of 31 December 2022 the Company classifies the liability as current.

On 12.07.2023 through a cession agreement, the liabilities under the Bank loan received from BBVA at the total amount of EUR 377 thousand as of 31 December 2023 have been transferred to Promontoria Poseidon DAC. The accumulated interest amounts to EUR 21 thousand.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

14. Trade and other payables

	Note	31.12.2023 EUR'000	31.12.2022 EUR'000
Payables to related parties	20.2	1,195	1,139
Payables to suppliers		2,781	2,882
Payables to employees		697	598
Tax and contributions liabilities		225	180
Other payables		25	87
		4,923	**4,886**

The payables to suppliers includes the liability towards the seller of the shares of Petrolprom Bulgaria OOD which will be settled through transfer of 540,000 shares at nominal value EUR 1 each share from the capital of Akiles Corporation SE.

Payables to suppliers and to employees amounting to EUR 2,060 thousand and EUR 676 thousand respectively have been agreed to be settled through debt conversion agreements to convert these liabilities into newly emitted shares in 2024. All debt conversions are subject to accomplishment of capital increase of Akiles's capital and reverse takeover of the whole capital of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365, where the current shareholders of Tesla Global SE will subscribe newly emitted shares from the capital of Akiles. If the above reverse takeover is not completed, this agreement shall not be deemed valid.

15. Taxation

Under the current provisions of the Bulgarian Corporate Income Tax Act, the Company may use its accumulated loss to substantially reduce the income tax it would otherwise have to pay on future taxable income without restrictions in the time period.

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

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

In thousands of EUR	Assets		Liabilities		Net	
	2023	2022	2023	2022	2023	2022
Tax loss carry-forwards	-	-	-	-	-	-
Tax (assets) / liabilities	-	-	-	-	-	-

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

16. Financial Instruments

Financial risk management

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

- credit risk
- liquidity risk
- market risk

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

Risk management framework

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

(a) Credit risk

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

The carrying amount of Company's financial assets represents the maximum exposure to credit risk.

Trade receivables and loans provided

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each debtor. As of the date of these separate financial statements all receivables are from related parties, subsidiaries of Akiles Corporation SE. The timing of collection of the receivables is therefore dependent on the successful realization of each investment project. The trade receivables over 365 days old and have been fully impaired.

According to Preliminary Agreement for sale of company shares, as well as sale of receivables dated 07.04.2023, Akiles has transferred to a third party (indicated by ATZ Project EOOD – the new creditor of all receivables of United Bulgarian Bank AD towards Akiles Corporation SE (in its capacity of co-debtor), all receivables towards Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD.

Those accounted for a significant share of the receivables (trade and loan) of Akiles Corporation SE. The quoted entities have been subsidiaries of Akiles Corporation SE since 2014 until the final agreement is reached on 14.7.2024.

The maximum exposure to credit risk for trade receivables and loans provided at the reporting date was as follows:

	Note	31.12.2023 EUR'000	31.12.2022 EUR'000
Loans provided to related parties	20.1	17	16
Trade receivables from related parties	20.4	16	2
		33	**18**

Expected credit loss assessment

The Company has a small number of customers which are related parties.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

17. Financial instruments (continued)

(a) Credit risk (continued)

Impairment

The balance of the impairment as at 31 December 2022 relates to impaired loans due by Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD, as follows:

	31.12.2022
	EUR'000
Impaired loans provided to Karlovo Biomass EOOD	13,825
Impaired loans provided to Heat Biomass EOOD	3,378
Impaired loans provided to Biomass Distribution EOOD	6,237
	23,440

Cash and cash equivalents

The Company held cash and cash equivalents of EUR 25 thousand at 31 December 2023 (31 December 2022: EUR 1 thousand). The cash and cash equivalents are held with a bank, which is rated BBB based on Fitch Ratings Inc.

The estimated impairment on cash and cash equivalents was calculated based on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The Company estimated that the application of IFRS 9's impairment requirements at 31 December 2023 and 2022 does not have a material effect on the financial statements of the Company.

(b) Liquidity risk

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

17. Financial instruments (continued)

(b) Liquidity risk (continued)

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements as at 31 December 2023:

In thousands of EUR	Note	Carrying amount	Contractual cash flows	1 year or less	1-2 years	2-5 years
Non-derivative financial liabilities						
Corporate bonds issued	14	22,481	22,481	22,481	-	-
Bank loans and overdrafts	14	1	1	1	-	-
Loans payable to related parties	20.3	992	992	992	-	-
Loans payable to third parties	14	3,349	3,349	3,349	-	-
Trade payables to related parties	20.2	630	630	630	-	-
Trade payables to third parties	15	2,781	2,781	2,781	-	-
		30,234	**30,234**	**30,234**	-	-

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements as at 31 December 2022:

In thousands of EUR	Note	Carrying amount	Contractual cash flows	1 year or less	1-2 years	2-5 years
Non-derivative financial liabilities						
Corporate bonds issued	14	20,998	20,998	20,998	-	-
Bank loans and overdrafts	14	422	422	422	-	-
Loans payable to related parties	20.3	980	980	980	-	-
Loans payable to third parties	14	3,134	3,134	3,134	-	-
Trade payables to related parties	20.2	700	700	700	-	-
Trade payables to third parties	15	2,882	2,882	2,882	-	-
		29,116	**29,116**	**29,116**	-	-

(c) Market risk

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

Currency risk

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than BGN. The majority of the Company's transactions are denominated in EUR and the BGN is pegged to the EUR. Some transactions, including one of the bonds emissions (see note 14) are denominated in GBP.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

17. Financial instruments (continued)

Interest rate risk

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

31 December 2023	Fixed interest rate	Variable interest rate	Interest-free	Total
	EUR'000	EUR'000	EUR'000	EUR'000
Financial assets				
Loans provided	-	-	17	17
Trade and other receivables	-	-	16	16
Cash and cash equivalents	-	-	25	25
Financial liabilities				
Loans and borrowings	4,342	22,481	-	26,823
Trade and other payables	-	-	3,976	3,976

31 December 2022	Fixed interest rate	Variable interest rate	Interest-free	Total
	EUR'000	EUR'000	EUR'000	EUR'000
Financial assets				
Loans provided	-	-	16	16
Trade and other receivables	-	-	2	2
Cash and cash equivalents	-	-	1	1
Financial liabilities				
Loans and borrowings	4,536	20,998	-	25,534
Trade and other payables	-	-	4,021	4,021

18. Capital management

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

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

19. Fair value of financial assets and liabilities

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

20. Related party transactions and balances

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

Related parties are as follows:

Related party	**Relationship**
Elektra Holding AD	Parent of Akiles Corporation SE
Heat Biomass EOOD	subsidiary, 100% owned by Akiles Corporation SE till 7 April 2023
Karlovo Biomass EOOD	subsidiary, 100% owned by Akiles Corporation SE till 7 April 2023
Plovdiv Biomass EOOD	subsidiary, 100% owned by Akiles Corporation SE
Tvarditsa Biomass EOOD	subsidiary, 100% owned by Akiles Corporation SE
Tvarditsa PV EOOD	subsidiary, 100% owned by Tvarditsa Biomass EOOD
United Biomass EOOD	subsidiary, 100% owned by Akiles Corporation SE
Nova Zagora Biomass EOOD	subsidiary, 100% owned by Akiles Corporation SE
Biomass Distribution EOOD	subsidiary, 100% owned by Akiles Corporation SE till 7 April 2023
Eqtec Bulgaria EOOD	subsidiary, 100% owned by Akiles Corporation SE
Energotec Eco AD	subsidiary, 100% owned and controlled by Akiles Corporation SE
Brila EOOD	subsidiary, 100% owned by Plovdiv Biomass EOOD
Winttec Greece IKE, Greece	subsidiary, 100% owned by Akiles Corporation SE
Epsion Resorts AD	Under common control, controlled by Elektra Holding AD
Levi Capital EOOD	Under common control, controlled by Elektra Holding AD
Luxur PV EOOD	Under common control, controlled by Elektra Holding AD
Bul PV EOOD	Under common control, controlled by Elektra Holding AD
Bul Biomass EOOD	Under common control, controlled by Elektra Holding AD
Smolyan Biomass EOOD	Under common control, controlled by Elektra Holding AD
Titan Power OOD	Under common control, controlled by Elektra Holding AD
Eco El Invest OOD	Under common control, controlled by Elektra Holding AD

Directors

The Executive Director of Akiles Corporation SE is Jose Oscar Leiva Mendez.

Non-executive Directors of Akiles Corporation SE as if 31 December 2023 and 2022 are Carlos Cuervo Arango Martinez, Juan Molins Monteys and Onofre Servera Andreu.

The remuneration accrued in favour of the key management personnel for 2023 amounts to EUR 97 thousand (2022: EUR 97 thousand).

20.1 Loans provided to related parties

The Company has provided loans to employees and other third parties amounting to EUR 17 thousand (31 December 2022: EUR 16 thousand).

No impairments have been recognised in 2023 and 2022.

20.2 Trade and other payables to related parties

	31.12.2023 EUR'000	**31.12.2022 EUR'000**
Jose Oscar Leiva Mendez	205	169
Carlos Cuervo Arango Martinez	120	90
Juan Molins Monteys	120	90
Onofre Servera Andreu	120	90
Eqtec Iberia	-	10
Eqtec PLC	10	70
Elektra Holding AD	620	620
	1,195	**1,139**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

20.2 Trade and other payables to related parties (continued)

The amount of EUR 565 thousand represents payables to key management personnel (31.12.2022: EUR 439 thousand).

The amount of EUR 620 thousand payable to Elektra Holding AD (31.12.2022: EUR 620 thousand) is related to share lending agreements signed between the parties where Elektra has effectively lent 5,488,000 shares (31.12.2021: 5,488,000 shares) to Akiles which were either sold by Akiles or used for the purpose of repayment of its loan liabilities. The liability to Elektra is measured based on the number of shares effectively lent and with reference to the market price of the shares at MAB as at 31 December 2023 – 0.113 EUR per share (31 December 2022 – 0.113 EUR per share). Nevertheless, according to the signed share lending agreements 5 488 000 should be transferred back to Elektra Holding AD.

20.3 Loans received from related parties

	31.12.2023 EUR'000	31.12.2022 EUR'000
Elektra Holding AD	768	744
Close family members of the management	224	217
Energotec Eco AD	-	19
	992	**980**

20.4 Trade and other receivables from related parties

	31.12.2023 EUR'000	31.12.2022 EUR'000
Jose Oscar Leiva Mendez	38	38
Brila EOOD	16	2
	54	**40**

21. Commitments and contingent liabilities

The Company has no commitments or contingent liabilities as at 31 December 2023.

22. Events after the reporting period

On 15.04.2024 an extraordinary General Meeting of the shareholders was held and the decisions taken were inscribed in the Bulgarian Trade Register on 24.04.2024. Among the most important decisions taken are the following:

- the name of the company is changed to Tesla Energy Storage SE
- the new Board of Directors will consist of Oscar Leiva Mendez, Juan Molins Monteys, Dusan Lichardus, Horia Grigorescu and Johannes Antonie Marius Marijnen
- Adoption of resolution for delegation to the Board of Directors of „AKILES CORPORATION" SE to accomplish increase of the Company's registered capital, on the grounds of art. 196 of the Commerce Act, by emitting new shares, up to a maximum nominal amount of € 450'000'000
- The capital of the Company will be increased predominantly by way of contribution in kind of all the shares from the capital of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365 subject to the approval of the shareholders of Tesla Global SE and Akiles Corporation SE.

The future business activity of the Company is subject to the successful completion of in kind contribution of the shares of the capital of Tesla Global SE. This will enable the Company to focus on and further expand the key activity of Tesla Global SE which is the production and sale of battery storage units using the highest-quality liquid-cooled battery modules. The factory designing, engineering, and assembling the battery storage units is located in Slovakia and historically is known for its huge expertise in the field of energy. The company is initiating the construction of the first Gigafactory in Europe (Romania) for 4GW/year of Battery Energy Storage Solutions.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

22. Events after the reporting period (continued)

In 2024, following the resolution of the extraordinary General Meeting to convert Group's payables in the amount of EUR 11,4 mln. into shares through an in-kind contribution, the Company signed debt conversion agreements with all creditors. The conversions are subject to the successful completion of the in-kind contribution of the shares of Tesla Global SE. The most significant payables subject to the conversion are as follows:

- An agreement dated 11 April 2024 whereby EF FACET BALANCED DISCRETIONARY PORTFOLIO FUND agrees to exchange its payable amounting to EUR 546 thousand against 546,459 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.
- An agreement dated 11 April 2024 whereby EF FACET CAUTIOUS DISCRETIONARY PORTFOLIO FUND agrees to exchange its payable amounting to EUR 911 thousand against 910 766 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.
- An agreement dated 10 April 2024 whereby BTC DOCE S.à.r.l agrees to exchange its payable amounting to EUR 1 680 thousand against 1 680 000 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.
- An agreement dated 14 April 2024 whereby Arrizabal Elkartea SL agrees to exchange its payable amounting to EUR 419 thousand against 419 147 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.

After the reporting date Tesla Global SE acquired shares of the parent Company and as a result as of the date of the above-mentioned Ordinary Shareholders meeting owns 2 338 461 shares which represents 8,54% from the total issued shares issued less treasury own shares and 9,6% from the total shares issued. Thus, the shareholding of Tesla Global SE exceeds the shareholding of the parent company Elektra Holding AD. Tesla Global SE presented during the last Ordinary Shareholders Meeting and the decisions stated above have been voted by them.

On 05 June 2024 an agreement was signed with Tsvetomir Toshev Yordanov, according to which the liability to the seller related to the shares acquired in Petrolprom Bulgaria OOD will no longer be settled through the transfer of 540,000 shares, but through monetary payment of 540 000 euro payable within 8 months as of signing of this agreement - until 05 February 2025.

On 06 June 2024 the Group signed Sales purchase agreement for disposal of 50.43% of the share capital of PetrolProm Bulgaria OOD. The transfer of ownership was registered under the company's file in the Bulgarian Trade Registry on 13 June 2024.

On 06 June 2024 the Group reached an agreement with PROMONTORIA POSEIDON DAC for settlement of the remaining debt in 12 monthly instalments of EUR 24 thousand, starting from July 2024 to June 2025.

On 16 July 2024 following an ordinary General Meeting of the shareholders held on 25 June 2024 the scope of activity of the Company had changed in the Trade Registry to include Production and assembly of battery energy storage systems ("BESS"), including component manufacturing and end product assembly and other services related to BESS projects.

There are no other significant events, adjusting or non-adjusting, which have a bearing on the understanding of the separate financial statements of the Company.

23. Basis of measurement

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

These financial statements are separate financial statements of the Company.

The Company also prepared consolidated financial statements in accordance with IFRS as adopted by EU. The consolidated financial statements can be obtained from Akiles Corporation SE at their registered office in Sofia, blvd. Vitosha 68, fl.1.

Users of these separate financial statements of the parent company should read them together with the consolidated financial statements of the Company and its subsidiaries as at and for the period ended 31 December 2022 in order to obtain a proper understanding of the financial position, the financial performance and the cash flows of the Company and its subsidiaries.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

24.Significant accounting policies

Accounting policies

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

Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

Finance income and finance costs

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

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

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

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

Tax

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

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

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

24. Significant accounting policies (continued)

Tax (continued)

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

In determining the amount of current and deferred tax the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Property, plant and equipment

Property, plant and equipment are initially measured at cost. After initial recognition, property, plant and equipment is carried at cost less accumulated depreciation and any accumulated impairment losses.

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

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

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

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

Depreciation

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

Computers	2 years
Vehicles	6 years

Land is not depreciated.

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

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

24. Significant accounting policies (continued)

Property, plant and equipment (continued)

Subsequent costs

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

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

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less accumulated amortization and accumulated impairment losses.

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

Amortization

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

Other intangible assets	7 years

Investments in subsidiaries and associates

Investments in subsidiaries and associates are stated at cost less impairment, which is recognized as an expense in the period in which the impairment is identified. Subsidiaries are entities controlled by the Company. The Company 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Financial instruments

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

24. Significant accounting policies (continued)

(ii) Classification and subsequent measurement financial assets (continued)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets - Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual per amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

24. Significant accounting policies (continued)

Financial instruments (continued)

(ii) Classification and subsequent measurement financial assets (continued)

Financial assets - Subsequent measurement and gains and losses

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss, except for derivatives designated as hedging instruments for which hedge accounting is applied.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

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

(iii) Derecognition financial assets and financial liabilities

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

24. Significant accounting policies (continued)

Financial instruments (continued)

Impairment

(i) Non-financial assets

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

(ii) Financial assets

The Company recognises loss allowances for ECLs on its financial assets measured at amortised cost.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due. The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 365 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 365 days past due;

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

24. Significant accounting policies (continued)

Impairment (continued)

(ii) Financial assets (continued)

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Employee benefits

(i) Defined contribution plans

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

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

(ii) Defined benefit plan

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

The calculation is performed based on the projected unit credit method,

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

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

(iii) Short-term employee benefits

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

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

Provisions

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

24. Significant accounting policies (continued)

Share capital

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

Treasury shares reserve

The Company has selected to present treasury shares within equity as a separate line item *Treasury shares reserve.*

Non-current liabilities

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

25. New standards and interpretations not yet adopted

New standards, effective from 1 January 2023

The Company has adopted the following new standards, amendments and interpretations to IFRS, issued by the International Accounting Standards Board (IASB) which are mandatory for application from the annual period beginning on 1 January 2023, but have no material effect on the Company`s financial result and financial position:

- IFRS 17 Insurance Contracts, (including changes in IFRS 17 from June 2020 and December 2021)
- Amendments to IAS 1 Presentation of Financial Statements and Practice Standard 2 Material Judgements
- Amendments to IAS 12 Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 Income Taxes – International Tax Reform – Pillar Two
- Amendments to IAS 8 Changes in Accounting Policies, Changes in Estimates and Errors

Standards, amendments and interpretations that are not yet effective and have not been adopted early by the Company

As of the date of approval for the issuance of these financial statements, new standards, amendments and interpretations have been issued but are not yet effective or not adopted by the EU for annual periods beginning on 1 January 2023 and have not been adopted early by the Company. Management expects all standards and amendments to be adopted in the Company's accounting policy for the first period beginning after the date of their adoption.

The changes relate to the following standards:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current and Non-current, effective from 1 January 2024, not yet adopted by the EU
- Amendments to IFRS 16 Leases: Leaseback obligation on sale and leaseback, effective from 1 January 2024, adopted by the EU
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements, effective from 1 January 2024, not yet adopted by the EU
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability, effective from 1 January 2025, not yet adopted by the EU

AKILES CORPORATION SE

CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022

AKILES CORPORATION SE

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Legal Consultant

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Banks

UBB AD
UniCredit Bulbank AD, Bulgaria
BNP Paribas Securities Services, Spain
Gestion de Patrimonios Mobiliarios Sociedad de Valores, S.A., Spain
Andbank, Spain

Auditor

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55 6-ti Septemvri Str.
Sofia 1142
Bulgaria

AKILES CORPORATION SE

DIRECTOR'S REPORT

The Board of Directors presents its consolidated report on the activities of AKILES CORPORATION SE (the Company) and its subsidiaries (the Group) for the period ended 31.12.2022.

Incorporation and principal activities

Akiles Corporation SE (the" Company") is a joint stock company registered in Sofia, Bulgaria with UIC: 202356513. It was incorporated on 7 January 2011. The financial statements as at 31 December 2022 consolidate the individual financial statements of the Company and its subsidiaries together referred to as the "Group" and individually as "Group entities".

Principal activities

Akiles Corporation SE went through an insolvency procedure that as of the reporting date is terminated taking place between November 2020 until March 2022.

It was initiated by the Company itself acting as an insolvent debtor on 11th of November 2020 at the Sofia City Court. In December 2020 UBB filed another petition for opening of insolvency proceedings against the Company which suspended the initial one filed. In February 2021 a third petition for opening of insolvency procedure against the Company was filed by EF Facet Discretionary Portfolios, another creditor of the Company which was adjoined to the insolvency petition of UBB and thus a uniform legal process with two pretending creditors was in progress.

Based on out-of-court settlement agreement, reached between the Company and UBB on 16.02.2022, the legal procedure for opening of bankruptcy against the Company was terminated with explicit ruling of the Sofia City Court 15.03.2022. Few days earlier also the insolvency procedure, opened by request of the Company itself as well as of EF Facet Discretionary Portfolios was terminated.

The principal activity of the Group 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 principal business activities and is preparing an in-kind contribution of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365. As a result the Company will focus on the production and sale of battery storage battery units. The in kind contribution is expected to be finalized in 2024 and is subject to the approval of the valuation to be prepared by nominated experts from the Bulgarian Trade Register and the Due Diligence report by the shareholders of Tesla Global SE and Akiles Corporation SE shareholders.

As of 31 December 2022, the following subsidiaries of Akiles Corporation SE were consolidated in the consolidated financial statements of the Group.

Subsidiary	**Country of incorporation**	**% ownership 31.12.2022**	**% ownership 31.12.2021**
Heat Biomass EOOD	Bulgaria	100,00%	100,00%
Karlovo Biomass EOOD	Bulgaria	100,00%	100,00%
Tvarditsa Biomass EOOD	Bulgaria	100,00%	100,00%
Nova Zagora Biomass EOOD	Bulgaria	100,00%	100,00%
Plovdiv Biomass EOOD	Bulgaria	100,00%	100,00%
United Biomass EOOD	Bulgaria	100,00%	100,00%
Biomass Distribution EOOD	Bulgaria	100,00%	100,00%
Brilla EOOD	Bulgaria	100,00%	100,00%
Tvarditsa PV EOOD	Bulgaria	100,00%	100,00%
Eqtec Bulgaria EOOD	Bulgaria	100,00%	100,00%
Energotec Eco AD	Bulgaria	100,00%	100,00%
Winntec IKE, Greece	Greece	100,00%	100,00%

2. Review of current position, future developments and significant risks

The Group's development to date, financial results and position are presented in the consolidated financial statements. For the period ended 31.12.2022 the financial result of the Group is net loss in the amount of EUR 2 025 thousand. Net equity is a negative value amounting to EUR 35 235 thousand. As of 31 December 2022 the earnings per share are a negative value of EUR 0.09.

3. Analysis of key, financial and non-financial, performance indicators relevant to the business operations of the Group

The Company management periodically review its gearing and liquidity ratios which are indicators of financial stability.

Gearing ratio (total liabilities / total equity)

31.12.2022	31.12.2021
-1,01	-1,01

Liquidity ratio (current assets / current liabilities)

31.12.2022	31.12.2021
0,002	0,002

4. Events after the reporting period

On 17.02.2023, pursuant to a Contract for Assignment of Receivables (cession), ATZ Project EOOD acquired all receivables of United Bulgarian Bank AD towards Akiles Corporation SE (in its capacity of co-debtor) arising from the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016.

The value of the receivables in relation to the Bank loan agreement and the additional annexes thereto amounts to EUR 5,019,687. The assigned claim has passed from United Bulgarian Bank AD to the new creditor along with its privileges, securities and other accessories, including accrued interest.

Pursuant to Preliminary Agreement for sale of the Company's shares, as well as sale of receivables dated 07.04.2023, Akiles has transferred to a third party (indicated by the new creditor under the Cession contract dated 17.02.2023), the Company's shares from the capital of Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD.

According to the Preliminary Agreement dated 07.04.2023, the new creditor, as the holder of the receivables under the Cession contract dated 17.02.2023, has undertaken to discharge the obligations of Akiles Corporation SE under the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016, as a counterperformance related to the transfer of the Company's shares from the capital of Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD and in connection with the reciprocal obligation to transfer all the receivables to Akiles towards these subsidiaries.

On 13.04.2023, through a Contract for Assignment of Receivables (Cession), ATZ Project EOOD sold to new party Energowind EOOD all receivables from Karlovo Biomass EOOD (as the principal debtor) and Akiles Corporation SE, Heat Biomass EOOD and Biomass Distribution EOOD (as co-debtors) arising from the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016.

On 29.06.2023 Energowind EOOD, in its capacity as the ultimate assignee and current holder of the receivables mentioned above, has agreed to cancel all the obligations of Akiles Corporation SE amounting to EUR 5,019,687 against these receivables. As a result Akiles Corporation SE does not have any liability regarding UBB debt after this transaction.

AKILES CORPORATION SE

DIRECTOR'S REPORT

On 15.04.2024 an extraordinary General Meeting of the shareholders was held and the decisions taken were inscribed in the Bulgarian Trade Register on 24.04.2024. Among the most important decisions taken are the following:

- the name of the company is changed to Tesla Energy Storage SE
- the new Board of Directors will consist of Oscar Leiva Mendez, Juan Molins Monteys, Dusan Lichardus, Horia Grigorescu and Johannes Antonie Marius Marijnen
- Adoption of resolution for delegation to the Board of Directors of „AKILES CORPORATION" SE to accomplish increase of the Company's registered capital, on the grounds of art. 196 of the Commerce Act, by emitting new shares, up to a maximum nominal amount of € 450'000'000
- The capital of the Company will be increased predominantly by way of contribution in kind of all the shares from the capital of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365 subject to the approval of the shareholders of Tesla Global SE and Akiles Corporation SE.

In 2024, following the resolution of the extraordinary General Meeting to convert Group's payables in the amount of EUR 11,4 mln. into shares through an in-kind contribution, the Company signed debt conversion agreements with all creditors. The conversions are subject to the successful completion of the in-kind contribution of the shares of Tesla Global SE. The most significant payables subject to the conversion are as follows:

- An agreement dated 11 April 2024 whereby EF FACET BALANCED DISCRETIONARY PORTFOLIO FUND agrees to exchange its payable amounting to EUR 546 thousand against 546,459 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.
- An agreement dated 11 April 2024 whereby EF FACET CAUTIOUS DISCRETIONARY PORTFOLIO FUND agrees to exchange its payable amounting to EUR 911 thousand against 910 766 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.
- An agreement dated 10 April 2024 whereby BTC DOCE S.à.r.l agrees to exchange its payable amounting to EUR 1 680 thousand against 1 680 000 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.
- An agreement dated 14 April 2024 whereby Arrizabal Elkartea SL agrees to exchange its payable amounting to EUR 419 thousand against 419 147 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.

After the reporting date Tesla Global SE acquired shares of the parent Company and as a result as of the date of the above-mentioned Ordinary Shareholders meeting owns 2 338 461 shares which represents 8,54% from the total issued shares issued less treasury own shares and 9,6% from the total shares issued. Thus, the shareholding of Tesla Global SE exceeds the shareholding of the parent company Elektra Holding AD. Tesla Global SE presented during the last Ordinary Shareholders Meeting and the decisions stated above have been voted by them.

On 05 June 2024 an agreement was signed with Tsvetomir Toshev Yordanov, according to which the liability to the seller related to the shares acquired in Petrolprom Bulgaria OOD will no longer be settled through the transfer of 540,000 shares, but through monetary payment of 540 000 euro payable within 8 months as of signing of this agreement.

On 06 June 2024 the Group signed Sales purchase agreement for disposal of 50.43% of the share capital of PetrolProm Bulgaria OOD. The transfer of ownership was registered under the company's file in the Bulgarian Trade Registry on 13 June 2024.

On 06 June 2024 the Group reached an agreement with PROMONTORIA POSEIDON DAC for settlement of the remaining debt in 12 monthly instalments of EUR 24 thousand, starting from July 2024 to June 2025.

On 16 July 2024 following an ordinary General Meeting of the shareholders held on 25 June 2024 the scope of activity of the parent company had changed in the Trade Registry to include Production and assembly of battery energy storage systems ("BESS"), including component manufacturing and end product assembly and other services related to BESS projects.

There are no other significant events, adjusting or non-adjusting, which have a bearing on the understanding of the separate financial statements of the Group.

5. Future development of the Group

The future business activity of the Group is subject to the successful completion of in kind contribution of the shares of the capital of Tesla Global SE. This will enable the Company to focus on and further expand the key activity of Tesla Global SE which is the production and sale of battery storage units using the highest-quality liquid-cooled battery modules. The factory designing, engineering, and assembling the battery storage units is located in Slovakia and historically is known for its huge expertise in the field of energy. The company is initiating the construction of the first Gigafactory in Europe (Romania) for 4GW/year of Battery Energy Storage Solutions.

6. Activities in the field of research and development

As of 31.12.2022 the Group does not have any activities in the field of research and development.

7. Information concerning acquisitions of own shares required under the procedure provided for in Art. 187e of the Commerce Act

As at 31 December 2022 and 2021 the Company held 4,411,560 own shares with nominal value EUR 1 at total amount of EUR 4,412 thousand.

8. Existence of branches of the Group companies

The Company does not have branches as of 31.12.2022 and in 2021.

9. Company`s financial risk management objectives and policies

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

- credit risk
- liquidity risk
- market risk

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

Risk management framework

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

(a) Credit risk

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

The carrying amount of Group's financial assets represent the maximum exposure to credit risk.

(b) Liquidity risk

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

(c) Market risk

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

Currency risk

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

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

Interest rate risk

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

Capital management

The Management's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. There were no changes in the Group's approach to capital management during the year.

Fair value of financial assets and liabilities

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

CORPORATE GOVERNACE STATEMENT

1. Code of Corporate Governance

The Group has issued a Code of Corporate Governance approved by Jose Oscar Leiva Mendez. The Group strictly follows this Code of Corporate Governance. This document is published on the official website of Akiles Corporation SE.

2. System of internal control and management of risks

Internal control is defined as a process integrated into the Group's activities and executed by the Board of Directors, the Audit Committee, by management and employees.

The Group has established adequate and effective internal control, which is continuous process integrated in all of the Group`s activities and is designed to achieve:

- compliance with legislation

- compliance with internal rules and contracts

- reliability and completeness of financial and operational information

- economy, efficiency and effectiveness of the activities

- protection of assets and information

Everyone in the Group has a certain responsibility with regard to internal control. The Group has created adequate organizational structure to ensure segregation of duties, proper division of responsibilities and adequacy of reporting levels. The control functions of the participants in the internal control system are regulated in the job descriptions of the persons concerned. There is commitment to competence at each working place and there are strict requirements for the knowledge and skills needed for each position. The management has set the values of integrity and ethical behavior through Code of conduct.

Risks relevant to financial reporting include external and internal events, transactions, and circumstances that may arise and have a negative impact on the entity's ability to initiate, record, and process financial data. The management applies a conservative approach to identifying the business risks that are material for the preparation of the financial statements, assesses their significance and likelihood of their occurrence, and decides how to address these risks, how to manage them, and how to evaluate the results reliably.

3. Information under Article 10, Paragraph 1, Letters "c", "d", "f", "h" and "i" of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 regarding take-over offers;

- **significant direct and indirect shareholdings (including indirect shareholdings through pyramid structures and cross-shareholdings) within the meaning of Article 85 of Directive 2001/34/EC;**

As of 31 December 2022 the major shareholder in the Company is Elektra Holding AD.

- **holders of any securities with special control rights and a description of those rights**

No securities with special control rights exist.

- **any restrictions on voting rights, such as limitations of the voting rights of holders of a given percentage or number of 30.4.2004 EN Official Journal of the European Union L 142/19 votes, deadlines for exercising voting rights, or systems whereby, with the company's cooperation, the financial rights attaching to securities are separated from the holding of securities**

No restriction of voting rights exist in articles of association.

- **the rules governing the appointment and replacement of board members and the amendment of the articles of association;**

The appointment and replacement of board members and the amendment of the articles of association can be done only through decision of General Shareholders meeting.

- **the powers of board members, and in particular the power to issue or buy back shares**

With the amendment of the Articles of Association as of 15.04.2024, the Board of Directors is entrusted with the powers until the date 31.12.2024, acting with own discretion and having the right to specify all the parameters of the respective emission, to increase the capital of the Company up to reaching the maximum amount of € 450'000'000 /four hundred and fifty million Euro/, through issuing new shares or through conversion of debts.

AKILES CORPORATION SE

DIRECTOR'S REPORT

4. Information regarding composition and functioning of the administrative, managerial and supervisory bodies and their committees, as well as description of the diversity policy applied as regards the administrative, managerial and supervisory bodies of the issuer in connection with aspects such as age, gender or education and professional experience

As of 31.12.2022 the Group's management bodies are the following:

1. Board of Directors with the following members:

- Jose Oscar Leiva Mendez
- Carlos Cuervo Arango Martinez
- Juan Molins Monteys
- Onorfe Servera Andreu

The Board of Directors conduct regular meetings at least once in three months to review the results of the Group, to evaluate business risks and to discuss future prospects for development of the Group.

The Group has appointed an Audit Committee to supervise the financial reporting and ensure the independence of the appointed auditors.

In respect to the members of the management/supervisory bodies the Group applies the policy of diversity regarding gender, age, education and professional background. This is to ensure that the members have been appointed based on their expertise and capacity to contribute to the achievement of the Group's objectives.

Director's responsibilities

The Directors confirm that suitable accounting policies have been used and applied consistently and reasonable prudent judgements and estimates have been made in the preparation of the consolidated financial statements as of 31.12.2022.

The Directors also confirm that applicable accounting standards have been followed and that the consolidated financial statements have been prepared on the going concern basis.

The Directors are responsible for keeping proper accounting records, for safeguarding the assets of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As of 31 December 2022 Managing Director is Jose Oscar Leiva Mendez.

By order of the Board of Directors,

Jose Oscar Leiva Mendez
Executive Director

Sofia, 09 September 2024

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INDEPENDENT AUDITOR`S REPORT

To the shareholders of
TESLA ENERGY STORAGE SE (former name Akiles Corpration SE)

Address: 68 Vitosha Blvd, Floor 1
Sofia 1463, Bulgaria

Report on the Audit of the Consolidated Financial Statements

Qualified Audit Opinion

We have audited the consolidated financial statements of TESLA ENERGY STORAGE SE and its subsidiaries ("the Group") which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and Bulgarian legislation.

Basis for Qualified Opinion

As presented in note 3 Use of judgements and estimates A. Going concern in the consolidated financial statements, the accumulated loss as at 31 December 2022 amounts to EUR 76 379 thousand. The equity as of 31 December 2022 is negative and amounts to EUR 35,235 thousand. As of 31 December 2022 the Group has total liabilities in the amount of EUR 35,582 thousand consisting of:

1) Bond emissions amounting to EUR 14,500 thousand and interest payments amounting to EUR 6,498 thousand in relation to its unsecured corporate bonds issued that are overdue and immediately payable.

2) Principle, accrued interest and other penalty interest and taxes amounting to EUR 5,046 thousand in relation to bank loan received from United Bulgarian Bank.

3) Other liabilities in the amount of EUR 9,538 thousand are immediately payable.

As at the date of issuance of these financial statements the Group was unable to conclude re-negotiations or obtain replacement financing for substantial part of the liabilities under 1) and 3) listed above. As stated in note 3A, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The future development of the Group's business operations, depends on the successful completion of in kind contribution of the shares of the capital of Tesla Global SE and re-listing of the parent company's shares on BME Growth, as well as the realization of the plan to expand the business activity in the production and sale of battery storage units. The in-kind contribution and other measures presented in note 3 Use of judgements and estimates A. Going concern to ensure continuing as a going concern for the foreseeable future are subject to complex clauses and the fulfillment of large number of conditions precedent. Thus, if the management assessment for feasibility of refinancing arrangements is changed by new circumstances arising from future development of macroeconomic environment or investors' and creditors' position in ongoing negotiations, there is material uncertainty that the Group will continue as going concern.

The Group presents total liabilities amounting to EUR 35,582 thousand consisting of liabilities for unsecured bond emissions, bank loans, loans payable to related and third parties, as well as trade and other liabilities. In the course of our audit procedures, we received confirmation letters from the creditors for liabilities amounting to EUR 14,776 thousand and the liabilities amounting to EUR 20,324 thousand were tested via alternative procedures. As at 31 December 2022 substantial part of the liabilities are immediately due. According to legal letter received none of the liabilities of the Group are claimed in court as at the date of this report and management provides written representations confirming ongoing negotiations to cut principal debt. Nevertheless, due to the lack of final signed renegotiation agreements, as well as lack of effective payments and conversions made as at the date of this report, we were not able to obtain reasonable assurance whether any additional adjustments to those liabilities may arise in relation to any change in the creditors' position in ongoing negotiations.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Bulgaria, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Emphasis of matter

We draw attention to Note 3. *Use of judgements and estimates* letter C. *Loss of control over subsidiaries* in the consolidated financial statements, which describes the circumstances surrounding the loss of control over the subsidiaries Petrolprom Bulgaria OOD and Silena Company EOOD and the Management's judgement not to consolidate the financial position and results of Winntec Greece IKE and the respective impact on the Group's financial statements. Our opinion is not modified in respect of this matter.

We draw attention to Note 1 *Incorporation and principal activities* to the consolidated financial statements, which discloses that the parent-company went through an insolvency procedure that as of the reporting date is terminated taking place between November 2020 until March 2022. Our opinion is not modified in respect of this matter.

Key Audit Matters

Except for the matters described in the *Basis for Qualified Opinion* section, we have determined that there are no other key audit matters to communicate in our report.

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

Management is responsible for the other information. The other information comprises the annual management report, prepared by the management in accordance with Chapter VII of the Bulgarian Accountancy Act, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon unless explicitly stated in our report and to the extent stated in our report.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or whether our knowledge obtained in the audit may indicate that there is a material misstatement or otherwise the other information appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and Bulgarian legislation, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Audit Committee ("Those charged with governance") are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of our audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Reporting Pursuant to Article 59 of Bulgarian Independent Financial Audit Act in relation to Article 10 of Regulation (EC) № 537/2014

In accordance with the requirements of Bulgarian Independent Financial Audit Act and in relation with Article 10 of Regulation (EC) № 537/2014, we report additionally the information as follows:

- Crowe Bulgaria Audit EOOD was appointed as statutory auditor of the financial statements of TESLA ENERGY STORAGE SE for the year ended on 31 December 2022 by the Ordinary General meeting of the shareholders, held on 15.04.2024, for a period of three years.
- The audit of the consolidated financial statements of the Group for the year ended on 31 December 2022 has been made for fourth non-consecutive year.
- We confirm that our audit opinion is consistent with the additional report to the audit committee, which was provided in accordance with Article 60 of Bulgarian Independent Financial Audit Act.
- We declare that prohibited non-audit services referred to in Article 64 of Bulgarian Independent Financial Audit Act were not provided.

- We confirm that we remained independent of the Group in conducting the audit.
- For the period for which we were engaged as statutory auditors, we have not provided any other services to the Group in addition to the statutory audit, which have not been disclosed in the management report or consolidated financial statements.

For Crowe Bulgaria Audit EOOD, Audit company, registration № 167

Gyulyay Rahman
Statutory Manager, Registered auditor responsible for the audit

ОДИТОРСКО ДРУЖЕСТВО
СОФИЯ
Рег. № 167
КРОУ БЪЛГАРИЯ ОДИТ ЕООД

10 September 2024
Sofia, Bulgaria

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December

	Note	2022 EUR'000	2021 EUR'000
Revenue	4	101	492
Expenses for hired services		(16)	(21)
Depreciation and amortisation	8, 9	(1)	(59)
Employee benefit expenses	5	(295)	(332)
Goodwill impairment	10	-	(370)
Impairment of assets classified as held for sale	12	-	(9,910)
Impairment of tangible and intangible assets	8, 9	-	(6,497)
Impairment loss on trade receivables		-	(38)
Loans and trade receivables written-off	6	-	(1,834)
Other expenses		(3)	(283)
Loss from operating activities		**(214)**	**(18,852)**
Finance income		94	1
Finance costs		(1,905)	(1,951)
Net finance income/ (costs)	7	**(1,811)**	**(1,950)**
Investments written-off		-	(1,040)
Loss on disposal of subsidiaries	10	-	(44)
Loss before income tax		**(2,025)**	**(21,886)**
Income tax benefit	18	-	(66)
Loss for the period		**(2,025)**	**(21,952)**
Other comprehensive income			
Foreign currency translation differences		-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the period		**(2,025)**	**(21,952)**
Loss attributable to:			
Owners of the parent		(2,025)	(21,952)
Non-controlling interests		-	-
Loss for the period		**(2,025)**	**(21,952)**
Total comprehensive loss attributable to:			
Owners of the parent		(2,025)	(21,952)
Non-controlling interests		-	-
Total comprehensive loss for the period		**(2,025)**	**(21,952)**
Basic loss per share (EUR)	15	**(0.09)**	**(0.96)**

On 15.04.2024 the Board of Directors of AKILES CORPORATION SE authorised these consolidated financial statements for issue.

Executive Director:
Jose Oscar Leiva Mendez

Prepared by:
Ivan Milev

According to Independent Auditor's report dated: 10.09.2024
For Crowe Bulgaria Audit EOOD, Audit company, registration № 167

Gyulyay Rahman, Statutory manager, Registered auditor responsible for the audit

ОДИТОРСКО ДРУЖЕСТВО
СОФИЯ
Рег. № 167
КРОУ БЪЛГАРИЯ ОДИТ ЕООД

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
For the year ended 31 December

	Note	2022 EUR'000	2021 EUR'000 Restated
Assets			
Property, plant and equipment	8	290	290
Intangible assets	9	2	3
Non-current assets		**292**	**293**
Loans provided	21	16	15
Trade and other receivables	11	45	45
Cash and cash equivalents	13	1	1
Current assets		**62**	**61**
Total assets		**354**	**354**
Equity			
Share capital	14.1	27,368	27,368
Share premium	14.2	18,122	18,122
Treasury shares reserve	14.3	(4,412)	(4,412)
Revaluation surplus		66	66
Accumulated loss		(76,379)	(74,354)
Equity attributable to owners of the parent		(35,235)	(33,210)
Non-controlling interests		-	-
Total equity		**(35,235)**	**(33,210)**
Liabilities			
Deferred tax liabilities	18	7	7
Non-current liabilities		**7**	**7**
Loans and borrowings	16	30,488	28,595
Trade and other payables	17	5,089	4,957
Income tax payable		5	5
Current liabilities		**35,582**	**33,557**
Total liabilities		**35,589**	**33,564**
Total equity and liabilities		**354**	**354**

On 15.04.2024 the Board of Directors of AKILES CORPORATION SE authorised these consolidated financial statements for issue.

Executive Director:
Jose Oscar Leiva Mendez

Prepared by:
Ivan Milev

According to Independent Auditor's report dated: 10.09.2024

For Crowe Bulgaria Audit EOOD, Audit company, registration № 167

Gyulyay Rahman, Statutory manager, Registered auditor responsible for the audit

ОДИТОРСКО ДРУЖЕСТВО
СОФИЯ
Рег. № 167
КРОУ БЪЛГАРИЯ ОДИТ ЕООД

The notes on pages 7 to 43 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December

	Share capital EUR'000	Share premium EUR'000	Treasury shares reserve EUR'000	Revaluation surplus EUR'000	Retained earnings EUR'000	Total attributable to owners of the Parent EUR'000	Non-controlling interest EUR'000	Total equity EUR'000
Balance at 1 January 2022	27,368	18,122	(4,412)	66	(74,354)	(33,210)	-	(33,210)
Comprehensive loss								
Loss for the period	-	-	-	-	(2,025)	(2,025)	-	(2,025)
Total comprehensive loss	-	-	-	-	(2,025)	(2,025)	-	(2,025)
Balance at 31 December 2022	27,368	18,122	(4,412)	66	(76,379)	(35,235)	-	(35,235)

On 15.04.2024 the Board of Directors of AKILES CORPORATION SE authorised these consolidated financial statements for issue.

Executive Director:
Jose Oscar Leiva Mendez

Prepared by:
Ivan Milev

According to Independent Auditor's report dated: 10.09.2024

For Crowe Bulgaria Audit EOOD, Audit company, registration № 167

Gyulyay Rahman, Statutory manager, Registered auditor responsible for the audit

ОДИТОРСКО ДРУЖЕСТВО
СОФИЯ
Рег. № 167
КРОУ БЪЛГАРИЯ ОДИТ ЕООД

The notes on pages 7 to 43 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
For the year ended 31 December

	Share capital EUR'000	Share premium EUR'000	Treasury share reserve EUR'000	Revaluation surplus EUR'000	Retained earnings EUR'000	Total attributable to owners of the Parent EUR'000	Non-controlling interest EUR'000	Total equity EUR'000
Balance at 1 January 2021 as previously reported	**27,368**	**18,122**	**(4,412)**	**145**	**(55,646)**	**(14,423)**	**(601)**	**(15,024)**
Impact of correction of errors	-	-	-	-	(59)	(59)	-	(59)
Restated balance at 1 January 2021	**27,368**	**18,122**	**(4,412)**	**145**	**(55,705)**	**(14,482)**	**(601)**	**(15,083)**
Comprehensive income								
Loss for the period	-	-	-	-	(21,952)	(21,952)	-	(21,952)
Total comprehensive income	-	-	-	-	**(21,952)**	**(21,952)**	-	**(21,952)**
Transactions with owners of the Company								
Changes in ownership interests								
Disposal of subsidiaries with non-controlling interest	-	-	-	(79)	3,303	3,224	601	3,825
Total transactions with owners of the Company	-	-	-	**(79)**	**3,303**	**3,224**	**601**	**3,825**
Balance at 31 December 2021	**27,368**	**18,122**	**(4,412)**	**66**	**(74,354)**	**(33,210)**	-	**(33,210)**

On 15.04.2024 the Board of Directors of AKILES CORPORATION SE authorised these consolidated financial statements for issue.

Executive Director:
Jose Oscar Leiva Mendez

Prepared by:
Ivan Milev

According to Independent Auditor's report dated: 10.09.2024

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CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2022 EUR'000	2021 EUR'000
Loss for the period before tax		**(2,025)**	**(21,886)**
Adjustments for:			
Depreciation and amortisation		1	59
Interest expense		1,905	1,832
Interest income		(1)	(1)
Goodwill impairment		-	370
Impairment losses and write-offs		-	19,319
Gain on disposal of subsidiaries		-	44
Other finance costs		-	1
Net exchange rate (gains)/losses		(93)	118
Cash flows from operations before working capital changes		(213)	(144)
Changes in working capital:			
Inventories		-	205
Trade and other receivables		-	1,178
Trade and other payables		213	(1,376)
Cash used in operating activities		-	(137)
Other cash flow from operating activities:			
Other financial costs paid		-	(1)
Net cash flows from operating activities		-	**(138)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments		-	3
Net cash flows from investing activities		-	**3**
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash flows from financing activities		-	-
Net increase/ (decrease) in cash and cash equivalents		-	**(135)**
Cash and cash equivalents at 1 January		1	136
Cash and cash equivalents at 31 December	13	**1**	**1**

On 15.04.2024 the Board of Directors of AKILES CORPORATION SE authorised these consolidated financial statements for issue.

Executive Director
Jose Oscar Leiva Mendez

Prepared by:
Ivan Milev

According to Independent Auditor's report dated: 10.09.2024

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1. Incorporation and principal activities

Incorporation of the parent company

Akiles Corporation SE (the" Company") is a joint stock company registered in Sofia, Bulgaria with UIC: 202356513. It was incorporated on 7 January 2011. The financial statements as at 31 December 2022 consolidate the individual financial statements of the Company and its subsidiaries together referred to as the "Group" and individually as "Group entities".

Principal activities

Akiles Corporation SE went through an insolvency procedure that as of the reporting date is terminated taking place between November 2020 until March 2022.

The principal activity of the Group 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 Akiles Corporation SE is restructuring its principal business activities and is preparing an in-kind contribution of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365. As a result, the Group will focus on the production and sale of battery storage battery units. The in-kind contribution is expected to be finalized in 2024 and is subject to the approval of the valuation to be prepared by nominated experts from the Bulgarian Trade Register and the Due Diligence report by the shareholders of Tesla Global SE and Akiles Corporation SE shareholders.

As of 31 December 2022 and 2021, the following subsidiaries of Akiles Corporation SE were consolidated in the consolidated financial statements of the Group:

Subsidiary	Country of incorporation	% ownership 31.12.2022	% ownership 31.12.2021
Heat Biomass EOOD	Bulgaria	100,00%	100,00%
Karlovo Biomass EOOD	Bulgaria	100,00%	100,00%
Tvarditsa Biomass EOOD	Bulgaria	100,00%	100,00%
Nova Zagora Biomass EOOD	Bulgaria	100,00%	100,00%
Plovdiv Biomass EOOD	Bulgaria	100,00%	100,00%
United Biomass EOOD	Bulgaria	100,00%	100,00%
Biomass Distribution EOOD	Bulgaria	100,00%	100,00%
Brilla EOOD	Bulgaria	100,00%	100,00%
Tvarditsa PV EOOD	Bulgaria	100,00%	100,00%
Eqtec Bulgaria EOOD	Bulgaria	100,00%	100,00%
Energotec Eco AD	Bulgaria	100,00%	100,00%

Since in the beginning of 2021 Winttec World S.L. and TNL Equipamientos Ambientales S.L. were declared in a state of bankruptcy by the Court in Barcelona and subsequently dissolved, the investments in these subsidiaries were written-off. The Group also wrote off its investments in PetrolProm Bulgaria OOD, Silena Company EOOD, TNL World EOOD and Winttec Greece IKE due to the suspension of the business activities of these companies. Following the above, all trade receivables are considered non-recoverable and have been fully impaired and the trade payables are considered non-payable and have also been written-off. The loans granted to all these subsidiaries, as well as the goodwill that that had arisen upon acquisition of PetrolProm Bulgaria OOD have also been written-off.

2. Basis of accounting

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU). The Board of Directors authorized the issuance of the consolidated financial statements on 15.04.2024. Along with this authorization, the Board has granted the Chief Executive Officer the authority to amend the financial statements based on audit findings prior to their final issuance.

2. Basis of accounting(continued)

Additionally, the Chief Executive Officer is authorized to prepare the final version of the annual activity report.

Details of the Group's accounting policies are included in Note 26.

3. Use of judgements and estimates

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

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.

A. Going concern basis of accounting

The consolidated financial statements of Akiles Corporation SE as at 31 December 2022 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 2,025 thousand mainly due to interest expenses. The accumulated loss as at 31 December 2022 amounts to EUR 76,379 thousand. The equity as of 31 December 2022 is negative and amounts to EUR 35,235 thousand.

Akiles Corporation SE went through an insolvency procedure that as of the reporting date is terminated taking place between November 2020 until March 2022.

The insolvency procedure was initiated by the company itself acting as an insolvent debtor on 11th of November 2020 at the Sofia City Court. In December 2020 UBB filed another petition for opening of insolvency proceedings against the parent Company which suspended the initial one filed. In February 2021 a third petition for opening of insolvency procedure against the Company was filed by EF Facet Discretionary Portfolios, another creditor of the Company which was adjoined to the insolvency petition of UBB and thus a uniform legal process with two pretending creditors was in progress.

The Group has total liabilities in the amount of EUR 35,582 thousand consisting of:

- Bond emissions amounting to EUR 14,500 thousand and interest payments amounting to EUR 6,498 thousand in relation to its unsecured corporate bonds issued. The Group is in delay on covering those liabilities. The non-payment of these liabilities represents an event of default and the total amount of the bond liabilities of EUR 20 998 thousand are considered overdue.
- The Group is also in delay with interest and other penalty interest and taxes amounting to EUR 1,350 thousand as well as overdue principal amounting to EUR 3,696 thousand in relation to bank loan received from United Bulgarian Bank. The Group had stopped paying the instalments due and on 26.02.2020.
- Other liabilities in the amount of EUR 9,490 thousand that are immediately payable.

The parent company and its subsidiaries do not have active business operations. The business operations of the entire Group are in process of restructuring.

These current conditions and events indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

The management believes that the measures taken which are listed below will enable the Group to continue its operations and settle its obligations in the ordinary course of business.

Based on out-of-court settlement agreement, reached between the Group and UBB on 16.02.2022, the legal procedure for opening of bankruptcy against the parent Company was terminated with explicit ruling of the Sofia City Court 15.03.2022. Few days earlier also the insolvency procedure, opened by request of the Company itself as well as of EF Facet Discretionary Portfolios was terminated.

3. Use of judgements and estimates (continued)

A. Going concern basis of accounting (continued)

On 15.04.2024 an extraordinary General Meeting of the shareholders was held and the decisions taken were inscribed in the Bulgarian Trade Register on 24.04.2024. Among the most important decisions taken are the following:

- the name of the company is changed to Tesla Energy Storage SE
- the new Board of Directors will consist of Oscar Leiva Mendez, Juan Molins Monteys, Dusan Lichardus, Horia Grigorescu and Johannes Antonie Marius Marijnen
- Adoption of resolution for delegation to the Board of Directors of „AKILES CORPORATION" SE to accomplish increase of the Company's registered capital, on the grounds of art. 196 of the Commerce Act, by emitting new shares, up to a maximum nominal amount of € 450'000'000
- The capital of the Company will be increased predominantly by way of contribution in kind of all the shares from the capital of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365 subject to the approval of the shareholders of Tesla Global SE and Akiles Corporation SE.

As at 31 December 2023 liabilities amounting to EUR 6,554 thousand are agreed to be settled through debt conversion agreements. The creditors have agreed to convert these liabilities into newly emitted shares in 2024. All debt conversions are subject to accomplishment of capital increase of Akiles's capital and reverse takeover of the whole capital of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365, where the current shareholders of Tesla Global SE will subscribe newly emitted shares from the capital of Akiles. If the above reverse takeover is not completed, the debt conversion agreements shall not be deemed valid and liabilities amounting to EUR 6,554 thousand will become immediately due.

The future business activity of the Company is subject to the successful completion of in-kind contribution of the shares of the capital of Tesla Global SE. This will enable the Company to focus on and further expand the key activity of Tesla Global SE which is the production and sale of battery storage units using the highest-quality liquid-cooled battery modules. The factory designing, engineering, and assembling the battery storage units is located in Slovakia and historically is known for its huge expertise in the field of energy. The company is initiating the construction of the first Gigafactory in Europe (Romania) for 4GW/year of Battery Energy Storage Solutions.

In view of the above directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and the Group will be able to secure financing necessary to repay the outstanding immediately payable liabilities and execute successfully the debt conversion agreements. For these reasons, the Group continues to adopt the going concern basis of accounting in preparing the consolidated financial statements.

B. Significant sources of estimation uncertainties

The military conflict between the Republic of Ukraine and the Russian Federation has a negative impact on the macro- and micro-economic plan of the EU. The economic sanctions imposed between the EU member states, on one hand, and the Russian Federation, on the other, may have some adverse economic effects in the countries where the Group will operate.

Therefore, the overall impact on the Group's business activity and its financial performance will depend on future developments, which are highly uncertain and currently cannot be predicted. However, the Management has been actively working to minimize the negative impact, to seek additional financing and to follow the Group's business strategy. The Management will continue to monitor the development of the situation and the effect on all aspects of the Group's activities.

In view of this, the management believes that the Group's ability to continue as a going concern.

C. Loss of control over subsidiaries

The parent company holds directly 50,43% of the equity interest in its subsidiary PetrolProm Bulgaria OOD and 50,43% indirectly of the equity interest in its subsidiary Silena Company EOOD. The management considers that effective control over these entities is not established despite owning a majority of voting rights. This conclusion is drawn based on several significant factors which impair the ability to exercise control as defined under IFRS 10:

- Non-compliance with Shareholder Agreements: Akiles, a key shareholder, has failed to meet its financial obligations as stipulated in the Shareholders Agreement dated February 15, 2019. This non-compliance has notably weakened the parent company's influence over corporate decisions.

3 Use of judgements and estimates (continued)

C. Loss of control over subsidiaries (continued)

- Insolvency Proceedings: As of November 2020, Akiles has been subjected to insolvency proceedings, severely restricting the parent company's capability to inject further capital and thereby diminishing its effective influence over the subsidiaries' operational and financial policies.
- Communication Barriers: There has been a significant deterioration in communications pertaining to the management and strategic operations of the investees, further evidencing the lack of effective control.
- Absence of Control Power: The parent company does not possess the necessary power to govern the financial and operating policies of the investee entities to obtain benefits from their activities. The management is appointed by the suggestions of the other shareholder.
- Extraordinary Shareholders' Meeting: An extraordinary meeting held on June 1, 2021, led to a reassessment of the control status, resulting in the conclusion that the parent company Akiles no longer retains control over PetrolProm Bulgaria OOD and Silena Company EOOD as of this date.

The Investments in PetrolProm Bulgaria OOD and Silena Company EOOD have been classified as financial assets at fair value through profit or loss in accordance with IFRS 9 in the consolidated financial statements for the year ending 31st December 2021. This reclassification reflects the loss of control as specified and substantiated by the outlined events and circumstances.

The Group has elected not to consolidate the financial statements of Winntec Greece IKE, which has been inactive since 2018. This decision is based on the reasons that the company is not engaged in any operational or financial activities since 2018 and it has no significant transactions or balances that would impact the Group's consolidated financial statements. The financial position and results of Winntec Greece IKE are immaterial to the Group's consolidated financial statements. As a result, its exclusion does not affect the fair presentation of the Group's financial position, performance, or cash flows.

D. 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.

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

Further information about the assumptions made in measuring fair values is included in the respective notes.

4. Revenue

A. Revenue streams

The Group's revenue for the presented periods represents other income. The Group has not generated revenue from sale of production, goods and/ or services.

For the year ended 31 December	2022	2021
	EUR'000	**EUR'000**
Other revenue	101	492
Total revenue	**101**	**492**

Since in the beginning of 2021 TNL Equipamientos Ambientales S.L. was declared in a state of bankruptcy by the Court in Barcelona, the investment in this subsidiary was written-off. Following the above, the trade payables amounting to EUR 460 thousand are considered non-payable and have also been written-off. The plot of land owned by Brila EOOD has been sold in 2021, as the Group recognizes revenue of EUR 5 thousand. In 2022 the Group has written-off liabilities with expired limitation period, as well as other non-payable liabilities at the total amount of EUR 101 (2021: EUR 27 thousand). There are no other sources of revenue for the periods.

5. Employee benefit expenses

For the year ended 31 December	2022 EUR'000	2021 EUR'000
Wages and salaries	276	313
Social security contributions	19	19
	295	**332**

6. Loans and trade receivables written-off

Since in the beginning of 2021 Winttec World S.L. and TNL Equipamientos Ambientales S.L. were declared in a state of bankruptcy by the Court in Barcelona, the investments in these subsidiaries were written-off. The Group also wrote off its investment in PetrolProm Bulgaria OOD due to the suspension of its business activity. Respectively the management did not consider the loans granted to these companies repayable and has made a decision to write the amounts off.

For the year ended 31 December	2022 EUR'000	2021 EUR'000
Winttec World S.L.	-	203
TNL Equipamientos Ambientales S.L.	-	1,527
TNL World EOOD	-	20
PetrolProm Bulgaria OOD	-	59
	-	**1,809**

In 2021 the management also decided to write-off the loans provided to other related parties due to the lack of movement throughout the last years at the total amount of EUR 25 thousand.

7. Finance income and costs

For the year ended 31 December	2022 EUR'000	2021 EUR'000
Interest income	1	1
Net FX gains	93	-
Finance income	**94**	**1**
Interest expense	(1,905)	(1,832)
Net FX losses	-	(118)
Bank expenses	-	(1)
Finance costs	**(1,905)**	**(1,951)**
Net finance costs recognised in profit or loss	**(1,811)**	**(1,950)**

8. Property, plant and equipment

	Land	Buildings	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
Cost									
At 1 January 2021	859	1,024	2,429	284	4	15	84	23	4,722
Disposals	(87)	-	-	-	-	-	-	-	(87)
Disposal of subsidiaries	-	-	-	(95)	-	(13)	(82)	-	(190)
At 31 December 2021	772	1,024	2,429	189	4	2	2	23	4,445
At 31 December 2022	772	1,024	2,429	189	4	2	2	23	4,445
Depreciation and impairment loss									
Balance at 1 January 2021	-	174	2	259	3	10	10	-	458
Depreciation for the period	-	41	-	14	1	3	-	-	59
Impairment loss	484	809	2,427	5	-	-	-	23	3,748
Disposal of subsidiaries	-	-	-	(90)	-	(12)	(8)	-	(110)
Balance at 31 December 2021	484	1,024	2,429	188	4	1	2	23	4,155
Depreciation for the period	-	-	-	-	-	-	-	-	-
Balance at 31 December 2022	484	1,024	2,429	188	4	1	2	23	4,155
Net book value									
At 31 December 2021	288	-	-	1	-	1	-	-	290
At 31 December 2022	288	-	-	1	-	1	-	-	290

8. Property, plant and equipment (continued)

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. The valuation reports of the appraiser show the following amounts for the value of land as at 31 December 2022 and 2021:

	31 December 2022 EUR'000	31 December 2021 EUR'000
Tvarditsa Biomass EOOD	46	46
Plovdiv Biomass EOOD	77	77
United Biomass EOOD	60	60
Tvarditsa PV EOOD	105	105
	288	**288**

The plot of land owned by Brila EOOD has been sold in 2021. The land owned by Biomass Distribution EOOD has been fully repaired in 2021 together with all assets owned by the subsidiary.

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.

Valuation technique and significant unobservable inputs

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Market comparison technique and residual technique of valuation: 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.	• Coefficient reflecting the value of the difference between the plots owned and those used for comparison purposes (1.3-1.9).	The estimated fair value would increase (decrease) if: • The estimated coefficient reflecting the differences was higher (lower).

8. Property, plant and equipment (continued)

Measurement of fair value (continued)

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 139 thousand.

9. Intangible assets

	Development costs in progress EUR 000	Development costs EUR 000	Patents and trademarks EUR 000	Software EUR 000	Other EUR 000	Total EUR 000
Cost						
Balance at 1 January 2021	**10,298**	**10**	**622**	**33**	**4**	**10,967**
Disposal of subsidiaries	-	-	-	(28)	-	(28)
Balance at 31 December 2021	**10,298**	**10**	**622**	**5**	**4**	**10,939**
Balance at 31 December 2022	**10,298**	**10**	**622**	**5**	**4**	**10,939**
Amortisation						
Balance at 1 January 2021	**7,549**	**10**	**622**	**14**	**1**	**8,196**
Impairment loss	2,749	-	-	-	-	2,749
Disposal of subsidiaries	-	-	-	(9)	-	(9)
Balance at 31 December 2021	**10,298**	**10**	**622**	**5**	**1**	**10,936**
Amortisation for the period	-	-	-	-	1	1
Balance at 31 December 2022	**10,298**	**10**	**622**	**5**	**2**	**10,937**
Net book value						
At 1 January 2021	**2,749**	-	-	**19**	**3**	**2,771**
At 31 December 2021	-	-	-	-	**3**	**3**
At 31 December 2022	-	-	-	-	**2**	**2**

Development costs in progress as at 1 January 2021 represent licences, contracts, permits, designs, etc. related to development phase of the following three projects for construction and operation of pelletization plants:

	Development costs in progress EUR'000
Thermal plant and pelletization plant of Tvarditsa Biomass EOOD	1,745
Thermal plant and pelletization plant of Plovdiv Biomass EOOD	1,003
Thermal plant and pelletization plant of Tvarditsa PV EOOD	1
	2,749

Development costs in progress have been recognized initially as part of business combination and valued at fair value by certified licensed valuers, based on discounted estimated future net cash flows expected from these assets. Their values were dependent on the estimated timing of completion of projects and commencement of production. Their amortisation was about to start when the projects are finalised and the production commences. However, based on the Management's decision, the development costs in progress have been fully impaired in 2021.

Impairment testing for CGUs containing goodwill

As at 31 December 2022 and 2021 the Group performed a test for impairment based on the best estimates and judgments of the Management.

10. 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:

In thousands of EUR	Acquisition date	Goodwill recognized at acquisition	Goodwill as at 31 December 2022	Goodwill as at 31 December 2021
Heat Biomass EOOD	30 November 2012	1,221	-	-
Karlovo Biomass EOOD	30 November 2012	825	-	-
Nova Zagora Biomass EOOD	30 November 2012	185	-	-
United Biomass EOOD	30 November 2012	103	-	-
Tvarditsa Biomass EOOD	30 November 2012	411	-	-
Eqtec Iberia SL	30 November 2012	76	-	-
Winttec SGPS SA (former TNL SGPS)	1 August 2014	1,915	-	-
Eqtec plc	7 February 2017	3,461	-	-
Citytainer Brasil Soluções Ambientais Ltd	3 May 2017	778	-	-
PetrolProm Bulgaria EOOD	3 June 2019	627	-	-
Total		**9,602**	-	-

In 2021 the Group wrote off its investment in PetrolProm Bulgaria OOD due to the suspension of its business activity. Following the above, the goodwill that had arises upon the acquisition of PetrolProm Bulgaria OOD amounting to EUR 627 thousand has been also written-off. Impairment loss of EUR 370 thousand was recognized in 2021 in respect of the goodwill that had arisen upon acquisition of Tvarditsa Biomass EOOD due to the management decision to the development of this investment project. The impairment loss is provisional considering that the project Tvarditsa Biomass EOOD due to the management decision not to develop the project.

10.1 Loss of control in PetrolProm Bulgaria EOOD and Silena Company EOOD

In 2021 The Group wrote off its investments in PetrolProm Bulgaria OOD and Silena Company EOOD due to loss of control as described in Note 3C. Akiles Corporation SE continues to own 50.43% of the registered capitals of PetrolProm Bulgaria OOD and Silena Company EOOD.

The effect of loss of control of PetrolProm Bulgaria OOD is described below:

in thousand EUR		Disposal of PetrolProm Bulgaria OOD
Fair value of consideration paid		-
Fair value of investment retained		-
Less share of consolidated carrying value at the date control is lost		
Net assets	(409)	
Goodwill	627	
Non-controlling interest	(245)	
		27
Group profit on disposal		27

10. Acquisitions and disposals of subsidiaries (continued)

10.1 Disposal of PetrolProm Bulgaria EOOD and Silena Company EOOD (continued)

The effect of the loss of control of Silena Company EOOD is described below:

in thousand EUR		Disposal of Silena Company EOOD
Fair value of consideration paid		-
Fair value of investment retained		-
Less share of consolidated carrying value at the date control is lost		
Net assets	18	
Non-controlling interest	9	
		(27)
Group loss on disposal		(27)

10.2 Disposal of Winttec World S.L., TNL Equipamientos Ambientales S.L. and TNL World EOOD

On 2 March 2021 Winttec World S.L. and TNL Equipamientos Ambientales S.L. which used to be in procedure of liquidation, were declared in a state of bankruptcy by the Court in Barcelona and subsequently dissolved. The Group also have lost the control over TNL World EOOD in this regard.

The effect of the loss of control in Winttec World S.L. is described below:

in thousand EUR		Disposal of Winttec World S.L.
Fair value of consideration paid		-
Fair value of investment retained		-
Less share of consolidated carrying value at the date control is lost		
Net assets	(1,059)	
Non-controlling interest	-	
		1,059
Group profit on disposal		1,059

The effect of the disposal of TNL Equipamientos Ambientales S.L. is described below:

in thousand EUR		Disposal of TNL Equipamientos Ambientales S.L.
Fair value of consideration paid		-
Fair value of investment retained		-
Less share of consolidated carrying value at the date control is lost		
Net assets	1,477	
Non-controlling interest	(353)	
		(1,124)
Group loss on disposal		(1,124)

10. Acquisitions and disposals of subsidiaries (continued)

10.2 Disposal of Winttec World S.L., TNL Equipamientos Ambientales S.L. and TNL World EOOD (continued)

The effect of the loss of control in TNL World EOOD is described below:

in thousand EUR		Disposal of TNL World EOOD
Fair value of consideration paid		-
Fair value of investment retained		-
Less share of consolidated carrying value at the date control is lost		
Net assets	(21)	
Non-controlling interest	-	
		21
Group profit on disposal		21

11. Trade and other receivables

	Note	31.12.2022 EUR'000	31.12.2021 EUR'000
Trade and other receivables from related parties	21	43	43
Trade receivables from clients		2	2
		45	**45**

12. 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, Heat Biomass EOOD and Biomass Distribution EOOD. As at 31 December 2019 it was decided that the palletization installations and all other supporting equipment of Biomass Distribution would not be sold but rather put back in use and utilized for production purposes. The assets of Biomass Distributions EOOD were accordingly reclassified to property, plant and equipment.

The assets classified as held for sale were presented at the lower of their carrying value and their fair value less cost of the disposal. Impairment loss of EUR 9,910 thousand was recognized in 2021 in respect of the assets held for sale as the Management decided not to develop these projects.

13. Cash at bank and in hand

	31.12.2022 EUR'000	31.12.2021 EUR'000
Cash at bank	1	1
	1	**1**

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. 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 2022 and 2021 the Group has issued 27,367,811 ordinary shares with a nominal value of EUR 1 (BGN 1.96) each.

14.2. Treasury shares reserve

The share premium/discount from the purchase price of own treasury shares is included in the Share premium reserve.

As at 31 December 2022 and 2021 the Company held 4,411,560 own treasury shares with nominal value EUR 1 at total amount of EUR 4,412 thousand.

14.3 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.

15. Loss per share

Basic loss per share

The calculation of basic loss per share (LPS) at 31 December 2022 (31 December 2021) is based on the loss attributable to ordinary shareholders of EUR 2,025 thousand (31 December 2021: loss of EUR 22,265 thousand), and a weighted average number of ordinary shares outstanding of 22,956 thousand (31 December 2021: 22,956 thousand), calculated as follows:

(i) Loss attributable to ordinary shareholders (basic)

In thousands of EUR	**2022**	**2021**
Loss for the period	(2,025)	(21,952)
Loss attributable to ordinary shareholders	**(2,025)**	**(21,952)**

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

In thousands of shares	**31.12.2022**	**31.12.2021**
Issued ordinary shares at 1 January	27,368	27,368
Effect from repurchased own treasury shares	(4,412)	(4,412)
Weighted average number of ordinary shares at 31 December	22,956	22,956
Loss per share (EUR)	(0.09)	(0.96)

15. Loss per share (continued)

Diluted loss per share

The Group does not have dilutive potential ordinary shares in the form of bonds, convertible into shares of the Parent company or share options.

On 18 March 2019 and in regard to the SSF signed between Ebioss Energy SE and GEM Global Yield Fund in October 2018, Akiles Corporation 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 Akiles Corporation 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 could have resulted in a decrease of the loss per share and therefore have an anti-dilutive effect. Nevertheless, as of the date of these financial statements the exercise of the warrants is invalidated.

16. 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.

In thousands of EUR	*Note*	**31.12.2022**	**31.12.2021**
Current liabilities			
Unsecured corporate bonds issues	(a)	20,998	19,769
Bank loans and overdrafts	(c)	5,381	5,009
Loans payable to related parties	21	975	943
Loans payable to third parties	(b)	3,134	2,874
Total		**30,488**	**28,595**

In thousands of EUR	
Carrying amount of liability at 1 January 2021	**18,543**
Accrued interest	1,211
Net FX loss on GBP bonds during the period	15
Carrying amount of liability at 31 December 2021	**19,769**
Accrued interest	1,241
Net FX loss on GBP bonds during the period	(12)
Carrying amount of liability at 31 December 2022	**20,998**

(a) Corporate bonds issue

As at 31 December 2022 interest payments for the total amount of EUR 6,498 thousand, which fell due in 2018, 2019, 2020, 2021 and 2022 and the repayment of the principles of all the bond emissions for the amount of EUR 14,500 thousand which were due on 18 June 2020, 22 December 2020, 20 April 2021 and 2 June 2022 respectively have not been paid and are considered overdue.

The bondholders have negotiated disposal of their receivables with principle in the amount of EUR 10,500 to a third party. The transaction is subject to conditions precedent including resumption of trading of the Company's shares on the BME Growth market with a long stop date 21st July 2024. As of the date of issuance of these financial statements the Company's share have not resumpted trading on the BME Growth market and the Transaction is in process of renegotiating. At present an investment fund specialized in debt restructuring is currently negotiating with the two principal bondholders and expects the settlement agreement to be reached in the foreseeable future again subject to resumption of trading of the Company's shares on the BME Growth market and the completion of the transaction for share capital increase from Tesla Global SA.

16. Loans and borrowings (continued)

(a) Corporate bonds issue (continued)

The overdue payments are subject to renegotiations which is conditional upon the intended transaction for share capital increase from Tesla Group SA.

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 was 18 June 2020 and maturity dates of the coupon payments were as follows: 18 June 2016, 18 June 2017, 18 June 2018, 18 June 2019 and 18 June 2020.

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 was 22 December 2020 and maturity dates of the coupon payments were 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 was 20 April 2021 and maturity dates of the coupon payments were as follows: 20 April 2017, 20 April 2018, 20 April 2019, 20 April 2020 and 20 April 2021.

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 was 20 April 2021 and maturity dates of the coupon payments were as follows: 20 April 2017, 20 April 2018, 20 April 2019, 20 April 2020 and 20 April 2021.

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 was 2 June 2022 and maturity dates of the coupon payments were 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 31 December 2022 and 2021 the bonds are not traded.

(b) Loans payable to third parties

As at 31 December 2022 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. The accumulated interest and other accrued expenses amount to EUR 842 thousand.

- EUR 1,000 thousand received on 26 March 2018. The interest rate on the loan is 5% and the loan is repayable 1 year after its receipt. The accumulated interest and other accrued expenses amount to EUR 242 thousand.

The outstanding loan balances related to both contracts have not been repaid as at the date of these financial statements.

16. Loans and borrowings (continued)

(c) Bank loans

Bank loans structure as at 31 December 2022 and 2021 is, as follows:

Bank	Borrower	Interest rate	Balance 31.12.2022 EUR'000	Balance 31.12.2021 EUR'000	Maturity
UBB AD	Karlovo Biomass EOOD	3M EURIBOR + 6,00%	4,959	4,594	Payable on demand payable on demand
BBVA	Akiles Corporation SE	2,00%	374	367	30.11.2023
GPM – overdraft	Akiles Corporation SE	n/a	9	9	Payable on demand
Sabadel – credit card	Akiles Corporation SE	n/a	13	13	Payable on demand
Other overdrafts	Akiles Corporation SE	n/a	26	26	
TOTAL BANK LOANS			**5,381**	**5,009**	

As at 31 December 2022 the outstanding principal to the loan granted by UBB AD to Karlovo Biomass EOOD is EUR 3,696 thousand (31 December 2021: EUR 3,696 thousand). Akiles Corporation had stopped paying the instalments due and on 26.02.2020.

17. Trade and other payables

	Note	31.12.2022 EUR'000	31.12.2021 EUR'000 Restated
Payables to related parties	22	1,149	1,048
Payables to suppliers		3,065	3,242
Payables to employees		601	445
Tax and contributions liabilities		187	141
Other payables		87	81
		5,089	**4,957**

The payable to suppliers includes the liability towards the seller of the shares of PetrolProm Bulgaria OOD which will be settled through transfer of 540,000 shares at nominal value EUR 1 each share from the capital of Akiles Corporation SE.

Payables to suppliers and to employees amounting to EUR 2,060 thousand and EUR 560 thousand respectively have been agreed to be settled through debt conversion agreements to convert these liabilities into newly emitted shares in 2024. All debt conversions are subject to accomplishment of capital increase of Akiles's capital and reverse takeover of the whole capital of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365, where the current shareholders of Tesla Global SE will subscribe newly emitted shares from the capital of Akiles. If the above reverse takeover is not completed, this agreement shall not be deemed valid.

18. Taxation

Under the current provisions of Bulgarian Corporate Income Tax Act, a company may use its accumulated loss with restriction of five years in the time period to reduce the income tax it would otherwise have to pay on future taxable income. The Group has not recognized deferred tax assets in relation to accumulated tax losses because of the uncertainty that it would recognize future taxable income.

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2022 EUR'000	**2021 EUR'000**	**2022 EUR'000**	**2021 EUR'000**	**2022 EUR'000**	**2021 EUR'000**
Land and developments costs	-	-	7	7	7	7
Tax loss carry-forwards	-	-	-	-	-	-
Tax (assets) / liabilities	**-**	**-**	**7**	**7**	**7**	**7**

Movement in deferred tax balances

In thousands of EUR	Balance 1 January 2021	Recognized in profit or loss	Balance 31 December 2021	Recognized in profit or loss	Balance 31 December 2022
Land and developments costs	344	(337)	7	-	7
Tax loss carry-forwards	(403)	403	-	-	-
	(59)	**66**	**7**	-	**7**

19. Financial instruments

Accounting classifications and fair values

The following tables shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value since their carrying amount is considered to be a reasonable approximation of the fair value.

31 December 2022

In thousands of EUR	Note	FVTPL	Financial assets at amortised cost	Other financial liabilities at amortised cost	Total	Fair value
Financial assets not measured at fair value						
Loans provided	21	-	16	-	16	
Trade receivables	11, 21	-	45	-	45	
Cash and cash equivalents	13	-	1	-	1	
		-	**62**	**-**	**62**	
Financial liabilities measured at fair value						
Own shares lent by Elektra Holding AD	21	620	-	-	620	Level 1
		620	**-**	**-**	**620**	
Financial liabilities not measured at fair value						
Loans and borrowings	16, 21	-	-	(30,488)	(30,488)	
Trade payables	17, 21	-	-	(4,215)	(4,215)	
		-	**-**	**(34,703)**	**(34,703)**	

19. Financial instruments (continued)

Accounting classifications and fair values (continued)

31 December 2021

In thousands of EUR	**Note**	**FVTPL**	**Financial assets at amortised cost**	**Other financial liabilities at amortised cost**	**Total**	**Fair value**
Financial assets not measured at fair value						
Loans provided	21	-	15	-	15	
Trade receivables	11, 21	-	45	-	45	
Cash and cash equivalents	13	-	1	-	1	
		-	**61**	**-**	**61**	
Financial liabilities measured at fair value						
Own shares lent by Elektra Holding AD	21	620	-	-	620	Level 1
		620	**-**	**-**	**620**	
Financial liabilities not measured at fair value						
Loans and borrowings	16, 21	-	-	(28,595)	(28,595)	
Trade payables	17, 21	-	-	(4,290)	(4,290)	
		-	**-**	**(32,885)**	**(32,885)**	

Overview

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

- credit risk
- liquidity risk
- market risk

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

Risk management framework

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

(a) Credit risk

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

The carrying amount of Group's financial assets represent the maximum exposure to credit risk.

19. Financial instruments (continued)

(a) Credit risk (continued)

Trade receivables and loans provided

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The maximum exposure to credit risk for trade receivables and loans provided at the reporting date was as follows:

	Note	31.12.2022	31.12.2021
		EUR'000	EUR'000
Loans provided to related parties	22	16	15
Trade receivables from related parties	22	43	43
Trade receivables from third parties	11	2	2
		61	**60**

Impairment

Impairment losses on financial assets recognised in profit or loss were, as follows:

Recognised in profit or loss	2022	2021
	EUR'000	EUR'000
Impairment loss on trade and other receivables	-	38
Written-off principals and interests on loans provided	-	1,834
	-	**1,872**

Cash and cash equivalents

The Group held cash and cash equivalents of EUR 1 thousand at 31 December 2022 (31 December 2021: EUR 1 thousand).

The estimated impairment on cash and cash equivalents was calculated based on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

(b) Liquidity risk

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

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements as at 31 December 2022:

In thousands of EUR	Note	Carrying amount	Contractual cash flows	1 year or less	1-2 years	2-5 years
Non-derivative financial liabilities						
Corporate bonds issued	16	20,998	20,998	20,998	-	-
Bank loans and overdrafts	16	5,381	5,381	5,381	-	-
Loans payable to related parties	21	975	975	975	-	-
Loans payable to third parties	16	3,134	3,134	3,134	-	-
Trade payables to related parties	21	1,149	1,149	1,149	-	-
Trade payables to third parties	17	3,065	3,065	3,065	-	-
		34,703	**34,703**	**33,703**	**-**	**-**

19. Financial Instruments (continued)

Risk management framework (continued)

(b) Liquidity risk (continued)

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements as at 31 December 2021:

In thousands of EUR	Note	Carrying amount	Contractual cash flows	1 year or less	1-2 years	2-5 years
Non-derivative financial liabilities						
Corporate bonds issued	16	19,769	19,769	19,769	-	-
Bank loans and overdrafts	16	5,009	5,009	5,009	-	-
Loans payable to related parties	21	943	943	943	-	-
Loans payable to third parties	16	2,874	2,874	2,874	-	-
Trade payables to related parties	21	1,048	1,048	1,048	-	-
Trade payables to third parties	17	3,242	3,242	3,242	-	-
		32,885	**32,885**	**32,885**	-	-

(c) Market risk

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

Currency risk

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than BGN. The majority of the Company's transactions are denominated in EUR and the BGN is pegged to the EUR. Some transactions, including one of the bonds emissions (see note 16) are denominated in GBP.

Interest rate risk

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

(d) Capital management

The Management's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. There were no changes in the Group's approach to capital management during the year.

(e) Fair value of financial assets and liabilities

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

20. Segment reporting

No operating segments have been identified that are subject to disclosure in accordance with the requirements of IFRS 8 Operating Segments.

21. Related party transactions and balances

Related parties are as follows:

Related party	Relationship
Southelmer LLC, Spain	Ultimate parent
Elektra Holding AD, Bulgaria	Parent of Akiles Corporation SE
Epsion Resorts AD	Under common control, controlled by Elektra Holding AD
Levi Capital EOOD	Under common control, controlled by Elektra Holding AD
Luxur PV EOOD	Under common control, controlled by Elektra Holding AD
Bul PV EOOD	Under common control, controlled by Elektra Holding AD
Bul Biomass EOOD	Under common control, controlled by Elektra Holding AD
Smolyan Biomass EOOD	Under common control, controlled by Elektra Holding AD
Titan Power OOD	Under common control, controlled by Elektra Holding AD
Eco El Invest OOD	Under common control, controlled by Elektra Holding AD

Directors

The Executive Director of Akiles Corporation SE is Jose Oscar Leiva Mendez.

Non-executive Directors of Akiles Corporation SE as if 31 December 2022 and 2021 are Carlos Cuervo Arango Martinez, Juan Molins Monteys and Onofre Servera Andreu.

The remuneration accrued in favour of the key management personnel for 2022 amounts to EUR 97 thousand (2021: EUR 108 thousand).

Balances with related parties
In thousands of EUR

	Balance outstanding as at			
	31.12.2022		**31.12.2021**	
	Receivables	Payables	Receivables	Payables
Elektra Holding AD	-	(620)	-	(620)
Eqtec PLC	-	(70)	-	(70)
Eqtec Iberia	-	(11)	-	(11)
Directors	37	(448)	37	(347)
Close family members of the management	6	-	6	-
	43	**(1,149)**	**43**	**(1,048)**

The amount of EUR 620 thousand payable to Elektra Holding AD (31.12.2021: EUR 620 thousand) is related to share lending agreements signed between the parties where Elektra has effectively lent 5,488,000 shares (31.12.2021: 5,488,000 shares) to Akiles which were either sold by Akiles or used for the purpose of repayment of its loan liabilities. The liability to Elektra is measured based on the number of shares effectively lent and with reference to the market price of the shares at MAB as at 31 December 2022 – 0.113 EUR per share (31 December 2021 – 0.113 EUR per share). Nevertheless, according to the signed share lending agreements 5 488 000 should be transferred back to Elektra Holding AD.

Loans provided to related parties

In thousands of EUR

	Balance outstanding as at	
Receivables from:	**31.12.2022**	**31.12.2021**
Employees, management and other close family members	16	15
Total loans provided to related parties	**16**	**15**

21. Related party transactions and balances (continued)

Loans due to related parties

In thousands of EUR

Payables to:	Balance outstanding as at 31.12.2022	31.12.2021
Elektra Holding AD	757	733
Close family members of the management	218	210
Total loans due to related parties	**975**	**943**

Transactions with related parties

In thousands of EUR	Description	For the period ended 31.12.2022	For the period ended 31.12.2021
Elektra Holding AD – interest accrued	Loans	24	24
Close family members – interest accrued	Loans	7	7

22. Commitments and contingent liabilities

Akiles Corporation SE is a co-debtor for the financing of the liquidated in 2021 subsidiary TNL SL with Banco de Sabadell S.A., Spain for the amount of approximately EUR 57 thousand.

Akiles Corporation 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 31 December 2022 the outstanding liability to this loan is EUR 4,959 thousand (31 December 2021: EUR 4,594 thousand). As at 31 December 2022 the outstanding principal to this loan is EUR 3,696 thousand (31 December 2021: EUR 3,696 thousand). Akiles Corporation had stopped paying the instalments due and on 26.02.2020.

The Group has no other commitments or contingent liabilities as at 31 December 2022 and 2021.

23. Events after the reporting period end

On 17.02.2023, pursuant to a Contract for Assignment of Receivables (cession), ATZ Project EOOD acquired all receivables of United Bulgarian Bank AD towards Akiles Corporation SE (in its capacity of co-debtor) arising from the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016. The value of the receivables in relation to the Bank loan agreement and the additional annexes thereto amounts to EUR 5,019,687. The assigned claim has passed from United Bulgarian Bank AD to the new creditor along with its privileges, securities and other accessories, including accrued interest.

Pursuant to Preliminary Agreement for sale of the Company's shares, as well as sale of receivables dated 07.04.2023, Akiles has transferred to a third party (indicated by the new creditor under the Cession contract dated 17.02.2023), the Company's shares from the capital of Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD.

According to the Preliminary Agreement dated 07.04.2023, the new creditor, as the holder of the receivables under the Cession contract dated 17.02.2023, has undertaken to discharge the obligations of Akiles Corporation SE under the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016, as a counter performance related to the transfer of the Company's shares from the capital of Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD and in connection with the reciprocal obligation to transfer all the receivables to Akiles towards these subsidiaries.

23. Events after the reporting period (continued)

On 13.04.2023, through a Contract for Assignment of Receivables (Cession), ATZ Project EOOD sold to new party Energowind EOOD all receivables from Karlovo Biomass EOOD (as the principal debtor) and Akiles Corporation SE, Heat Biomass EOOD and Biomass Distribution EOOD (as co-debtors) arising from the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016.

On 29.06.2023 Energowind EOOD, in its capacity as the ultimate assignee and current holder of the receivables mentioned above, has agreed to cancel all the obligations of Akiles Corporation SE amounting to EUR 5,019,687 against these receivables. As a result Akiles Corporation SE does not have any liability regarding UBB debt after this transaction.

On 15.04.2024 an extraordinary General Meeting of the shareholders was held and the decisions taken were inscribed in the Bulgarian Trade Register on 24.04.2024. Among the most important decisions taken are the following:

- the name of the company is changed to Tesla Energy Storage SE
- the new Board of Directors will consist of Oscar Leiva Mendez, Juan Molins Monteys, Dusan Lichardus, Horia Grigorescu and Johannes Antonie Marius Marijnen
- Adoption of resolution for delegation to the Board of Directors of „AKILES CORPORATION" SE to accomplish increase of the Company's registered capital, on the grounds of art. 196 of the Commerce Act, by emitting new shares, up to a maximum nominal amount of € 450'000'000
- The capital of the Company will be increased predominantly by way of contribution in kind of all the shares from the capital of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365 subject to the approval of the shareholders of Tesla Global SE and Akiles Corporation SE.

The future business activity of the Group is subject to the successful completion of in-kind contribution of the shares of the capital of Tesla Global SE. This will enable the Company to focus on and further expand the key activity of Tesla Global SE which is the production and sale of battery storage units using the highest-quality liquid-cooled battery modules. The factory designing, engineering, and assembling the battery storage units is located in Slovakia and historically is known for its huge expertise in the field of energy. The company is initiating the construction of the first Gigafactory in Europe (Romania) for 4GW/year of Battery Energy Storage Solutions.

In 2024, following the resolution of the extraordinary General Meeting to convert Group's payables in the amount of EUR 11,4 mln. into shares through an in-kind contribution, the Company signed debt conversion agreements with all creditors. The conversions are subject to the successful completion of the in-kind contribution of the shares of Tesla Global SE. The most significant payables subject to the conversion are as follows:

- An agreement dated 11 April 2024 whereby EF FACET BALANCED DISCRETIONARY PORTFOLIO FUND agrees to exchange its payable amounting to EUR 546 thousand against 546,459 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.
- An agreement dated 11 April 2024 whereby EF FACET CAUTIOUS DISCRETIONARY PORTFOLIO FUND agrees to exchange its payable amounting to EUR 911 thousand against 910 766 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.
- An agreement dated 10 April 2024 whereby BTC DOCE S.à.r.l agrees to exchange its payable amounting to EUR 1 680 thousand against 1 680 000 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.
- An agreement dated 14 April 2024 whereby Arrizabal Elkartea SL agrees to exchange its payable amounting to EUR 419 thousand against 419 147 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.

After the reporting date Tesla Global SE acquired shares of the parent Company and as a result as of the date of the above-mentioned Ordinary Shareholders meeting owns 2 338 461 shares which represents 8,54% from the total issued shares issued less treasury own shares and 9,6% from the total shares issued. Thus, the shareholding of Tesla Global

23. Events after the reporting period (continued)

SE exceeds the shareholding of the parent company Elektra Holding AD. Tesla Global SE presented during the last Ordinary Shareholders Meeting and the decisions stated above have been voted by them.

On 05 June 2024 an agreement was signed with Tsvetomir Toshev Yordanov, according to which the liability to the seller related to the shares acquired in Petrolprom Bulgaria OOD will no longer be settled through the transfer of 540,000 shares, but through monetary payment of 540 000 euro payable within 8 months as of signing of this agreement – until 05 February 2025.

On 06 June 2024 the Group signed Sales purchase agreement for disposal of 50.43% of the share capital of PetrolProm Bulgaria OOD. The transfer of ownership was registered under the company's file in the Bulgarian Trade Registry on 13 June 2024.

On 06 June 2024 the Group reached an agreement with PROMONTORIA POSEIDON DAC for settlement of the remaining debt in 12 monthly instalments of EUR 24 thousand, starting from July 2024 to June 2025.

On 16 July 2024 following an ordinary General Meeting of the shareholders held on 25 June 2024 the scope of activity of the parent company had changed in the Trade Registry to include Production and assembly of battery energy storage systems ("BESS"), including component manufacturing and end product assembly and other services related to BESS projects.

There are no other significant events, adjusting or non-adjusting, which have a bearing on the understanding of the separate financial statements of the Group.

24. Basis of measurement

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

The consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU.

25. Significant accounting policies

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

Basis for consolidation

(i) Business combinations

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

(ii) Non-controlling interests

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

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

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

25. Significant accounting policies (continued)

Basis for consolidation (continued)

(iii) Subsidiaries

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

(iv) Loss of control

On the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, depending on the level of influence retained, it is accounted for as an equity-accounted investee or as a financial asset in accordance with IFRS 9 *Financial instruments*.

(v) Transactions eliminated on consolidation

Intra group balances arising from intra-group transactions should be eliminated.

(vi) Acquisitions from entities under common control

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

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

(vii) Provisional acquisition accounting

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

Investments in associates

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

25. Significant accounting policies (continued)

Investments in associates (continued)

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

Revenue from contracts with customers

Information about the Group's accounting policies relating to contracts with customers is provided in Note 4.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The key operating decision maker has determined two operating segments for reporting purposes –

construction, management and operation of biomass power plants and pelletization plants and sale and management of waste collection systems.

Finance income and finance costs

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

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

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

Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Group's entities are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The functional currency of the parent and all the subsidiaries in the Group is BGN. The consolidated financial statements are presented in thousands of EUR, which is the Group's presentation currency.

(ii) Transactions and balances

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

25. Significant accounting policies (continued)

Foreign currency translation (continued)

(iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency at the exchange rate of EUR to BGN of 1/1.95583, as the Bulgarian lev (BGN) is pegged to the euro (EUR).

Tax

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

Deferred tax is not recognised for:

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

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

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

Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is represented as if the operation had been discontinued from the start of the comparative year.

25. Significant accounting policies (continued)

Assets classified as held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated to assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, investment property, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss. Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

Property, plant and equipment

Property, plant and equipment are initially measured at cost. After initial recognition, property, plant and equipment except land is carried at cost less accumulated depreciation and any accumulated impairment losses.

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

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

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

Depreciation

Depreciation commences when the assets are ready for their intended use. Depreciation is calculated using the most appropriate depreciation method - on a straight-line basis or based on the hours in use (for the palletization installation) so as to write off the cost of each asset to its residual value over its estimated useful life. Land is not depreciated. The estimated useful lives of other property, plant and equipment are as follows:

Buildings	5-50 years
Equipment	4-14 years
Furniture	10 years
Computers	2-5 years
Motor vehicles	4-6 years
Heat boilers	15-20 years
Power plants	12-20 years
Pelletization installation	175,200 machine hours

The residual values and useful lives of the assets are reviewed, and adjusted if appropriate, at each reporting date. Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

25. Significant accounting policies (continued)

Property, plant and equipment (continued)

Subsequent costs

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

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

Intangible assets and goodwill

Goodwill

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

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

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

Development costs

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

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

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

25. Significant accounting policies (continued)

Intangible assets and goodwill (continued)

Amortisation

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

Patents and trademarks	5-20 years
Development costs	5 years
Computer software	3 years

Amortization of the development costs in progress will start when the projects are finalised and the production commences.

Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition, are included at cost of acquisition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Financial instruments

(i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

25. Significant accounting policies (continued)

Financial instruments (continued)

(ii) Classification and subsequent measurement financial assets (continued)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Groups' continuing recognition of the assets.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

25. Significant accounting policies (continued)

Financial instruments (continued)

(ii) Classification and subsequent measurement financial assets (continued)

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest (continued)

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual per amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and losses

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss, except for derivatives designated as hedging instruments for which hedge accounting is applied.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

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

25. Significant accounting policies (continued)

Financial instruments (continued)

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Impairment

(i) Non-financial assets

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

(ii) Financial assets

The Group recognises loss allowances for ECLs on its financial assets measured at amortised cost, debt investments measured at FVOCI; and contract assets.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

25. Significant accounting policies (continued)

Financial instruments (continued)

Impairment (continued)

(ii) Financial assets (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 365 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

25. Significant accounting policies (continued)

Financial instruments (continued)

Impairment (continued)

(ii) Financial assets (continued)

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Provisions

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

Employee benefits

(i) Defined contribution plans

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

(ii) Defined benefit plan

According to Bulgarian Labour Code at the time when employees acquire pension rights, the company owes 2 monthly salaries for employees with less than 10 years, or 6 monthly salaries to them, in case the employees have worked for the same company for more than 10 years before pensioning. The Group's obligation in respect of this defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and that amount is discounted. The calculation is performed annually based on the projected unit credit method. Except for Bulgaria under the foreign jurisdictions where the Group operates there are no obligations to pay future additional remuneration for the employees, when they reach retirement age.

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

25. Significant accounting policies (continued)

Employee benefits (continued)

(ii) Defined benefit plan (continued)

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

(iii) Short-term employee benefits

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

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

Share capital

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

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

Treasury shares reserve

The parent Company has selected to present treasury shares within equity as a separate line-item Treasury shares *reserve.*

26. New standards and interpretations not yet adopted

New standards, effective from 1 January 2022

The Group has adopted the following new standards, amendments and interpretations to IFRS, issued by the International Accounting Standards Board (IASB) which are mandatory for application from the annual period beginning on 1 January 2022, but have no material effect on the Group`s financial result and financial position:

- Amendments in IFRS 3 Business Combinations, IAS 16 Property Plant and Equipment, IAS 37 Provisions, Contingent Liabilities and Contingent Assets, effective 1 January 2022, as adopted by the EU
- Annual Improvements 2018-2020 effective from 1 January 2022 adopted by the EU

Standards, amendments and interpretations that are not yet effective and have not been adopted early by the Group

As of the date of approval for the issuance of these financial statements, new standards, amendments and interpretations have been issued but are not yet effective or not adopted by the EU for annual periods beginning on 1 January 2022 and have not been adopted early by the Group. Management expects all standards and amendments to be adopted in the Group's accounting policy for the first period beginning after the date of their adoption.

26. New standards and interpretations not yet adopted (continued)

The changes relate to the following standards:

- Amendments to IFRS 17 Insurance Contracts, effective from 1 January 2023, adopted by the EU
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statements 2: Disclosure of Accounting Policies, effective from 1 January 2023, adopted by the EU
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates, effective from 1 January 2023, adopted by the EU
- Amendments to IAS 12 Income Taxes: Deferred Taxes Relating to Assets and Liabilities Arising from Single Transactions, effective from 1 January 2023, adopted by the EU
- Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information, effective from 1 January 2023, adopted by the EU
- Amendments to IFRS 14 Regulatory Deferral Accounts, effective from 1 January 2016, not yet adopted by the EU
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current and Non-current, effective from 1 January 2024, not yet adopted by the EU
- Amendments to IFRS 16 Leases: Leaseback obligation on sale and leaseback, effective from 1 January 2024, adopted by the EU
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements, effective from 1 January 2024, not yet adopted by the EU
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability, effective from 1 January 2025, not yet adopted by the EU

AKILES CORPORATION SE

SEPARATE FINANCIAL STATEMENTS
For the year ended 31 December 2022

CONTENTS

DIRECTORS AND OTHER OFFICERS

Executive Directors

Jose Oscar Leiva Mendez

Registered seat

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Sofia 1463

Address for correspondence

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Legal Consultant

Angel Panayotov
Attorney-at-law

Perusanov, Panayotov & Partners LAW OFFICE

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Banks

BNP Paribas Securities Services, Spain
Gestion de Patrimonios Mobiliarios Sociedad de Valores, S.A., Spain
Andbank, Spain

Auditor

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

AKILES CORPORATION SE

DIRECTOR'S REPORT

The Board of Directors presents its separate report on the activities of AKILES CORPORATION SE (the Company) for the period ended 31.12.2022.

Incorporation and principal activities

Akiles Corporation SE (the" Company") is a joint stock company registered in Sofia, Bulgaria with UIC: 202356513. It was incorporated on 7 January 2011.

On 6 November 2019 the share capital of the Company was increased from EUR 20,918 thousand to EUR 27,368 thousand through 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, which receivables from the Company originate from a Bond Conversion Agreement dated 10.07.2019 and are at the amount of EUR 1,850 thousand and which receivables the Company is obligated to pay by issuance and allotment in favour 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, 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 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 EUR 4,500 thousand and which receivables the Company is obligated to pay by issuance and allotment in favour 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, 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, 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 EUR 100 thousand and which receivables the Company is obligated to pay by issuance and allotment in favour of Stanislav Raynov Novakov 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.

On 3 April 2020 the Executive Director of Akiles Corporation terminated unilaterally and on the grounds of art. 306, para. 5 of the Bulgarian Commerce Act, due to continuous period of force-majeure and objective negative economic factors, the Shareholders Agreement which Akiles had signed with Stanislav Novakov for acquisition of 50% of the registered capital of HM Hotels JSC. As a result of this unilateral termination of the contractual relations with Stanislav Novakov, Akiles returned to him the ownership over 50% of the shares capital of HM Hotels JSC.

The Company's shares are registered for public trading on BME Growth (Madrin, Spain), however no trading is observed since November 2020 as the instruments are suspended from trading. The Company is considered a public interest entity.

Akiles Corporation SE went through an insolvency procedure that as of the reporting date is terminated taking place between November 2020 until March 2022.

It was initiated by the Company itself acting as an insolvent debtor on 11th of November 2020 at the Sofia City Court. In December 2020 UBB filed another petition for opening of insolvency proceedings against the Company which suspended the initial one filed. In February 2021 a third petition for opening of insolvency procedure against the Company was filed by EF Facet Discretionary Portfolios, another creditor of the Company which was adjoined to the insolvency petition of UBB and thus a uniform legal process with two pretending creditors was in progress.

Based on out-of-court settlement agreement, reached between the Company and UBB on 16.02.2022, the legal procedure for opening of bankruptcy against Tesla Energy Storage SE was terminated with explicit ruling of the Sofia City Court 15.03.2022. Few days earlier also the insolvency procedure, opened by request of the Company itself as well as of EF Facet Discretionary Portfolios was terminated.

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 principal business activities and is preparing an in-kind contribution of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365. As a result the Company will focus on the production and sale of battery storage battery units. The in kind contribution is expected to be finalized in 2024 and is subject to the approval of the valuation to be prepared by nominated experts from the Bulgarian Trade Register and the Due Diligence report by the shareholders of Tesla Global SE and Akiles Corporation SE shareholders.

2. Review of current position, future developments and significant risks

The Company's development to date, financial results and position are presented in the separate financial statements. For the period ended 31.12.2022 the financial result of the Company is net loss in the amount of EUR 1 655 thousand. Net equity is a negative value amounting to EUR 30 338 thousand. As of 31 December 2022 the earnings per share are a negative value of EUR 0.07.

3. Analysis of key, financial and non-financial, performance indicators relevant to the business operations of the Group

The Company management periodically review its gearing and liquidity ratios which are indicators of financial stability.

Gearing ratio (total liabilities / total equity)

31.12.2022	31.12.2021
-1	-1

Liquidity ratio (current assets / current liabilities)

31.12.2022	31.12.2021
0	0

4. Events after the reporting period

On 17.02.2023, pursuant to a Contract for Assignment of Receivables (cession), ATZ Project EOOD acquired all receivables of United Bulgarian Bank AD towards Akiles Corporation SE (in its capacity of co-debtor) arising from the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016.

The value of the receivables in relation to the Bank loan agreement and the additional annexes thereto amounts to EUR 5,019,687. The assigned claim has passed from United Bulgarian Bank AD to the new creditor along with its privileges, securities and other accessories, including accrued interest.

Pursuant to Preliminary Agreement for sale of the Company's shares, as well as sale of receivables dated 07.04.2023, Akiles has transferred to a third party (indicated by the new creditor under the Cession contract dated 17.02.2023), the Company's shares from the capital of Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD.

According to the Preliminary Agreement dated 07.04.2023, the new creditor, as the holder of the receivables under the Cession contract dated 17.02.2023, has undertaken to discharge the obligations of Akiles Corporation SE under the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016, as a counterperformance related to the transfer of the Company's shares from the capital of Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD and in connection with the reciprocal obligation to transfer all the receivables to Akiles towards these subsidiaries.

On 13.04.2023, through a Contract for Assignment of Receivables (Cession), ATZ Project EOOD sold to new party Energowind EOOD all receivables from Karlovo Biomass EOOD (as the principal debtor) and Akiles Corporation SE, Heat Biomass EOOD and Biomass Distribution EOOD (as co-debtors) arising from the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016.

On 29.06.2023 Energowind EOOD, in its capacity as the ultimate assignee and current holder of the receivables mentioned above, has agreed to cancel all the obligations of Akiles Corporation SE amounting to EUR 5,019,687 against these receivables. As a result Akiles Corporation SE does not have any liability regarding UBB debt after this transaction.

On 15.04.2024 an extraordinary General Meeting of the shareholders was held and the decisions taken were inscribed in the Bulgarian Trade Register on 24.04.2024. Among the most important decisions taken are the following:

- the name of the company is changed to Tesla Energy Storage SE
- the new Board of Directors will consist of Oscar Leiva Mendez, Juan Molins Monteys, Dusan Lichardus, Horia Grigorescu and Johannes Antonie Marius Marijnen
- Adoption of resolution for delegation to the Board of Directors of „AKILES CORPORATION" SE to accomplish increase of the Company's registered capital, on the grounds of art. 196 of the Commerce Act, by emitting new shares, up to a maximum nominal amount of € 450'000'000
- The capital of the Company will be increased predominantly by way of contribution in kind of all the shares from the capital of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365 subject to the approval of the shareholders of Tesla Global SE and Akiles Corporation SE.

In 2024, following the resolution of the extraordinary General Meeting to convert Group's payables in the amount of EUR 11,4 mln. into shares through an in-kind contribution, the Company signed debt conversion agreements with all creditors. The conversions are subject to the successful completion of the in-kind contribution of the shares of Tesla Global SE. The most significant payables subject to the conversion are as follows:

- An agreement dated 11 April 2024 whereby EF FACET BALANCED DISCRETIONARY PORTFOLIO FUND agrees to exchange its payable amounting to EUR 546 thousand against 546,459 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.
- An agreement dated 11 April 2024 whereby EF FACET CAUTIOUS DISCRETIONARY PORTFOLIO FUND agrees to exchange its payable amounting to EUR 911 thousand against 910 766 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.
- An agreement dated 10 April 2024 whereby BTC DOCE S.à.r.l agrees to exchange its payable amounting to EUR 1 680 thousand against 1 680 000 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.
- An agreement dated 14 April 2024 whereby Arrizabal Elkartea SL agrees to exchange its payable amounting to EUR 419 thousand against 419 147 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.

After the reporting date Tesla Global SE acquired shares of the parent Company and as a result as of the date of the above-mentioned Ordinary Shareholders meeting owns 2 338 461 shares which represents 8,54% from the total issued shares issued less treasury own shares and 9,6% from the total shares issued. Thus, the shareholding of Tesla Global SE exceeds the shareholding of the parent company Elektra Holding AD. Tesla Global SE presented during the last Ordinary Shareholders Meeting and the decisions stated above have been voted by them.

On 05 June 2024 an agreement was signed with Tsvetomir Toshev Yordanov, according to which the liability to the seller related to the shares acquired in Petrolprom Bulgaria OOD will no longer be settled through the transfer of 540,000 shares, but through monetary payment of 540 000 euro payable within 8 months as of signing of this agreement.

On 06 June 2024 the Group signed Sales purchase agreement for disposal of 50.43% of the share capital of PetrolProm Bulgaria OOD. The transfer of ownership was registered under the company's file in the Bulgarian Trade Registry on 13 June 2024.

On 06 June 2024 the Group reached an agreement with PROMONTORIA POSEIDON DAC for settlement of the remaining debt in 12 monthly instalments of EUR 24 thousand, starting from July 2024 to June 2025.

On 16 July 2024 following an ordinary General Meeting of the shareholders held on 25 June 2024 the scope of activity of the parent company had changed in the Trade Registry to include Production and assembly of battery energy storage systems ("BESS"), including component manufacturing and end product assembly and other services related to BESS projects.

There are no other significant events, adjusting or non-adjusting, which have a bearing on the understanding of the separate financial statements of the Group.

5. Future development of the Company

The future business activity of the Company is subject to the successful completion of in kind contribution of the shares of the capital of Tesla Global SE. This will enable the Company to focus on and further expand the key activity of Tesla Global SE which is the production and sale of battery storage units using the highest-quality liquid-cooled battery modules. The factory designing, engineering, and assembling the battery storage units is located in Slovakia and historically is known for its huge expertise in the field of energy. The company is initiating the construction of the first Gigafactory in Europe (Romania) for 4GW/year of Battery Energy Storage Solutions.

6. Activities in the field of research and development

As of 31.12.2022 the Company does not have any activities in the field of research and development.

7. Information concerning acquisitions of own shares required under the procedure provided for in Art. 187e of the Commerce Act

As at 31 December 2022 and 2021 the Company held 4,411,560 own shares with nominal value EUR 1 at total amount of EUR 4,412 thousand.

8. Existence of branches of the Company

The Company does not have branches as of 31.12.2022 and in 2021.

9. Company`s financial risk management objectives and policies

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

- credit risk
- liquidity risk
- market risk

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

Risk management framework

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

(a) Credit risk

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

The carrying amount of Company's financial assets represent the maximum exposure to credit risk.

(b) Liquidity risk

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

(c) Market risk

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

Currency risk

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

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

Interest rate risk

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

Capital management

The Management's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. There were no changes in the Company's approach to capital management during the year.

Fair value of financial assets and liabilities

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

CORPORATE GOVERNACE STATEMENT

1. Code of Corporate Governance

The Company has issued a Code of Corporate Governance approved by Jose Oscar Leiva Mendez. The Company strictly follows this Code of Corporate Governance. This document is published on the official website of Akiles Corporation SE.

2. System of internal control and management of risks

Internal control is defined as a process integrated into the Company's activities and executed by the Board of Directors, the Audit Committee, by management and employees.

The Company has established adequate and effective internal control, which is continuous process integrated in all of the Company`s activities and is designed to achieve:

- compliance with legislation
- compliance with internal rules and contracts
- reliability and completeness of financial and operational information
- economy, efficiency and effectiveness of the activities
- protection of assets and information

Everyone in the Company has a certain responsibility with regard to internal control. The Company has created adequate organizational structure to ensure segregation of duties, proper division of responsibilities and adequacy of reporting levels. The control functions of the participants in the internal control system are regulated in the job descriptions of the persons concerned. There is commitment to competence at each working place and there are strict requirements for the knowledge and skills needed for each position. The management has set the values of integrity and ethical behavior through Code of conduct.

Risks relevant to financial reporting include external and internal events, transactions, and circumstances that may arise and have a negative impact on the entity's ability to initiate, record, and process financial data. The management applies a conservative approach to identifying the business risks that are material for the preparation of the financial statements, assesses their significance and likelihood of their occurrence, and decides how to address these risks, how to manage them, and how to evaluate the results reliably.

3. Information under Article 10, Paragraph 1, Letters "c", "d", "f", "h" and "i" of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 regarding take-over offers;

- **significant direct and indirect shareholdings (including indirect shareholdings through pyramid structures and cross-shareholdings) within the meaning of Article 85 of Directive 2001/34/EC;**

As of 31 December 2022 the major shareholder in the Company is Elektra Holding AD.

- **holders of any securities with special control rights and a description of those rights**

No securities with special control rights exist.

- **any restrictions on voting rights, such as limitations of the voting rights of holders of a given percentage or number of 30.4.2004 EN Official Journal of the European Union L 142/19 votes, deadlines for exercising voting rights, or systems whereby, with the company's cooperation, the financial rights attaching to securities are separated from the holding of securities**

No restriction of voting rights exist in articles of association.

- **the rules governing the appointment and replacement of board members and the amendment of the articles of association;**

The appointment and replacement of board members and the amendment of the articles of association can be done only through decision of General Shareholders meeting.

- **the powers of board members, and in particular the power to issue or buy back shares**

With the amendment of the Articles of Association as of 15.04.2024, the Board of Directors is entrusted with the powers until the date 31.12.2024, acting with own discretion and having the right to specify all the parameters of the respective emission, to increase the capital of the Company up to reaching the maximum amount of € 450'000'000 /four hundred and fifty million Euro/, through issuing new shares or through conversion of debts.

4. Information regarding composition and functioning of the administrative, managerial and supervisory bodies and their committees, as well as description of the diversity policy applied as regards the administrative, managerial and supervisory bodies of the issuer in connection with aspects such as age, gender or education and professional experience

As of 31.12.2022 the Company's management bodies are the following:

1. Board of Directors with the following members:

- Jose Oscar Leiva Mendez
- Carlos Cuervo Arango Martinez
- Juan Molins Monteys
- Onorfe Servera Andreu

The Board of Directors conduct regular meetings at least once in three months to review the results of the Company, to evaluate business risks and to discuss future prospects for development of the Company.

The Company has appointed an Audit Committee to supervise the financial reporting and ensure the independence of the appointed auditors.

In respect to the members of the management/supervisory bodies the Company applies the policy of diversity regarding gender, age, education and professional background. This is to ensure that the members have been appointed based on their expertise and capacity to contribute to the achievement of the Company's objectives.

Director's responsibilities

The Directors confirm that suitable accounting policies have been used and applied consistently and reasonable prudent judgements and estimates have been made in the preparation of the separate financial statements as of 31.12.2022.

The Directors also confirm that applicable accounting standards have been followed and that the separate financial statements have been prepared on the going concern basis.

The Directors are responsible for keeping proper accounting records, for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As of 31 December 2022 Managing Director is Jose Oscar Leiva Mendez.

By order of the Board of Directors,

Jose Oscar Leiva Mendez
Executive Director

Sofia, 09 September 2024

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INDEPENDENT AUDITOR`S REPORT

To the shareholders of
TESLA ENERGY STORAGE SE (former name Akiles Corporation SE)

Address: 68 Vitosha Blvd, Floor 1
Sofia 1463, Bulgaria

Report on the Audit of the Separate Financial Statements

Qualified Audit Opinion

We have audited the separate financial statements of TESLA ENERGY STORAGE SE ("the Company") which comprise the separate statement of financial position as at 31 December 2022, the separate statement of profit or loss and other comprehensive income, the separate statement of changes in equity and the separate cash flow statement for the year then ended, as well as the notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying separate financial statements give a true and fair view of the financial position of the Company as at 31 December 2022 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and Bulgarian legislation.

Basis for Qualified Opinion

As presented in note 4 Use of judgements and estimates A. Going concern in the separate financial statements, the accumulated loss as at 31 December 2022 amounts to EUR 71,416 thousand. The equity as of 31 December 2022 is negative and amounts to EUR 30,338 thousand. As of 31 December 2022 the Company has total liabilities in the amount of EUR 30,420 thousand consisting of:

1) Bond emissions amounting to EUR 14,500 thousand and interest payments amounting to EUR 6,498 thousand in relation to its unsecured corporate bonds issued that are overdue and immediately payable.

2) Other liabilities in the amount of EUR 9,422 thousand are immediately payable.

As at the date of issuance of these financial statements the Company was unable to conclude re-negotiations or obtain replacement financing for substantial part of the liabilities under 1) and 2) listed above. As stated in note 4A, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The future development of the Company's business operations, depends on the successful completion of in kind contribution of the shares of the capital of Tesla Global SE and re-listing of the parent company's shares on BME Growth, as well as the realization of the plan to expand the business activity in the production and sale of battery storage units. The in-kind contribution and other measures presented in note 4 Use of judgements and estimates A. Going concern to ensure continuing as a going concern for the foreseeable future are subject to complex clauses and the fulfillment of large number of conditions precedent. Thus, if the management assessment for feasibility of refinancing arrangements is changed by new circumstances arising from future development of macroeconomic environment or investors' and creditors' position in ongoing negotiations, there is material uncertainty that the Company will continue as going concern.

The Company presents total liabilities amounting to EUR 30,420 thousand consisting of liabilities for unsecured bond emissions, loans payable to related and third parties, as well as trade and other liabilities. In the course of our audit procedures, we received confirmation letters from the creditors for liabilities amounting to EUR 14,776 thousand and the liabilities amounting to EUR 15,278 thousand were tested via alternative procedures. As at 31 December 2022 substantial part of the liabilities are immediately due. According to legal letter received none of the liabilities of the Company are claimed in court as at the date of this report and management provides written representations confirming ongoing negotiations to cut principal debt. Nevertheless, due to the lack of final signed renegotiation agreements, as well as lack of effective payments and conversions made as at the date of this report, we were not able to obtain reasonable assurance whether any additional adjustments to those liabilities may arise in relation to any change in the creditors' position in ongoing negotiations.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the separate financial statements in Bulgaria, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Emphasis of matter

We draw attention to Note 4. *Use of judgements and estimates* letter C. *Loss of control over subsidiaries* in the separate financial statements, which describes the circumstances surrounding the loss of control over the subsidiaries Petrolprom Bulgaria OOD and Silena Company EOOD and its impact on the Company's financial statements. Our opinion is not modified in respect of this matter.

We draw attention to Note 1 *Incorporation and principal activities* to the separate financial statements, which discloses that the Company went through an insolvency procedure that as of the reporting date is terminated taking place between November 2020 until March 2022. Our opinion is not modified in respect of this matter.

Key Audit Matters

Except for the matters described in the *Basis for Qualified Opinion* section, we have determined that there are no other key audit matters to communicate in our report.

Information Other than the Separate Financial Statements and Auditor's Report thereon

Management is responsible for the other information. The other information comprises the annual management report, prepared by the management in accordance with Chapter VII of the Bulgarian Accountancy Act, but does not include the separate financial statements and our auditor's report thereon.

Our opinion on the separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon unless explicitly stated in our report and to the extent stated in our report.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or whether our knowledge obtained in the audit may indicate that there is a material misstatement or otherwise the other information appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and Bulgarian legislation, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

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

The Audit Committee ("Those charged with governance") are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate Financial Statements

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

As part of our audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our

opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the separate financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Reporting Pursuant to Article 59 of Bulgarian Independent Financial Audit Act in relation to Article 10 of Regulation (EC) № 537/2014

In accordance with the requirements of Bulgarian Independent Financial Audit Act and in relation with Article 10 of Regulation (EC) № 537/2014, we report additionally the information as follows:

- Crowe Bulgaria Audit EOOD was appointed as statutory auditor of the financial statements of TESLA ENERGY STORAGE SE for the year ended on 31 December 2022 by the Ordinary General meeting of the shareholders, held on 15.04.2024, for a period of three years.
- The audit of the separate financial statements of the Company for the year ended on 31 December 2022 has been made for fourth non-consecutive year.
- We confirm that our audit opinion is consistent with the additional report to the audit committee, which was provided in ac4cordance with Article 60 of Bulgarian Independent Financial Audit Act.

Crowe

- We declare that prohibited non-audit services referred to in Article 64 of Bulgarian Independent Financial Audit Act were not provided.
- We confirm that we remained independent of the Company in conducting the audit.
- For the period for which we were engaged as statutory auditors, we have not provided any other services to the Company in addition to the statutory audit, which have not been disclosed in the management report or separate financial statements.

For Crowe Bulgaria Audit EOOD, Audit company, registration № 167

Gyulyay Rahman
Statutory Manager, Registered auditor responsible for the audit

ОДИТОРСКО ДРУЖЕСТВО
СОФИЯ
Рег. № 167
КРОУ БЪЛГАРИЯ ОДИТ ЕООД

10 September 2024
Sofia, Bulgaria

AKILES CORPORATION SE

SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December

	Note	2022 EUR'000	2021 EUR'000
Other income		101	488
Expenses for hired services		(11)	(15)
Depreciation and amortization	10,11	(1)	(3)
Employee benefit expenses	5	(295)	(332)
Impairment loss on loans and trade receivables and write-offs	6	-	(16,366)
Investments impairment	7	-	(3,762)
Other expenses		(3)	(195)
Loss from operating activities		**(209)**	**(20,185)**
Finance income		94	32
Finance cost		(1,540)	(1,629)
Net finance costs	8	(1,446)	(1,597)
Loss before income tax		**(1,655)**	**(21,782)**
Income tax expense	18	-	(226)
Loss for the period		**(1,655)**	**(22,008)**
Total comprehensive income for the period		**(1,655)**	**(22,008)**
Basic loss per share (in EUR)	15	**(0.07)**	**(0.96)**

On 15.04.2024 the Board of Directors of AKILES CORPORATION SE authorised these separate financial statements for issue.

Executive Director:
Jose Oscar Leiva Mendez

Prepared by:
Ivan Milev

According to Independent Auditor's report dated: 10.09.2024

For Crowe Bulgaria Audit EOOD, Audit company, registration № 167

Gyulyay Rahman, Statutory manager
Registered auditor responsible for the audit

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The notes set out on pages 6 – 30 are an integral part of these separate financial statements.

SEPARATE STATEMENT OF FINANCIAL POSITION

	Note	31 December 2022 EUR'000	31 December 2021 EUR'000
ASSETS			
Non-current assets			
Investments in subsidiaries	9	22	22
Property, plant and equipment	10	1	1
Intangible assets	11	2	3
Deferred tax asset	18	-	-
Total non-current assets		**25**	**26**
Current assets			
Loans provided	22.1	16	15
Trade and other receivables	12	40	40
Cash and cash equivalents	13	1	1
Total current assets		**57**	**56**
Total assets		**82**	**82**
EQUITY AND LIABILITIES			
Equity			
Share capital	14.1	27,368	27,368
Share premium		18,122	18,122
Treasury shares reserve	14.2	(4,412)	(4,412)
Accumulated loss		(71,416)	(69,761)
Total equity		**(30,338)**	**(28,683)**
Current liabilities			
Loans and borrowings	16	25,534	24,006
Trade and other payables	17	4,886	4,759
Total current liabilities		**30,420**	**28,765**
Total liabilities		**30,420**	**28,765**
Total equity and liabilities		**82**	**82**

On 15.04.2024 the Board of Directors of AKILES CORPORATION SE authorised these separate financial statements for issue.

Executive Director:
Jose Oscar Leiva Mendez

Prepared by:
Ivan Milev

According to Independent Auditor's report dated: 10.09.2024

For Crowe Bulgaria Audit EOOD, Audit company, registration № 167

Gyulyay Rahman, Statutory manager
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SEPARATE STATEMENT OF CHANGES IN EQUITY

	Share capital EUR'000	Share premium EUR'000	Treasury sharer reserve EUR'000	Accumulated loss EUR'000	Total EUR'000
Balance at 1 January 2022	**27,368**	**18,122**	**(4,412)**	**(69,761)**	**(28,683)**
Comprehensive income					
Loss for the period	-	-	-	(1,655)	(1,655)
Total comprehensive income	-	-	-	**(1,655)**	**(1,655)**
Balance at 31 December 2022	**27,368**	**18,122**	**(4,412)**	**(71,416)**	**(30,338)**
Balance at 1 January 2021 as previously reported	**27,368**	**18,122**	**(4,412)**	**(47,694)**	**(6,616)**
Impact of correction of errors	-	-	-	(59)	(59)
Restated balance at 1 January 2021	**27,368**	**18,122**	**(4,412)**	**(47,753)**	**(6,675)**
Comprehensive income					
Loss for the period	-	-	-	(22,008)	(22,008)
Total comprehensive income	-	-	-	**(22,008)**	**(22,008)**
Balance at 31 December 2021	**27,368**	**18,122**	**(4,412)**	**(69,761)**	**(28,683)**

On 15.04.2024 the Board of Directors of AKILES CORPORATION SE authorised these separate financial statements for issue.

Executive Director:
Jose Oscar Leiva Mendez

Prepared by:
Ivan Milev

According to Independent Auditor's report dated: 10.09.2024

For Crowe Bulgaria Audit EOOD, Audit company, registration № 167

Gyulyay Rahman, Statutory manager
Registered auditor responsible for the audit

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AKILES CORPORATION SE

SEPARATE STATEMENT OF CASH FLOWS
For the year ended 31 December

	Note	2022 EUR'000	2021 EUR'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the period before tax		**(1,655)**	**(21,782)**
Adjustment for:			
Depreciation and amortisation		1	3
Impairments and write-offs		-	20,128
Interest expense		1,540	1,510
Interest income		(1)	(32)
Other financial costs		-	1
Net exchange rate (gains)/losses		(93)	118
Cash flows from operations before working capital changes		(208)	(54)
Changes in working capital:			
Trade and other receivables		-	109
Trade and other payables		208	(60)
Cash used in operating activities		-	(5)
Other cash flow from operating activities:			
Other financial costs paid		-	(1)
Net cash flows from operating activities		-	(6)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments		-	3
Net cash from investing activities		-	3
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash (used in)/from financing activities		-	-
Net change in cash and cash equivalents		-	(3)
Cash and cash equivalents at 1 January		1	4
Cash and cash equivalents at 31 December	13	**1**	**1**

On 15.04.2024 the Board of Directors of AKILES CORPORATION SE authorised these separate financial statements for issue.

Executive Director:
Jose Oscar Leiva Mendez

Prepared by:
Ivan Milev

According to Independent Auditor's report dated: 10.09.2024

For Crowe Bulgaria Audit EOOD, Audit company, registration № 167

Gyulyay Rahman, Statutory manager
Registered auditor responsible for the audit

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1. Incorporation and principal activities

Incorporation

Akiles Corporation SE (the Company) is a joint stock company registered in Sofia, Bulgaria with UIC: 202356513. It was incorporated on 7 January 2011.

On 6 November 2019 the legal entity was renamed to Akiles Corporation SE and the share capital of the Company was increased from EUR 20,918 thousand to EUR 27,368 thousand through 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, which receivables from the Company originate from a Bond Conversion Agreement dated 10.07.2019 and are at the amount of EUR 1,850 thousand and which receivables the Company is obligated to pay by issuance and allotment in favour 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, 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 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 EUR 4,500 thousand and which receivables the Company is obligated to pay by issuance and allotment in favour 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, 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, 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 EUR 100 thousand and which receivables the Company is obligated to pay by issuance and allotment in favour of Stanislav Raynov Novakov 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.

On 3 April 2020 the Executive Director of Akiles Corporation terminated unilaterally and on the grounds of art. 306, para. 5 of the Bulgarian Commerce Act, due to continuous period of force-majeure and objective negative economic factors, the Shareholders Agreement which Akiles had signed with Stanislav Novakov for acquisition of 50% of the registered capital of HM Hotels JSC. As a result of this unilateral termination of the contractual relations with Stanislav Novakov, Akiles returned to him the ownership over 50% of the shares capital of HM Hotels JSC.

The Company's shares are registered for public trading on BME Growth (Madrin, Spain), however no trading is observed since November 2020 as the instruments are suspended from trading. The Company is considered a public interest entity.

Principal activities

The Company went through an insolvency procedure that as of the reporting date is terminated taking place between November 2020 until March 2022.

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 principal business activities and is preparing an in-kind contribution of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365. As a result the Company will focus on the production and sale of battery storage battery units. The in-kind contribution is expected to be finalized in 2024 and is subject to the approval of the valuation to be prepared by nominated experts from the Bulgarian Trade Register and the Due Diligence report by the shareholders of Tesla Global SE and Akiles Corporation SE shareholders.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1. Basis of accounting

These separate financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU). The Board of Directors authorized the issuance of the separate financial statements on 15.04.2024. Along with this authorization, the Board has granted the Chief Executive Officer the authority to amend the financial statements based on audit findings prior to their final issuance. Additionally, the Chief Executive Officer is authorized to prepare the final version of the annual activity report.

2. Functional and presentation currency

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

3. Use of judgements and estimates

The preparation of the separate financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Although these estimates are based on Management's best knowledge of current events and actions, actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The significant judgements made by management in applying the Company's accounting policies and the key sources of uncertainty were the same as those described in the last annual financial statements, except for those disclosed in section B "Significant sources of estimation uncertainties".

A. Going concern basis of accounting

The separate financial statements of Akiles Corporation SE as at 31 December 2022 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 1,655 thousand mainly due to interest expenses. The accumulated loss as at 31 December 2022 amounts to EUR 71,416 thousand. The equity as of 31 December 2022 is negative and amounts to EUR 30,338 thousand. Based on art. 252, para. 1, item 5 of the Bulgarian Commercial Act, when the net worth of a joint-stock company falls below the amount of the registered capital, such company is obligated within one year to convoke a general meeting and to take a decision for reduction of the capital, for transformation or termination. However, the Management of the Company is actively working to realize new capital increase in order to comply with the provisions of the law.

The Company went through an insolvency procedure that as of the reporting date is terminated taking place between November 2020 until March 2022.

It was initiated by the Company itself acting as an insolvent debtor on 11th of November 2020 at the Sofia City Court. In December 2020 UBB filed another petition for opening of insolvency proceedings against the Company which suspended the initial one filed. In February 2021 a third petition for opening of insolvency procedure against the Company was filed by EF Facet Discretionary Portfolios, another creditor of the Company which was adjoined to the insolvency petition of UBB and thus a uniform legal process with two pretending creditors was in progress.

Based on out-of-court settlement agreement, reached between the Company and UBB on 16.02.2022, the legal procedure for opening of bankruptcy against Tesla Energy Storage SE was terminated with explicit ruling of the Sofia City Court 15.03.2022. Few days earlier also the insolvency procedure, opened by request of the Company itself as well as of EF Facet Discretionary Portfolios was terminated.

The Company has total liabilities in the amount of EUR 30,420 thousand consisting of:

- Bond emissions amounting to EUR 14,500 thousand and interest payments amounting to EUR 6,498 thousand in relation to its unsecured corporate bonds issued. The Company is in delay on covering those liabilities. The non-payment of these liabilities represents an event of default and the total amount of the bond liabilities of EUR 20 998 thousand are considered overdue.
- Other liabilities in the amount of EUR 9,422 thousand that are immediately payable.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

4. Use of judgements and estimates (continued)

A. Going concern basis of accounting (continued)

The Company does not have active business operations. The business operations of the entire Group are in the process of restructuring.

These current conditions and events indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

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.

Based on out-of-court settlement agreement, reached between the Group and UBB on 16.02.2022, the legal procedure for opening of bankruptcy against the parent Company was terminated with explicit ruling of the Sofia City Court 15.03.2022. Few days earlier also the insolvency procedure, opened by request of the Company itself as well as of EF Facet Discretionary Portfolios was terminated.

On 15.04.2024 an extraordinary General Meeting of the shareholders was held and the decisions taken were inscribed in the Bulgarian Trade Register on 24.04.2024. Among the most important decisions taken are the following:

- the name of the company is changed to Tesla Energy Storage SE
- the new Board of Directors will consist of Oscar Leiva Mendez, Juan Molins Monteys, Dusan Lichardus, Horia Grigorescu and Johannes Antonie Marius Marijnen
- Adoption of resolution for delegation to the Board of Directors of „AKILES CORPORATION" SE to accomplish increase of the Company's registered capital, on the grounds of art. 196 of the Commerce Act, by emitting new shares, up to a maximum nominal amount of € 450'000'000
- The capital of the Company will be increased predominantly by way of contribution in kind of all the shares from the capital of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365 subject to the approval of the shareholders of Tesla Global SE and Akiles Corporation SE.

As at 31 December 2023 liabilities amounting to EUR 6,554 thousand are agreed to be settled through debt conversion agreements. The creditors have agreed to convert these liabilities into newly emitted shares in 2024. All debt conversions are subject to accomplishment of capital increase of Akiles's capital and reverse takeover of the whole capital of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365, where the current shareholders of Tesla Global SE will subscribe newly emitted shares from the capital of Akiles. If the above reverse takeover is not completed, the debt conversion agreements shall not be deemed valid and liabilities amounting to EUR 6,554 thousand will become immediately due.

The future business activity of the Company is subject to the successful completion of in kind contribution of the shares of the capital of Tesla Global SE. This will enable the Company to focus on and further expand the key activity of Tesla Global SE which is the production and sale of battery storage units using the highest-quality liquid-cooled battery modules. The factory designing, engineering, and assembling the battery storage units is located in Slovakia and historically is known for its huge expertise in the field of energy. The company is initiating the construction of the first Gigafactory in Europe (Romania) for 4GW/year of Battery Energy Storage Solutions.

In view of the above directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and the Company will be able to secure financing necessary to repay the outstanding immediately payable liabilities and execute successfully the debt conversion agreements. For these reasons, the Company continues to adopt the going concern basis of accounting in preparing the consolidated financial statements.

B. Significant sources of estimation uncertainties

The military conflict between the Republic of Ukraine and the Russian Federation and in the Gaza Strip have negative impact on the macro- and micro-economic plan of the EU and the middle East. The economic sanctions imposed between the EU member states, on one hand, and the Russian Federation, on the other, may have some adverse economic effects in the countries where the Company will operate.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

4. Use of judgements and estimates (continued)

B. Significant sources of estimation uncertainties (continued)

Therefore, the overall impact on the Company's business activity and its financial performance will depend on future developments, which are highly uncertain and currently cannot be predicted. However, the Management has been actively working to minimize the negative impact, to seek additional financing and to follow the Company's business strategy. The management of Akiles will continue to monitor the development of the situation and the effect on all aspects of the Company's activities.

In view of this, the management believes in the Company's ability to continue as a going concern.

C. Loss of control over subsidiaries

The Company holds directly 50,43% of the equity interest in its subsidiary PetrolProm Bulgaria OOD and 50,43% indirectly of the equity interest in its subsidiary Silena Company EOOD. The management considers that effective control over these entities is not established despite owning a majority of the voting rights. This conclusion is drawn based on several significant factors which impair the ability to exercise control as defined under IFRS 10:

- Non-compliance with Shareholder Agreements: Akiles, a key shareholder, has failed to meet its financial obligations as stipulated in the Shareholders Agreement dated February 15, 2019. This non-compliance has notably weakened the parent company's influence over corporate decisions.
- Insolvency Proceedings: As of November 2020, Akiles has been subjected to insolvency proceedings, severely restricting the parent company's capability to inject further capital and thereby diminishing its effective influence over the subsidiaries' operational and financial policies.
- Communication Barriers: There has been a significant deterioration in communications pertaining to the management and strategic operations of the investees, further evidencing the lack of effective control.
- Absence of Control Power: The parent company does not possess the necessary power to govern the financial and operating policies of the investee entities to obtain benefits from their activities. The management is appointed by the suggestions of the other shareholder.
- Extraordinary Shareholders' Meeting: An extraordinary meeting held on June 1, 2021, led to a reassessment of the control status, resulting in the conclusion that the parent company Akiles no longer retains control over PetrolProm Bulgaria OOD and Silena Company EOOD as of this date.

The Investments in PetrolProm Bulgaria OOD and Silena Company EOOD have been classified as financial assets at fair value through profit or loss in accordance with IFRS 9 in the separate financial statements for the year ending 31st December 2021. This reclassification reflects the loss of control as specified and substantiated by the outlined events and circumstances.

D. 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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

4. Employee benefit expenses

For the year ended 31 December	2022 EUR'000	2021 EUR'000
Wages and salaries	(276)	(313)
Social security contributions	(19)	(19)
	(295)	**(332)**

5. Impairment loss on loans and trade receivables and write-offs

For the year ended 31 December	2022 EUR'000	2021 EUR'000
Impairment on loans provided to Karlovo Biomass EOOD	-	(6,351)
Impairment on loans provided to Biomass Distribution EOOD	-	(5,685)
Impairment on loans provided to Heat Biomass EOOD	-	(2,033)
Written-off loans provided to TNL Equipamentos Ambientais SL	-	(1,527)
Written-off loans provided to Nova Zagora Biomass EOOD	-	(298)
Written-off loans provided to Winttec World SL	-	(203)
Written-off loans provided to Eqtec Bulgaria EOOD	-	(98)
Written-off loans provided to PetrolProm Bulgaria EOOD	-	(60)
Written-off loans provided to Plovdiv Biomass EOOD	-	(37)
Written-off loans provided to Tvarditsa Biomass EOOD	-	(30)
Written-off loans provided to TNL World EOOD	-	(19)
Written-off loans provided to other parties	-	(25)
	-	**(16,366)**

6. Investments Impairment

For the year ended 31 December	2022 EUR'000	2021 EUR'000
Written-off investment in PetrolProm Bulgaria EOOD	-	(540)
Written-off investment in TNL Equipamentos Ambientais SL	-	(250)
Written-off investment in Winttec World SL	-	(197)
Written-off investment in Winttec Greece IKE	-	(52)
Written-off investment in TNL World EOOD	-	(1)
Impairment of investment in Tvarditsa Biomass EOOD	-	(1,841)
Impairment of investment in Plovdiv Biomass EOOD	-	(880)
Impairment of investment in Biomass Distribution EOOD	-	(1)
	-	**(3,762)**

7. Finance income and costs

For the year ended 31 December		2022 EUR'000	2021 EUR'000
Interest income	(a)	1	32
Net FX gains		93	-
Finance income		**94**	**32**
Interest expense		(1,540)	(1,510)
Net FX losses		-	(118)
Bank expenses		-	(1)
Finance costs		**(1,540)**	**(1,629)**
Net finance expense recognized in profit or loss		**(1,446)**	**(1,597)**

(a) Interest income relates to loans granted to the subsidiaries of the Company or its employees.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

8. Investments

	31.12.2022 EUR'000	31.12.2021 EUR'000
Balance at 1 January	22	3,787
Investments disposals	-	(3)
Impairments and/or revaluations of investments to fair value	-	(2,722)
Written-off of investments	-	(1,040)
Balance at the end of the period	**22**	**22**
Investments in subsidiaries	22	22
Total investments	**22**	**22**

Since the beginning of 2021 Winttec World S.L. and TNL Equipamientos Ambientales S.L. were declared in a state of bankruptcy by the Court in Barcelona and subsequently dissolved, the investments in these subsidiaries were written-off. In 2021 the Company also wrote off its investment in TNL World EOOD due to the suspension of their business activities. The investment in PetrolProm Bulgaria OOD has been written-off in 2021 and presented as other investments as the Company considers the control is lost (see Note 4C). Akiles Corporation SE continues to own 50.43% of the registered capital of PetrolProm Bulgaria OOD acquired for the price of EUR 540 thousand. An Extraordinary General Meeting of PetrolProm Bulgaria OOD was held on 18.06.2021 and from this date the Company does not exercise control over its management as per IFRS 10. The investment in PetrolProm Bulgaria OOD is reclassified as other investment with nil carrying value.

The investments in subsidiaries as at 31 December 2022 and 31 December 2021 are presented below:

Subsidiaries	Country of incorpo-ration	% ownership 31.12.2022	Investment amount in EUR '000 31.12.2022	% ownership 31.12.2021	Investment amount in EUR '000 31.12.2021
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%	-
Energotec-Eco AD	Bulgaria	100%	22	100%	22
Biomass Distribution EOOD	Bulgaria	100%	-	100%	-
Syngas Italy SRL	Italy	0%	-	0%	-
Eqtec Bulgaria EOOD	Bulgaria	100%	-	100%	-
Winttec Greece IKE	Greece	100%	-	100%	-
Total investments in subsidiaries			**22**		**22**
Other investments					
PetrolProm Bulgaria EOOD	Bulgaria	50.43%	-	50.43%	-
Total other investments			-		-

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 Akiles Corporation SE as a joint debtor for the amount of EUR 5,600 thousand. As at 31 December 2022 the principal to be repaid by Karlovo Biomass OOD to United Bulgarian Bank AD amounts to EUR 3,696 thousand (31 December 2021: EUR 3,696 thousand). Akiles Corporation had stopped paying the instalments due and on 26.02.2020. The Management plans to dispose of its investment in Karlovo Biomass OOD and settle the bank liability.

As at 31 December 2021 the Company performed a test for impairment of its investment in subsidiaries and impairment amounting to EUR 2,722 thousand has been recognized in relation to the investments in Tvarditsa Biomass EOOD, Plovdiv Biomass EOOD and Biomass Distribution EOOD. As at 31 December 2022 the Company has not performed tests for impairments of its investment in subsidiaries as all significant investments were fully impaired in prior periods and no indications for reversal of impairment are identified.

The investment in subsidiary PetrolProm Bulgaria OOD has been written-off in 2021 and presented as other investments as the Company considers the control is lost (see Note 4C). As at 31 December 2022 Akiles Corporation SE continues to own

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

9. Investments (continued)

50.43% of the registered capital of PetrolProm Bulgaria OOD acquired for the price of EUR 540 thousand. An Extraordinary General Meeting of Petrolprom Bulgaria OOD was held on 18.06.2021 and from this date the Company does not exercise control over its management as per IFRS 10. The Investment in PetrolProm Bulgaria OOD is reclassified as other investment with nil carrying value and change in legal ownership of shares is registered on 13.06.2024 as disclosed in Note 24.

10. Property, plant and equipment

	Computers and equipment EUR'000	Vehicles EUR'000	Total EUR'000
Cost			
Balance at 1 January 2021	28	2	30
Balance at 31 December 2021	28	2	30
Balance at 31 December 2022	28	2	30
Depreciation			
Balance at 1 January 2021	24	2	26
Charge for the period	3	-	3
Balance at 31 December 2021	27	2	29
Charge for the period	-	-	-
Balance at 31 December 2022	27	2	29
Carrying amounts			
At 1 January 2021	4	-	4
At 31 December 2021	1	-	1
At 31 December 2022	1	-	1

11. Intangible assets

	Software EUR'000	Other EUR'000	Total EUR'000
Cost			
Balance at 1 January 2021	1	8	9
Balance at 31 December 2021	1	8	9
Balance at 31 December 2022	1	8	9
Amortisation			
Balance at 1 January 2021	1	5	6
Charge for the period	-	-	-
Balance at 31 December 2021	1	5	6
Charge for the period	-	1	1
Balance at 31 December 2022	1	6	7
Carrying amounts			
At 1 January 2021	-	3	3
At 31 December 2021	-	3	3
At 31 December 2022	-	2	2

12. Trade and other receivables

	Note	31.12.2022 EUR'000	31.12.2021 EUR'000
Trade and other receivables from related parties	22.4	40	40
		40	**40**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

13. Cash and cash equivalents

	31.12.2022 EUR'000	31.12.2021 EUR'000
Cash at bank	1	1
Cash in hand	-	-
Cash and cash equivalents	**1**	**1**

	31.12.2022 EUR'000	31.12.2021 EUR'000
Cash and cash equivalents are denominated in following currencies:		
EUR	1	1
	1	**1**

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 2022 and 2021 the Company has issued 27,367,811 ordinary shares with a nominal value of EUR 1 (BGN 1.96) each.

14.2. Treasury shares reserve

The Company's share premium reserve includes the cost of treasury shares held by the Company.

As at 31 December 2022 and 2021 the Company held 4,411,560 own shares with nominal value EUR 1 at total amount of EUR 4,412 thousand.

15. Loss per share

Basic loss per share

The calculation of basic loss per share at 31 December 2022 is based on the loss attributable to ordinary shareholders of EUR 1,655 thousand (31 December 2021: loss of EUR 22,008 thousand), and a weighted average number of ordinary shares outstanding of 22,956 thousand (31 December 2021: 22,956 thousand), calculated as follows:

(i) Loss attributable to ordinary shareholders (basic)

In thousands of EUR	31.12.2022	31.12.2021
Loss for the period	(1,655)	(22,008)
Loss attributable to ordinary shareholders	(1,655)	(22,008)

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

In thousands of shares	31.12.2022	31.12.2021
Issued ordinary shares at 1 January	27,368	27,368
Effect from repurchased own shares	(4,412)	(4,412)
Weighted average number of ordinary shares at 31 December	22,956	22,956
Loss per share (EUR)	(0.07)	(0.96)

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

15. Loss per share (continued)

Diluted loss per share

The Company does not have dilutive potential ordinary shares in the form of bonds, convertible into shares of Akiles Corporation SE or share options.

On 18 March 2019 and in regards to the SSF signed between Akiles Corporation SE and GEM Global Yield Fund in October 2018, Akiles Corporation 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 Akiles Corporation 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 could have resulted in a decrease of the loss per share and therefore have an anti-dilutive effect. Nevertheless, as of the date of these financial statements the exercise of the warrants is invalidated.

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	Note	31.12.2022	31.12.2021
Current liabilities			
Unsecured corporate bonds issues	(a)	20,998	19,769
Loans payable to related parties	22.3	980	948
Overdraft		47	47
Bank loans	(c)	375	368
Loans payable to third parties	(b)	3,134	2,874
		25,534	**24,006**
		25,534	**24,006**

(a) Corporate bonds issue

In thousands of EUR	
Carrying amount of liability at 1 January 2021	**18,543**
Accrued interest	1,211
Net FX loss on GBP bonds during the period	15
Carrying amount of liability at 31 December 2021	**19,769**
Accrued interest	1,241
Net FX loss on GBP bonds during the period	(12)
Carrying amount of liability at 31 December 2022	**20,998**

As at 31 December 2022 interest payments for the total amount of EUR 6,498 thousand, which fell due in 2018, 2019, 2020, 2021 and 2022 and the repayment of the principles of all the bond emissions for the amount of EUR 14,500 thousand which were due on 18 June 2020, 22 December 2020, 20 April 2021 and 2 June 2022 respectively have not been paid and are considered overdue.

The bondholders have negotiated disposal of their receivables with principle in the amount of EUR 10,500 to a third party. The transaction is subject to conditions precedent including resumption of trading of the Company's shares on the BME Growth market with a long stop date 21st July 2024. As of the date of issuance of these financial statements the Company's share have not resumpted trading on the BME Growth market and the Transaction is in process of renegotiating. At present an investment fund specialized in debt restructuring is currently negotiating with the two principal bondholders and expects the settlement agreement to be reached in the foreseeable future again subject to resumption of trading of the Company's shares on the BME Growth market and the completion of the transaction for share capital increase from Tesla Global SA.

The overdue payments are subject to renegotiations which is conditional upon the intended transaction for share capital increase from Tesla Group SA.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

16. Loans and borrowings (continued)

(a) Corporate bonds issue (continued)

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 was 18 June 2020 and maturity dates of the coupon payments were as follows: 18 June 2016, 18 June 2017, 18 June 2018, 18 June 2019 and 18 June 2020.

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 was 22 December 2020 and maturity dates of the coupon payments were 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 was 20 April 2021 and maturity dates of the coupon payments were as follows: 20 April 2017, 20 April 2018, 20 April 2019, 20 April 2020 and 20 April 2021.

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 was 20 April 2021 and maturity dates of the coupon payments were as follows: 20 April 2017, 20 April 2018, 20 April 2019, 20 April 2020 and 20 April 2021.

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 was 2 June 2022 and maturity dates of the coupon payments were as follows: 2 June 2018, 2 June 2019, 2 June 2020, 2 June 2021 and 2 June 2022.

The initial placement of bond emissions 2-5 was done through the Luxembourg Stock Exchange. As at 31 December 2022 and 2021 the bonds are not traded.

(b) Loans payable to third parties

As at 31 December 2022 the Company was granted credit funding by third parties under the following agreements:

- EUR 1,050 thousand received on 28 February 2018. The interest rate on the loan is 5% and the loan is repayable 1 year after its receipt. The accumulated interest and other accrued expenses amount to EUR 842 thousand.
- EUR 1,000 thousand received on 26 March 2018. The interest rate on the loan is 5% and the loan is repayable 1 year after its receipt. The accumulated interest and other accrued expenses amount to EUR 242 thousand.

The outstanding loan balances related to both contracts have not been repaid as at the date of these financial statements and are considered overdue.

(c) Bank loans

The liabilities represent EUR 357 thousand loan granted by BBVA during 2019. The funds were used for repayment the overdue liabilities (principle and interest) under prior two loan agreements. The facility is payable on demand and the negotiated interest rate comes to 2.00%. Under the provision of the loan the bank may consider the loan fully due and demand immediate repayment if the borrower enters into a legal insolvency procedure. As of 31 December 2022 the Company classifies the liability as current. In 2023 BBVA disposed of its receivables to a new creditor - PROMONTORIA POSEIDON DAC, engaged with financial services. A settlement agreement with the new creditor is expected to be concluded in 2024.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

17. Trade and other payables

	Note	31.12.2022 EUR'000	31.12.2021 EUR'000 Restated
Payables to related parties	22.2	1,139	1,043
Payables to suppliers		2,882	3,059
Payables to employees		598	442
Tax and contributions liabilities		180	134
Other payables		87	81
		4,886	**4,759**

The payables to suppliers includes the liability towards the seller of the shares of PetrolProm Bulgaria OOD which will be settled through transfer of 540,000 shares at nominal value EUR 1 each share from the capital of Akiles Corporation SE.

Payables to suppliers and to employees amounting to EUR 2,060 thousand and EUR 560 thousand respectively have been agreed to be settled through debt conversion agreements to convert these liabilities into newly emitted shares in 2024. All debt conversions are subject to accomplishment of capital increase of Akiles's capital and reverse takeover of the whole capital of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365, where the current shareholders of Tesla Global SE will subscribe newly emitted shares from the capital of Akiles. If the above reverse takeover is not completed, this agreement shall not be deemed valid.

18.Taxation

Under the current provisions of the Bulgarian Corporate Income Tax Act, the Company may use its accumulated loss to substantially reduce the income tax it would otherwise have to pay on future taxable income without restrictions in the time period.

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

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

In thousands of EUR	Assets		Liabilities		Net	
	2022	2021	2022	2021	2022	2021
Tax loss carry-forwards	-	-	-	-	-	-
Tax (assets) / liabilities	-	-	-	-	-	-

Movement in deferred tax balances

n In thousands of EUR	Balance 1 January 2021	Recognized in profit or loss	Balance 31 December 2021	Recognized in profit or loss	Balance 31 December 2022
Tax loss carry-forwards	(226)	226	-	-	-
	(226)	**226**	-	-	-

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

19. Financial instruments

Financial risk management

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

- credit risk
- liquidity risk
- market risk

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

Risk management framework

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

(a) Credit risk

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

The carrying amount of Company's financial assets represents the maximum exposure to credit risk.

Trade receivables and loans provided

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each debtor. As of the date of these separate financial statements all receivables are from related parties, subsidiaries of Akiles Corporation SE. The timing of collection of the receivables is therefore dependent on the successful realization of each investment project. The trade receivables over 365 days old and have been fully impaired.

Since in the beginning of 2021 Winttec World S.L. and TNL Equipamientos Ambientales S.L. were declared in a state of bankruptcy by the Court in Barcelona and subsequently dissolved. The business activities of PetrolProm Bulgaria OOD, TNL World EOOD and Winttec Greece IKE have been analysed and as a result, all trade receivables are considered non-recoverable and have been fully impaired. The loans granted to all these companies have also been written-off.

The management is in the process of negotiating the sale of the power plants of Heat Biomass EOOD and Karlovo Biomass EOOD. An impairment loss on the loans' receivable from Karlovo Biomass EOOD, Biomass Distribution EOOD and Heat Biomass has been recognised during the comparison periods.

The maximum exposure to credit risk for trade receivables and loans provided at the reporting date was as follows:

	Note	31.12.2022 EUR'000	31.12.2021 EUR'000
Loans provided to related parties	22.1	16	15
Trade receivables from related parties	22.4	2	2
		18	17

Expected credit loss assessment

The Company has a small number of customers and debtors which are related parties.

The Company has analysed its historical trend of payments of all its related parties. Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD account for a significant share of the receivables (trade and loan) of Akiles Corporation SE. The quoted entities have been transacting with Akiles Corporation SE since 2014. Significant impairment losses have been recognised in respect of the trade and loan receivables from those entities.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

19. Financial instruments (continued)

(a) Credit risk (continued)

The following table presents an analysis of the credit quality of debtors under loans provided at amortised cost. It indicates whether assets measured at amortised cost were subject to a 12-month ECL or lifetime ECL allowance and, in the latter case, whether they were credit impaired.

EUR'000	**2022**			**2021**		
	Amortized cost			Amortized cost		
Category	12M ECL	Lifetime ECL - Not credit impaired	Lifetime ECL - credit impaired	12M ECL	Lifetime ECL - Not credit impaired	Lifetime ECL - credit impaired
Entities without activity	-	-	15	-	-	14
Entities subject to disposal	-	-	23,441	-	-	23,441
Entities with dissolved activity	-	-	-	-	-	-
Gross carrying amount	**-**	**-**	**23,456**	**-**	**-**	**23,455**
Impairment loss	-	-	(23,440)	-	-	(23,440)
Amortized cost	-	-	16	-	-	15
Carrying amount	**-**	**-**	**16**	**-**	**-**	**15**

An impairment allowance of EUR 23,440 thousand (2022: EUR 23,440 thousand) in respect of loans provided held at amortised cost with a low credit rating was recognised because of significant financial difficulties being experienced by the debtors. The Company has no collateral in respect of these receivables.

The balance of the impairment as at 31 December 2022 and 2021 relates to impaired loans due by Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD, as follows:

	31.12.2022 EUR'000	**31.12.2021 EUR'000**
Impaired loans provided to Karlovo Biomass EOOD	13,825	13,825
Impaired loans provided to Heat Biomass EOOD	3,378	3,378
Impaired loans provided to Biomass Distribution EOOD	6,237	6,237
	23,440	**23,440**

Impairment

Impairment losses on financial assets recognised in profit or loss were, as follows:

Recognised in profit or loss	**2022 EUR'000**	**2021 EUR'000**
Impairment loss on loans provided to related parties	-	14,069
Reversal of impairment loss on loans provided to related parties	-	(28)
Written-off principals and interests on loans provided	-	2,325
	-	**16,366**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

19. Financial instruments (continued)

(a) Credit risk (continued)

Cash and cash equivalents

The Company held cash and cash equivalents of EUR 1 thousand at 31 December 2022 (31 December 2021: EUR 1 thousand). The cash and cash equivalents are held with a bank, which is rated BBB based on Fitch Ratings Inc.

The estimated impairment on cash and cash equivalents was calculated based on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The Company estimated that the application of IFRS 9's impairment requirements at 31 December 2022 and 2021 does not have a material effect on the financial statements of the Company.

(b) Liquidity risk

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

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements as at 31 December 2022:

In thousands of EUR	**Note**	**Carrying amount**	**Contractual cash flows**	**1 year or less**	**1-2 years**	**2-5 years**
Non-derivative financial liabilities						
Corporate bonds issued	16	20,998	20,998	20,998	-	-
Bank loans and overdrafts	16	422	422	422	-	-
Loans payable to related parties	22.3	980	980	980	-	-
Loans payable to third parties	16	3,134	3,134	3,134	-	-
Trade payables to related parties	22.2	700	700	700	-	-
Trade payables to third parties	17	2,882	2,882	2,882	-	-
		29,116	**29,116**	**29,116**	-	-

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements as at 31 December 2021:

In thousands of EUR	**Note**	**Carrying amount**	**Contractual cash flows**	**1 year or less**	**1-2 years**	**2-5 years**
Non-derivative financial liabilities						
Corporate bonds issued	16	19,769	19,769	19,769	-	-
Bank loans and overdrafts	16	415	415	415	-	-
Loans payable to related parties	22.3	948	948	948	-	-
Loans payable to third parties	16	2,874	2,874	2,874	-	-
Trade payables to related parties	22.2	700	700	700	-	-
Trade payables to third parties	17	3,059	3,059	3,059	-	-
		27,765	**27,765**	**27,765**	-	-

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

19. Financial instruments (continued)

(c) Market risk

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

Currency risk

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than BGN. The majority of the Company's transactions are denominated in EUR and the BGN is pegged to the EUR. Some transactions, including one of the bonds emissions (see note 16) are denominated in GBP.

Interest rate risk

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

20. Capital management

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

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

21. Fair value of financial assets and liabilities

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

22. Related party transactions and balances

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

Related parties are as follows:

Related party	Relationship
Elektra Holding AD	Parent of Akiles Corporation SE
Heat Biomass EOOD	subsidiary, 100% owned by Akiles Corporation SE
Karlovo Biomass EOOD	subsidiary, 100% owned by Akiles Corporation SE
Plovdiv Biomass EOOD	subsidiary, 100% owned by Akiles Corporation SE
Tvarditsa Biomass EOOD	subsidiary, 100% owned by Akiles Corporation SE
Tvarditsa PV EOOD	subsidiary, 100% owned by Tvarditsa Biomass EOOD
United Biomass EOOD	subsidiary, 100% owned by Akiles Corporation SE
Nova Zagora Biomass EOOD	subsidiary, 100% owned by Akiles Corporation SE
Biomass Distribution EOOD	subsidiary, 100% owned by Akiles Corporation SE
Eqtec Bulgaria EOOD	subsidiary, 100% owned by Akiles Corporation SE
Energotec Eco AD	subsidiary, 100% owned and controlled by Akiles Corporation SE
Brila EOOD	subsidiary, 100% owned by Plovdiv Biomass EOOD
PetrolProm Bulgaria OOD	subsidiary, 50.43% owned by Akiles Corporation SE and controlled till June 2021
Syngas Italy S.R.L.	subsidiary, 100% owned by Akiles Corporation SE, controlled till24 October 2019
Winttec World SL, Spain (former Addom SL)	subsidiary, 100% owned and controlled by Akiles Corporation SE till March 2021
TNL SL, Spain	subsidiary, 80% owned and controlled by Akiles Corporation SE till March 2021
TNL World EOOD, Bulgaria	subsidiary, 100% owned and controlled by Akiles Corporation SE till March 2021
Winttec Greece IKE, Greece	subsidiary, 100% owned by Akiles Corporation SE

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

22. Related party transactions and balances (continued)

Related party	Relationship
Epsion Resorts AD	Under common control, controlled by Elektra Holding AD
Levi Capital EOOD	Under common control, controlled by Elektra Holding AD
Luxur PV EOOD	Under common control, controlled by Elektra Holding AD
Bul PV EOOD	Under common control, controlled by Elektra Holding AD
Bul Biomass EOOD	Under common control, controlled by Elektra Holding AD
Smolyan Biomass EOOD	Under common control, controlled by Elektra Holding AD
Titan Power OOD	Under common control, controlled by Elektra Holding AD
Eco El Invest OOD	Under common control, controlled by Elektra Holding AD
Epsion Resorts AD	Under common control, controlled by Elektra Holding AD

Directors

The Executive Director of Akiles Corporation SE is Jose Oscar Leiva Mendez.

Non-executive Directors of Akiles Corporation SE as if 31 December 2022 and 2021 are Carlos Cuervo Arango Martinez, Juan Molins Monteys and Onofre Servera Andreu.

The remuneration accrued in favour of the key management personnel for 2022 amounts to EUR 97 thousand (2021: EUR 108 thousand).

22.1 Loans provided to related parties

The Company has provided loans to employees and other third parties amounting to EUR 16 thousand (31 December 2021: EUR 15 thousand).

In 2021 impairment loss amounting to EUR 14,069 thousand has been recognised in regards to the loans receivable from related parties. In 2021 the Company has also write-off loans receivables from related parties at the total amount of EUR 2,297. No impairments have been recognised in 2022.

22.2 Trade and other payables to related parties

	31.12.2022 EUR'000	31.12.2021 EUR'000
Jose Oscar Leiva Mendez	169	163
Carlos Cuervo Arango Martinez	90	60
Juan Molins Monteys	90	60
Onofre Servera Andreu	90	60
Eqtec Iberia	10	10
Eqtec PLC	70	70
Elektra Holding AD	620	620
	1,139	**1,043**

The amount of EUR 439 thousand represent payables to key management personnel (31.12.2021: EUR 343 thousand).

The amount of EUR 620 thousand payable to Elektra Holding AD (31.12.2021: EUR 620 thousand) is related to share lending agreements signed between the parties where Elektra has effectively lent 5,488,000 shares (31.12.2021: 5,488,000 shares) to Akiles which were either sold by Akiles or used for the purpose of repayment of its loan liabilities. The liability to Elektra is measured based on the number of shares effectively lent and with reference to the market price of the shares at MAB as at 31 December 2022 – 0.113 EUR per share (31 December 2021 – 0.113 EUR per share). Nevertheless, according to the signed share lending agreements 5 488 000 should be transferred back to Elektra Holding AD.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

22. Related party transactions and balances (continued)

22.3 Loans received from related parties

	31.12.2022 EUR'000	31.12.2021 EUR'000
Elektra Holding AD	744	720
Close family members of the management	217	210
Energotec Eco AD	19	18
	980	**948**

22.4 Trade and other receivables from related parties

	31.12.2022 EUR'000	31.12.2021 EUR'000
Jose Oscar Leiva Mendez	38	38
Brila EOOD	2	2
	40	**40**

23. Commitments and contingent liabilities

Akiles Corporation 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 31 December 2022 the outstanding liability to this loan is EUR 4,959 thousand (31 December 2021: EUR 4,594 thousand). As at 31 December 2022 the outstanding principal to this loan is EUR 3,696 thousand (31 December 2021: EUR 3,696 thousand). Akiles Corporation had stopped paying the instalments due and on 26.02.2020.

The Company has no other commitments or contingent liabilities as at 31 December 2022 and 2021.

24. Events after the reporting period

On 17.02.2023, pursuant to a Contract for Assignment of Receivables (cession), ATZ Project EOOD acquired all receivables of United Bulgarian Bank AD from the Company's subsidiary Karlovo Biomass EOOD (Akiles Corporation SE as co-debtor Heat Biomass EOOD and Biomass Distribution EOOD as adjoining co-debtors) arising from the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016. The value of the receivables in relation to the Bank loan agreement and the additional annexes thereto amounts to EUR 5,019,687. The assigned claim has passed from United Bulgarian Bank AD to the new creditor along with its privileges, securities and other accessories, including accrued interest.

Pursuant to Preliminary Agreement for sale of the Company's shares, as well as sale of receivables dated 07.04.2023, Akiles has transferred to a third party (indicated by the new creditor under the Cession contract dated 17.02.2023), the Company's shares from the capital of Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD.

According to the Preliminary Agreement dated 07.04.2023, the new creditor, as the holder of the receivables under the Cession contract dated 17.02.2023, fully releases Akiles Corporation SE from its obligations to pay monetary amounts as a co-debtor under the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016, as a counter performance related to the transfer of the Company's shares from the capital of Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD and in connection with the reciprocal obligation to transfer all the receivables to Akiles towards these subsidiaries.

On 13.04.2023, through a Contract for Assignment of Receivables (Cession), ATZ Project EOOD sold to new party Energowind EOOD all receivables from Karlovo Biomass EOOD (as the principal debtor) and Akiles Corporation SE, Heat Biomass EOOD and Biomass Distribution EOOD (as co-debtors) arising from the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

24. Events after the reporting period (continued)

On 29.06.2023 Energowind EOOD, in its capacity as the ultimate assignee and current holder of the receivables mentioned above, has agreed to cancel all the obligations of Akiles Corporation SE as a co-debtor amounting to EUR 5,019,687 against these receivables. As a result Akiles Corporation SE does not have any liability regarding UBB debt after this transaction.

On 15.04.2024 an extraordinary General Meeting of the shareholders was held and the decisions taken were inscribed in the Bulgarian Trade Register on 24.04.2024. Among the most important decisions taken are the following:

- the name of the company is changed to Tesla Energy Storage SE
- the new Board of Directors will consist of Oscar Leiva Mendez, Juan Molins Monteys, Dusan Lichardus, Horia Grigorescu and Johannes Antonie Marius Marijnen
- Adoption of resolution for delegation to the Board of Directors of „AKILES CORPORATION" SE to accomplish increase of the Company's registered capital, on the grounds of art. 196 of the Commerce Act, by emitting new shares, up to a maximum nominal amount of € 450'000'000
- The capital of the Company will be increased predominantly by way of contribution in kind of all the shares from the capital of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365 subject to the approval of the shareholders of Tesla Global SE and Akiles Corporation SE.

The future business activity of the Company is subject to the successful completion of in kind contribution of the shares of the capital of Tesla Global SE. This will enable the Company to focus on and further expand the key activity of Tesla Global SE which is the production and sale of battery storage units using the highest-quality liquid-cooled battery modules. The factory designing, engineering, and assembling the battery storage units is located in Slovakia and historically is known for its huge expertise in the field of energy. The company is initiating the construction of the first Gigafactory in Europe (Romania) for 4GW/year of Battery Energy Storage Solutions.

In 2024, following the resolution of the extraordinary General Meeting to convert Group's payables in the amount of EUR 11,4 mln. into shares through an in-kind contribution, the Company signed debt conversion agreements with all creditors. The conversions are subject to the successful completion of the in-kind contribution of the shares of Tesla Global SE. The most significant payables subject to the conversion are as follows:

- An agreement dated 11 April 2024 whereby EF FACET BALANCED DISCRETIONARY PORTFOLIO FUND agrees to exchange its payable amounting to EUR 546 thousand against 546,459 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.
- An agreement dated 11 April 2024 whereby EF FACET CAUTIOUS DISCRETIONARY PORTFOLIO FUND agrees to exchange its payable amounting to EUR 911 thousand against 910 766 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.
- An agreement dated 10 April 2024 whereby BTC DOCE S.à.r.l agrees to exchange its payable amounting to EUR 1 680 thousand against 1 680 000 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.
- An agreement dated 14 April 2024 whereby Arrizabal Elkartea SL agrees to exchange its payable amounting to EUR 419 thousand against 419 147 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.

After the reporting date Tesla Global SE acquired shares of the parent Company and as a result as of the date of the above-mentioned Ordinary Shareholders meeting owns 2 338 461 shares which represents 8,54% from the total issued shares issued less treasury own shares and 9,6% from the total shares issued. Thus, the shareholding of Tesla Global SE exceeds the shareholding of the parent company Elektra Holding AD. Tesla Global SE presented during the last Ordinary Shareholders Meeting and the decisions stated above have been voted by them.

On 05 June 2024 an agreement was signed with Tsvetomir Toshev Yordanov, according to which the liability to the seller related to the shares acquired in Petrolprom Bulgaria OOD will no longer be settled through the transfer of 540,000 shares, but through monetary payment of 540 000 euro payable within 8 months as of signing of this agreement - until 05 February 2025.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

24.Events after the reporting period (continued)

On 06 June 2024 the Group signed Sales purchase agreement for disposal of 50.43% of the share capital of PetrolProm Bulgaria OOD. The transfer of ownership was registered under the company's file in the Bulgarian Trade Registry on 13 June 2024.

On 06 June 2024 the Group reached an agreement with PROMONTORIA POSEIDON DAC for settlement of the remaining debt in 12 monthly instalments of EUR 24 thousand, starting from July 2024 to June 2025.

On 16 July 2024 following an ordinary General Meeting of the shareholders held on 25 June 2024 the scope of activity of the parent company had changed in the Trade Registry to include Production and assembly of battery energy storage systems ("BESS"), including component manufacturing and end product assembly and other services related to BESS projects.

There are no other significant events, adjusting or non-adjusting, which have a bearing on the understanding of the separate financial statements of the Company.

25. Basis of measurement

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

These financial statements are separate financial statements of the Company.
The Company also prepared consolidated financial statements in accordance with IFRS as adopted by EU. The consolidated financial statements can be obtained from Akiles Corporation SE at their registered office in Sofia, Blvd. Vitosha 68, fl.1.

Users of these separate financial statements of the parent company should read them together with the consolidated financial statements of the Company and its subsidiaries as at and for the period ended 31 December 2022 in order to obtain a proper understanding of the financial position, the financial performance and the cash flows of the Company and its subsidiaries.

26. Significant accounting policies information

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

Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

Finance income and finance costs

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

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

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

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

26. Significant accounting policies information (continued)

Tax

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

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

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

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

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

Property, plant and equipment

Property, plant and equipment are initially measured at cost. After initial recognition, property, plant and equipment is carried at cost less accumulated depreciation and any accumulated impairment losses.

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

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

Depreciation

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

Computers	2 years
Vehicles	6 years

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

26. Significant accounting policies information (continued)

Property, plant and equipment (continued)

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

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

Subsequent costs

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

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

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less accumulated amortization and accumulated impairment losses.

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

Amortization

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

Other intangible assets	7 years

Investments in subsidiaries and associates

Investments in subsidiaries and associates are stated at cost less impairment, which is recognized as an expense in the period in which the impairment is identified. Subsidiaries are entities controlled by the Company. The Company 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Associates are those entities in which the Company has significant influence, but not control or joint control, over the financial and operating policies.

Financial instruments

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

26. Significant accounting policies information (continued)

Financial instruments (continued)

(ii) Classification and subsequent measurement financial assets (continued)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets - Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual per amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

26. Significant accounting policies information (continued)

Financial instruments (continued)

(ii) Classification and subsequent measurement financial assets (continued)

Financial assets - Subsequent measurement and gains and losses

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss, except for derivatives designated as hedging instruments for which hedge accounting is applied.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

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

(iii) Derecognition financial assets and financial liabilities

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

26. Significant accounting policies information (continued)

Financial instruments (continued)

Impairment

(i) Non-financial assets

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

(ii) Financial assets

The Company recognises loss allowances for ECLs on its financial assets measured at amortised cost.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due. The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 365 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 365 days past due;

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

26. Significant accounting policies information (continued)

Impairment (continued)

(ii) Financial assets (continued)

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Employee benefits

(i) Defined contribution plans

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

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

(ii) Defined benefit plan

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

The calculation is performed based on the projected unit credit method.

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

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

(iii) Short-term employee benefits

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

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

Provisions

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

26. Significant accounting policies information (continued)

Share capital

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

Treasury shares reserve

The Company has selected to present treasury shares within equity as a separate line item *Treasury shares reserve.*

Non-current liabilities

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

27. New standards and interpretations not yet adopted

New standards, effective from 1 January 2022

The Company has adopted the following new standards, amendments and interpretations to IFRS, issued by the International Accounting Standards Board (IASB) which are mandatory for application from the annual period beginning on 1 January 2022, but have no material effect on the Company`s financial result and financial position:

- Amendments in IFRS 3 Business Combinations, IAS 16 Property Plant and Equipment, IAS 37 Provisions, Contingent Liabilities and Contingent Assets, effective 1 January 2022, as adopted by the EU
- Annual Improvements 2018-2020 effective from 1 January 2022 adopted by the EU

Standards, amendments and interpretations that are not yet effective and have not been adopted early by the Company

As of the date of approval for the issuance of these financial statements, new standards, amendments and interpretations have been issued but are not yet effective or not adopted by the EU for annual periods beginning on 1 January 2022 and have not been adopted early by the Company. Management expects all standards and amendments to be adopted in the Company's accounting policy for the first period beginning after the date of their adoption.

The changes relate to the following standards:

- Amendments to IFRS 17 Insurance Contracts, effective from 1 January 2023, adopted by the EU
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statements 2: Disclosure of Accounting Policies, effective from 1 January 2023, adopted by the EU
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates, effective from 1 January 2023, adopted by the EU
- Amendments to IAS 12 Income Taxes: Deferred Taxes Relating to Assets and Liabilities Arising from Single Transactions, effective from 1 January 2023, adopted by the EU
- Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information, effective from 1 January 2023, adopted by the EU
- Amendments to IFRS 14 Regulatory Deferral Accounts, effective from 1 January 2016, not yet adopted by the EU
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current and Non-current, effective from 1 January 2024, not yet adopted by the EU
- Amendments to IFRS 16 Leases: Leaseback obligation on sale and leaseback, effective from 1 January 2024, adopted by the EU
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements, effective from 1 January 2024, not yet adopted by the EU
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability, effective from 1 January 2025, not yet adopted by the EU

AKILES CORPORATION SE

CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2021

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UBB AD
Eurobank Bulgaria AD
BNP Paribas Securities Services, Spain
Gestion de Patrimonios Mobiliarios Sociedad de Valores, S.A., Spain
Banco de Sabadell S.A., Spain
Andbank, Spain

Auditor

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

AKILES CORPORATION SE

DIRECTOR'S REPORT

The Board of Directors presents its consolidated report on the activities of AKILES CORPORATION SE (the Company) and its subsidiaries (the Group) for the period ended 31.12.2021.

Incorporation and principal activities

Akiles Corporation SE (the" Company") is a joint stock company registered in Sofia, Bulgaria with UIC: 202356513. It was incorporated on 7 January 2011. The financial statements as at 31 December 2021 consolidate the individual financial statements of the Company and its subsidiaries together referred to as the "Group" and individually as "Group entities".

Principal activities

The principal activity of the Group 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 principal business activities and is preparing an in-kind contribution of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365. As a result the Company will focus on the production and sale of battery storage battery units. The in kind contribution is expected to be finalized in 2024 and is subject to the approval of the valuation to be prepared by nominated experts from the Bulgarian Trade Register and the Due Diligence report by the shareholders of Tesla Global SE and Akiles Corporation SE shareholders.

As of 31 December 2021, the following subsidiaries of Akiles Corporation SE were consolidated in the consolidated financial statements of the Group:

Subsidiary	**Country of incorporation**	**% ownership 31.12.2021**	**% ownership 31.12.2020**
Heat Biomass EOOD	Bulgaria	100,00%	100,00%
Karlovo Biomass EOOD	Bulgaria	100,00%	100,00%
Tvarditsa Biomass EOOD	Bulgaria	100,00%	100,00%
Nova Zagora Biomass EOOD	Bulgaria	100,00%	100,00%
Plovdiv Biomass EOOD	Bulgaria	100,00%	100,00%
United Biomass EOOD	Bulgaria	100,00%	100,00%
Biomass Distribution EOOD	Bulgaria	100,00%	100,00%
Brilla EOOD	Bulgaria	100,00%	100,00%
Tvarditsa PV EOOD	Bulgaria	100,00%	100,00%
Eqtec Bulgaria EOOD	Bulgaria	100,00%	100,00%
Energotec Eco AD	Bulgaria	100,00%	100,00%
Winntec IKE, Greece	Greece	100,00%	100,00%

Since in the beginning of 2021 Winttec World S.L. and TNL Equipamientos Ambientales S.L. were declared in a state of bankruptcy by the Court in Barcelona, the investments in these subsidiaries were written-off and both companies were dissolved. The Group also wrote off its investments in PetrolProm Bulgaria OOD and Silena Company EOOD. All trade receivables are considered non-recoverable and have been fully impaired and the trade payables are considered non-payable and have also been written-off. The loans granted to all these subsidiaries, as well as the goodwill that that had arisen upon acquisition of PetrolProm Bulgaria OOD have also been written-off.

2. Review of current position, future developments and significant risks

The Group's development to date, financial results and position are presented in the consolidated financial statements. For the period ended 31.12.2021 the financial result of the Group is net loss in the amount of EUR 21 952 thousand. Net equity is a negative value amounting to EUR 33 210 thousand. As of 31 December 2021 the earnings per share are a negative value of EUR 0.96.

3. Analysis of key, financial and non-financial, performance indicators relevant to the business operations of the Group

The Company management periodically review its gearing and liquidity ratios which are indicators of financial stability.

Gearing ratio (total liabilities / total equity)

31.12.2021	31.12.2020
-1,01	-2,33

Liquidity ratio (current assets / current liabilities)

31.12.2021	31.12.2020
0,002	0,33

4. Events after the reporting period

Akiles Corporation SE went through an insolvency procedure that as of the reporting date is terminated taking place between November 2020 until March 2022.

It was initiated by the Company itself acting as an insolvent debtor on 11th of November 2020 at the Sofia City Court. In December 2020 UBB filed another petition for opening of insolvency proceedings against the Company which suspended the initial one filed. In February 2021 a third petition for opening of insolvency procedure against the Company was filed by EF Facet Discretionary Portfolios, another creditor of the Company which was adjoined to the insolvency petition of UBB and thus a uniform legal process with two pretending creditors was in progress.

Based on out-of-court settlement agreement, reached between the Company and UBB on 16.02.2022, the legal procedure for opening of bankruptcy against Tesla Energy Storage SE was terminated with explicit ruling of the Sofia City Court 15.03.2022. Few days earlier also the insolvency procedure, opened by request of the Company itself as well as of EF Facet Discretionary Portfolios was terminated.

On 17.02.2023, pursuant to a Contract for Assignment of Receivables (cession), ATZ Project EOOD acquired all receivables of United Bulgarian Bank AD towards Akiles Corporation SE (in its capacity of co-debtor) arising from the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016.

The value of the receivables in relation to the Bank loan agreement and the additional annexes thereto amounts to EUR 5,019,687. The assigned claim has passed from United Bulgarian Bank AD to the new creditor along with its privileges, securities and other accessories, including accrued interest.

Pursuant to Preliminary Agreement for sale of the Company's shares, as well as sale of receivables dated 07.04.2023, Akiles has transferred to a third party (indicated by the new creditor under the Cession contract dated 17.02.2023), the Company's shares from the capital of Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD.

According to the Preliminary Agreement dated 07.04.2023, the new creditor, as the holder of the receivables under the Cession contract dated 17.02.2023, has undertaken to discharge the obligations of Akiles Corporation SE under the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016, as a counterperformance related to the transfer of the Company's shares from the capital of Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD and in connection with the reciprocal obligation to transfer all the receivables to Akiles towards these subsidiaries.

On 13.04.2023, through a Contract for Assignment of Receivables (Cession), ATZ Project EOOD sold to new party Energowind EOOD all receivables from Karlovo Biomass EOOD (as the principal debtor) and Akiles Corporation SE, Heat Biomass EOOD and Biomass Distribution EOOD (as co-debtors) arising from the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016.

29. Events after the reporting period end (continued)

On 29.06.2023 Energowind EOOD, in its capacity as the ultimate assignee and current holder of the receivables mentioned above, has agreed to cancel all the obligations of Akiles Corporation SE amounting to EUR 5,019,687 against these receivables. As a result Akiles Corporation SE does not have any liability regarding UBB debt after this transaction.

On 15.04.2024 an extraordinary General Meeting of the shareholders was held and the decisions taken were inscribed in the Bulgarian Trade Register on 24.04.2024. Among the most important decisions taken are the following:

- the name of the company is changed to Tesla Energy Storage SE
- the new Board of Directors will consist of Oscar Leiva Mendez, Juan Molins Monteys, Dusan Lichardus, Horia Grigorescu and Johannes Antonie Marius Marijnen
- Adoption of resolution for delegation to the Board of Directors of „AKILES CORPORATION" SE to accomplish increase of the Company's registered capital, on the grounds of art. 196 of the Commerce Act, by emitting new shares, up to a maximum nominal amount of € 450'000'000
- The capital of the Company will be increased predominantly by way of contribution in kind of all the shares from the capital of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365 subject to the approval of the shareholders of Tesla Global SE and Akiles Corporation SE.

In 2024, following the resolution of the extraordinary General Meeting to convert Group's payables in the amount of EUR 11,4 mln. into shares through an in-kind contribution, the Company signed debt conversion agreements with all creditors. The conversions are subject to the successful completion of the in-kind contribution of the shares of Tesla Global SE. The most significant payables subject to the conversion are as follows:

- An agreement dated 11 April 2024 whereby EF FACET BALANCED DISCRETIONARY PORTFOLIO FUND agrees to exchange its payable amounting to EUR 546 thousand against 546,459 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.
- An agreement dated 11 April 2024 whereby EF FACET CAUTIOUS DISCRETIONARY PORTFOLIO FUND agrees to exchange its payable amounting to EUR 911 thousand against 910 766 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.
- An agreement dated 10 April 2024 whereby BTC DOCE S.à.r.l agrees to exchange its payable amounting to EUR 1 680 thousand against 1 680 000 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.
- An agreement dated 14 April 2024 whereby Arrizabal Elkartea SL agrees to exchange its payable amounting to EUR 419 thousand against 419 147 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.

After the reporting date Tesla Global SE acquired shares of the parent Company and as a result as of the date of the above-mentioned Ordinary Shareholders meeting owns 2 338 461 shares which represents 8,54% from the total issued shares issued less treasury own shares and 9,6% from the total shares issued. Thus, the shareholding of Tesla Global SE exceeds the shareholding of the parent company Elektra Holding AD. Tesla Global SE presented during the last Ordinary Shareholders Meeting and the decisions stated above have been voted by them.

On 05 June 2024 an agreement was signed with Tsvetomir Toshev Yordanov, according to which the liability to the seller related to the shares acquired in Petrolprom Bulgaria OOD will no longer be settled through the transfer of 540,000 shares, but through monetary payment of 540 000 euro payable within 8 months as of signing of this agreement.

On 06 June 2024 the Group signed Sales purchase agreement for disposal of 50.43% of the share capital of PetrolProm Bulgaria OOD. The transfer of ownership was registered under the company's file in the Bulgarian Trade Registry on 13 June 2024.

29. Events after the reporting period end (continued)

On 06 June 2024 the Group reached an agreement with PROMONTORIA POSEIDON DAC for settlement of the remaining debt in 12 monthly instalments of EUR 24 thousand, starting from July 2024 to June 2025.

On 16 July 2024 following an ordinary General Meeting of the shareholders held on 25 June 2024 the scope of activity of the parent company had changed in the Trade Registry to include Production and assembly of battery energy storage systems (“BESS”), including component manufacturing and end product assembly and other services related to BESS projects.

There are no other significant events, adjusting or non-adjusting, which have a bearing on the understanding of the separate financial statements of the Group.

5. Future development of the Group

The future business activity of the Group is subject to the successful completion of in kind contribution of the shares of the capital of Tesla Global SE. This will enable the Company to focus on and further expand the key activity of Tesla Global SE which is the production and sale of battery storage units using the highest-quality liquid-cooled battery modules. The factory designing, engineering, and assembling the battery storage units is located in Slovakia and historically is known for its huge expertise in the field of energy. The company is initiating the construction of the first Gigafactory in Europe (Romania) for 4GW/year of Battery Energy Storage Solutions.

6. Activities in the field of research and development

As of 31.12.2021 the Group does not have any activities in the field of research and development.

7. Information concerning acquisitions of own shares required under the procedure provided for in Art. 187e of the Commerce Act

As at 31 December 2021 and 2020 the Company held 4,411,560 own shares with nominal value EUR 1 at total amount of EUR 4,412 thousand.

8. Existence of branches of the Group companies

The Company does not have branches as of 31.12.2021 and in 2020.

9. Company`s financial risk management objectives and policies

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

- credit risk
- liquidity risk
- market risk

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

Risk management framework

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

(a) Credit risk

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

The carrying amount of Group’s financial assets represent the maximum exposure to credit risk.

(b) Liquidity risk

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

(c) Market risk

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

Currency risk

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

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

Interest rate risk

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

Capital management

The Management’s policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. There were no changes in the Group’s approach to capital management during the year.

Fair value of financial assets and liabilities

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

CORPORATE GOVERNACE STATEMENT

1. Code of Corporate Governance

The Group has issued a Code of Corporate Governance approved by Jose Oscar Leiva Mendez. The Group strictly follows this Code of Corporate Governance. This document is published on the official website of Akiles Corporation SE.

2. System of internal control and management of risks

Internal control is defined as a process integrated into the Group's activities and executed by the Board of Directors, the Audit Committee, by management and employees.

The Group has established adequate and effective internal control, which is continuous process integrated in all of the Group`s activities and is designed to achieve:

- compliance with legislation
- compliance with internal rules and contracts
- reliability and completeness of financial and operational information
- economy, efficiency and effectiveness of the activities
- protection of assets and information

Everyone in the Group has a certain responsibility with regard to internal control. The Group has created adequate organizational structure to ensure segregation of duties, proper division of responsibilities and adequacy of reporting levels. The control functions of the participants in the internal control system are regulated in the job descriptions of the persons concerned. There is commitment to competence at each working place and there are strict requirements for the knowledge and skills needed for each position. The management has set the values of integrity and ethical behavior through Code of conduct.

Risks relevant to financial reporting include external and internal events, transactions, and circumstances that may arise and have a negative impact on the entity's ability to initiate, record, and process financial data. The management applies a conservative approach to identifying the business risks that are material for the preparation of the financial statements, assesses their significance and likelihood of their occurrence, and decides how to address these risks, how to manage them, and how to evaluate the results reliably.

3. Information under Article 10, Paragraph 1, Letters "c", "d", "f", "h" and "i" of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 regarding take-over offers;

- **significant direct and indirect shareholdings (including indirect shareholdings through pyramid structures and cross-shareholdings) within the meaning of Article 85 of Directive 2001/34/EC;**

As of 31 December 2021 the major shareholder in the Company is Elektra Holding AD.

- **holders of any securities with special control rights and a description of those rights**

No securities with special control rights exist.

- **any restrictions on voting rights, such as limitations of the voting rights of holders of a given percentage or number of 30.4.2004 EN Official Journal of the European Union L 142/19 votes, deadlines for exercising voting rights, or systems whereby, with the company's cooperation, the financial rights attaching to securities are separated from the holding of securities**

No restriction of voting rights exist in articles of association.

- **the rules governing the appointment and replacement of board members and the amendment of the articles of association;**

The appointment and replacement of board members and the amendment of the articles of association can be done only through decision of General Shareholders meeting.

- **the powers of board members, and in particular the power to issue or buy back shares**

With the amendment of the Articles of Association as of 15.04.2024, the Board of Directors is entrusted with the powers until the date 31.12.2024, acting with own discretion and having the right to specify all the parameters of the respective emission, to increase the capital of the Company up to reaching the maximum amount of € 450'000'000 /four hundred and fifty million Euro/, through issuing new shares or through conversion of debts.

4. Information regarding composition and functioning of the administrative, managerial and supervisory bodies and their committees, as well as description of the diversity policy applied as regards the administrative, managerial and supervisory bodies of the issuer in connection with aspects such as age, gender or education and professional experience

As of 31.12.2021 the Group's management bodies are the following:

1. Board of Directors with the following members:

- Jose Oscar Leiva Mendez
- Carlos Cuervo Arango Martinez
- Juan Molins Monteys
- Onorfe Servera Andreu

The Board of Directors conduct regular meetings at least once in three months to review the results of the Group, to evaluate business risks and to discuss future prospects for development of the Group.

The Group has appointed an Audit Committee to supervise the financial reporting and ensure the independence of the appointed auditors.

In respect to the members of the management/supervisory bodies the Group applies the policy of diversity regarding gender, age, education and professional background. This is to ensure that the members have been appointed based on their expertise and capacity to contribute to the achievement of the Group's objectives.

Director's responsibilities

The Directors confirm that suitable accounting policies have been used and applied consistently and reasonable prudent judgements and estimates have been made in the preparation of the consolidated financial statements as of 31.12.2021.

The Directors also confirm that applicable accounting standards have been followed and that the consolidated financial statements have been prepared on the going concern basis.

The Directors are responsible for keeping proper accounting records, for safeguarding the assets of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As of 31 December 2021 Managing Director is Jose Oscar Leiva Mendez.

By order of the Board of Directors,

Jose Oscar Leiva Mendez
Executive Director

Sofia, 09 September 2024

Crowe

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INDEPENDENT AUDITOR`S REPORT

To the shareholders of
TESLA ENERGY STORAGE SE (former name Akiles Corporation SE)

Address: 68 Vitosha Blvd, Floor 1
Sofia 1463, Bulgaria

Report on the Audit of the Consolidated Financial Statements

Qualified Audit Opinion

We have audited the consolidated financial statements of TESLA ENERGY STORAGE SE and its subsidiaries ("the Group") which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2021 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and Bulgarian legislation.

Basis for Qualified Opinion

As presented in note 3 Use of judgements and estimates A. Going concern in the consolidated financial statements, the accumulated loss as at 31 December 2021 amounts to EUR 74 354 thousand. The equity as of 31 December 2021 is negative and amounts to EUR 33,210 thousand. As of 31 December 2021 the Group has total liabilities in the amount of EUR 33,557 thousand consisting of:

1) Bond emissions amounting to EUR 14,500 thousand and interest payments amounting to EUR 5,269 thousand in relation to its unsecured corporate bonds issued that are overdue and immediately payable.
2) Principle, accrued interest and other penalty interest and taxes amounting to EUR 4,954 thousand in relation to bank loan received from United Bulgarian Bank.
3) Other liabilities in the amount of EUR 8,834 thousand are immediately payable.

As at the date of issuance of these financial statements the Group was unable to conclude re-negotiations or obtain replacement financing for substantial part of the liabilities under 1) and 3) listed above. As stated in note 3A, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The future development of the Group's business operations, depends on the successful completion of in kind contribution of the shares of the capital of Tesla Global SE and re-listing of the parent company's shares on BME Growth, as well as the realization of the plan to expand the business activity in the production and sale of battery storage units. The in-kind contribution and other measures presented in note 3 Use of judgements and estimates A. Going concern to ensure continuing as a going concern for the foreseeable future are subject to complex clauses and the fulfillment of large number of conditions precedent. Thus, if the management assessment for feasibility of refinancing arrangements is changed by new circumstances arising from future development of macroeconomic environment or investors' and creditors' position in ongoing negotiations, there is material uncertainty that the Group will continue as going concern.

The Group presents total liabilities amounting to EUR 33,557 thousand consisting of liabilities for unsecured bond emissions, bank loans, loans payable to related and third parties, as well as trade and other liabilities. In the course of our audit procedures, we received confirmation letters from the creditors for liabilities amounting to EUR 14,725 thousand and the liabilities amounting to EUR 18,478 thousand were tested via alternative procedures. As at 31 December 2021 substantial part of the liabilities are immediately due. According to legal letter received none of the liabilities of the Group are claimed in court as at the date of this report and management provides written representations confirming ongoing negotiations to cut principal debt. Nevertheless, due to the lack of final signed renegotiation agreements, as well as lack of effective payments and conversions made as at the date of this report, we were not able to obtain reasonable assurance whether any additional adjustments to those liabilities may arise in relation to any change in the creditors' position in ongoing negotiations.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Bulgaria, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Crowe

Emphasis of matter

We draw attention to Note 3. *Use of judgements and estimates* letter C. *Loss of control over subsidiaries* in the consolidated financial statements, which describes the circumstances surrounding the loss of control over the subsidiaries Petrolprom Bulgaria OOD and Silena Company EOOD, and the Management's judgement not to consolidate the financial position and results of Winntec Greece IKE and the respective impact on the Group's financial statements. Our opinion is not modified in respect of this matter.

We draw attention to Note 29 *Events after the reporting period* to the consolidated financial statements, which discloses a material non-adjusting event related to insolvency procedure that took place from November 2020 until March 2022. Our opinion is not modified in respect of this matter.

Key Audit Matters

Except for the matters described in the *Basis for Qualified Opinion* section, we have determined that there are no other key audit matters to communicate in our report.

Other matters

The consolidated financial statements of TESLA ENERGY STORAGE SE for the year ending on 31 December 2020 have not been audited.

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

Management is responsible for the other information. The other information comprises the annual management report, prepared by the management in accordance with Chapter VII of the Bulgarian Accountancy Act, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon unless explicitly stated in our report and to the extent stated in our report.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or whether our knowledge obtained in the audit may indicate that there is a material misstatement or otherwise the other information appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Crowe

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and Bulgarian legislation, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Audit Committee ("Those charged with governance") are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of our audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Reporting Pursuant to Article 59 of Bulgarian Independent Financial Audit Act in relation to Article 10 of Regulation (EC) № 537/2014

In accordance with the requirements of Bulgarian Independent Financial Audit Act and in relation with Article 10 of Regulation (EC) № 537/2014, we report additionally the information as follows:

- Crowe Bulgaria Audit EOOD was appointed as statutory auditor of the financial statements of TESLA ENERGY STORAGE SE for the year ended on 31 December 2021 by the Ordinary General meeting of the shareholders, held on 15.04.2024, for a period of three years.

Crowe

- The audit of the consolidated financial statements of the Group for the year ended on 31 December 2021 has been made for third non-consecutive year.
- We confirm that our audit opinion is consistent with the additional report to the audit committee, which was provided in accordance with Article 60 of Bulgarian Independent Financial Audit Act.
- We declare that prohibited non-audit services referred to in Article 64 of Bulgarian Independent Financial Audit Act were not provided.
- We confirm that we remained independent of the Group in conducting the audit.
- For the period for which we were engaged as statutory auditors, we have not provided any other services to the Group in addition to the statutory audit, which have not been disclosed in the management report or consolidated financial statements.

For Crowe Bulgaria Audit EOOD, Audit company, registration № 167

Gyulyay Rahman
Statutory Manager, Registered auditor responsible for the audit

ОДИТОРСКО ДРУЖЕСТВО
СОФИЯ
Рег. № 167
КРОУ БЪЛГАРИЯ ОДИТ ЕООД

10 September 2024
Sofia, Bulgaria

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December

	Note	2021 EUR'000	2020 EUR'000
Revenue	4	492	658
Raw materials and consumables used	5	-	(167)
Cost of goods sold	7	-	(467)
Expenses for hired services	6	(21)	(202)
Depreciation and amortisation	12, 13	(59)	(151)
Employee benefit expenses	8	(332)	(616)
Goodwill impairment	14	(370)	(41)
Impairment of assets classified as held for sale	17	(9,910)	-
Impairment of tangible and intangible assets	12, 13	(6,497)	(579)
Impairment loss on trade receivables		(38)	(440)
Loans and trade receivables written-off	9	(1,834)	-
Other expenses	10	(283)	(619)
Loss from operating activities		**(18,852)**	**(2,624)**
Finance income		1	1,050
Finance costs		(1,951)	(5,789)
Net finance income/ (costs)	11	**(1,950)**	**(4,739)**
Investments written-off		(1,040)	-
Loss on disposal of subsidiaries	14	(44)	-
Loss before income tax		**(21,886)**	**(7,363)**
Income tax benefit		(66)	-
Loss for the period		**(21,952)**	**(7,363)**
Other comprehensive income			
Foreign currency translation differences		-	-
Other comprehensive income for the period, net of tax		**-**	**-**
Total comprehensive loss for the period		**(21,952)**	**(7,363)**
Loss attributable to:			
Owners of the parent		(21,952)	(7,120)
Non-controlling interests		-	(243)
Loss for the period		**(21,952)**	**(7,363)**
Total comprehensive loss attributable to:			
Owners of the parent		(21,952)	(7,120)
Non-controlling interests		-	(243)
Total comprehensive loss for the period		**(21,952)**	**(7,363)**
Basic loss per share (EUR)	21	**(0.96)**	**(0.28)**

On 15.04.2024 the Board of Directors of AKILES CORPORATION SE authorised these consolidated financial statements for issue.

Executive Director:
Jose Oscar Leiva Mendez

Prepared by:
Ivan Milev

According to Independent Auditor's report dated: 10.09.2024
For Crowe Bulgaria Audit EOOD, Audit company, registration № 167

Gyulyay Rahman, Statutory manager, Registered auditor responsible for the audit

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The notes on pages 6 to 48 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
For the year ended 31 December

	Note	2021 EUR'000	2020 EUR'000 Restated
Assets			
Property, plant and equipment	12	290	4,264
Intangible assets	13	3	2,771
Goodwill	14	-	997
Other investments	15	-	3
Loans provided	26	-	19
Trade and other receivables	16	-	62
Deferred tax assets	24	-	403
Non-current assets		**293**	**8,519**
Inventory	18	-	205
Loans provided	26	15	51
Trade and other receivables	16	45	1,161
Cash and cash equivalents	19	1	136
		61	1,553
Assets classified as held for sale	17	-	9,910
Current assets		**61**	**11,463**
Total assets		**354**	**19,982**
Equity			
Share capital	20.1	27,368	27,368
Share premium	20.2	18,122	18,122
Treasury shares reserve	20.3	(4,412)	(4,412)
Revaluation surplus		66	145
Accumulated loss		(74,354)	(55,646)
Equity attributable to owners of the parent		(33,210)	(14,423)
Non-controlling interests		-	(601)
Total equity		**(33,210)**	**(15,024)**
Liabilities			
Loans and borrowings	22	-	372
Deferred tax liabilities	24	7	344
Non-current liabilities		**7**	**716**
Loans and borrowings	22	28,595	27,592
Trade and other payables	23	4,957	6,672
Income tax payable		5	26
Current liabilities		**33,557**	**34,290**
Total liabilities		**33,564**	**35,006**
Total equity and liabilities		**354**	**19,982**

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The notes on pages 6 to 48 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December

	Share capital EUR'000	Share premium EUR'000	Treasury shares reserve EUR'000	Revaluation surplus EUR'000	Accumulated loss EUR'000	Total attributable to owners of the Parent EUR'000	Non-controlling interest EUR'000	Total equity EUR'000
Balance at 1 January 2021 as previously reported	**27,368**	**18,122**	**(4,412)**	**145**	**(55,646)**	**(14,423)**	**(601)**	**(15,024)**
Impact of correction of errors	-	-	-	-	(59)	(59)	-	(59)
Restated balance at 1 January 2021	**27,368**	**18,122**	**(4,412)**	**145**	**(55,705)**	**(14,482)**	**(601)**	**(15,083)**
Comprehensive income								
Loss for the period	-	-	-	-	(21,952)	(21,952)	-	(21,952)
Total comprehensive income	**-**	**-**	**-**	**-**	**(21,952)**	**(21,952)**	**-**	**(21,952)**
Transactions with owners of the Company								
Changes in ownership interests								
Disposal of subsidiaries with non-controlling interest	-	-	-	(79)	3,303	3,224	601	3,825
Total transactions with owners of the Company	**-**	**-**	**-**	**(79)**	**3,303**	**3,224**	**601**	**3,825**
Balance at 31 December 2021	**27,368**	**18,122**	**(4,412)**	**66**	**(74,354)**	**(33,210)**	**-**	**(33,210)**

On 15.04.2024 the Board of Directors of AKILES CORPORATION SE authorised these consolidated financial statements for issue.

Executive Director:
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)s
For the year ended 31 December

	Share capital EUR'000	Share premium EUR'000	Treasury shares reserve EUR'000	Revaluation surplus EUR'000	Accumulated loss EUR'000	Total attributable to owners of the Parent EUR'000	Non-controlling interest EUR'000	Total equity EUR'000
Balance at 1 January 2020 as previously reported	27,368	15,614	-	145	(48,353)	(5,226)	(358)	(5,584)
Impact of correction of errors	-	-	-	-	(173)	(173)	-	(173)
Restated balance at 1 January 2020	27,368	15,614	-	145	(48,526)	(5,399)	(358)	(5,757)
Comprehensive income								
Loss for the period	-	-	-	-	(7,120)	(7,120)	(243)	(7,363)
Total comprehensive income	-	-	-	-	(7,120)	(7,120)	(243)	(7,363)
Transactions with owners of the Company								
Contributions and distributions								
Treasury shares acquired	-	(513)	(4,980)	-	-	(5,493)	-	(5,493)
Treasury shares sold	-	4,433	568	-	-	5,001	-	5,001
Share issue costs (See note 20.1)	-	(1,412)	-	-	-	(1,412)	-	(1,412)
Total transactions with owners of the Company	-	2,508	(4,412)	-	-	(1,904)	-	(1,904)
Balance at 31 December 2020	27,368	18,122	(4,412)	145	(55,646)	(14,423)	(601)	(15,024)

On 15.04.2024 the Board of Directors of AKILES CORPORATION SE authorised these consolidated financial statements for issue.

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The notes on pages 6 to 48 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2021 EUR'000	2020 EUR'000
Loss for the period before tax		**(21,886)**	**(7,363)**
Adjustments for:			
Depreciation and amortisation		59	151
Interest expense		1,832	1,667
Interest income		(1)	(1)
(Profit)/Loss on share lending		-	(331)
(Profit)/Loss on disposal of investments		-	(694)
Goodwill impairment		370	41
Impairment losses and write-offs		19,319	1,019
Equity investments at FVTPL - net change in fair value		-	4,106
Loss on disposal of subsidiaries		44	-
Other finance costs		1	16
Net exchange rate (gains)/losses		118	(24)
Cash flows from operations before working capital changes		(144)	(1,413)
Changes in working capital:			
Inventories		205	(1)
Trade and other receivables		1,178	1,014
Trade and other payables		(1,376)	(348)
Cash used in operating activities		7	665
Other cash flow from operating activities:			
Interest paid		-	(216)
Other finance costs paid		(1)	(16)
Exchange rate differences realized		-	(16)
Net cash flows from operating activities		**(1)**	**(248)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments		3	1,304
Proceeds from sale of property, plant and equipment		-	1
Loans provided		-	(9)
Loans repaid		-	90
Net cash flows from investing activities		**3**	**1,386**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of loan from related party		-	(31)
Proceeds on loan from related party		-	1
Proceeds from sale of own shares		-	55
Repurchase of own shares		-	(55)
Proceeds from bank and other borrowing		-	200
Repayment of bank and other borrowing		-	(594)
Payment of lease liabilities		-	(16)
Net cash flows from financing activities		-	**(440)**
Net decrease in cash and cash equivalents		**(135)**	**(50)**
Cash and cash equivalents at 1 January		136	186
Cash and cash equivalents at 31 December	19	**1**	**136**

On 15.04.2024 the Board of Directors of AKILES CORPORATION SE authorised these consolidated financial statements for issue.

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1. Incorporation and principal activities

Incorporation of the parent company

Akiles Corporation SE (the" Company") is a joint stock company registered in Sofia, Bulgaria with UIC: 202356513. It was incorporated on 7 January 2011. The financial statements as at 31 December 2021 consolidate the individual financial statements of the Company and its subsidiaries together referred to as the "Group" and individually as "Group entities".

The parent Company's shares are registered for public trading on BME Growth (Madrin, Spain), however no trading is observed since November 2020 as the instruments are suspended from trading. The Company is considered a public interest entity.

Principal activities

Akiles Corporation SE went through an insolvency procedure that as of the reporting date is terminated taking place between November 2020 until March 2022.

The principal activity of the Group 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 principal business activities and is preparing an in-kind contribution of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365. As a result the Company will focus on the production and sale of battery storage battery units. The in-kind contribution is expected to be finalized in 2024 and is subject to the approval of the valuation to be prepared by nominated experts from the Bulgarian Trade Register and the Due Diligence report by the shareholders of Tesla Global SE and Akiles Corporation SE shareholders.

As of 31 December 2021, the following subsidiaries of Akiles Corporation SE were consolidated in the consolidated financial statements of the Group:

Subsidiary	Country of incorporation	% ownership 31.12.2021	% ownership 31.12.2020
Heat Biomass EOOD	Bulgaria	100,00%	100,00%
Karlovo Biomass EOOD	Bulgaria	100,00%	100,00%
Tvarditsa Biomass EOOD	Bulgaria	100,00%	100,00%
Nova Zagora Biomass EOOD	Bulgaria	100,00%	100,00%
Plovdiv Biomass EOOD	Bulgaria	100,00%	100,00%
United Biomass EOOD	Bulgaria	100,00%	100,00%
Biomass Distribution EOOD	Bulgaria	100,00%	100,00%
Brilla EOOD	Bulgaria	100,00%	100,00%
Tvarditsa PV EOOD	Bulgaria	100,00%	100,00%
Eqtec Bulgaria EOOD	Bulgaria	100,00%	100,00%
Energotec Eco AD	Bulgaria	100,00%	100,00%
Winntec IKE, Greece	Greece	100,00%	100,00%

1. Incorporation and principal activities (continued)

Principal activities (continued)

As of 31 December 2020, the following subsidiaries of Akiles Corporation SE were consolidated in the consolidated financial statements of the Group:

Subsidiary	Country of incorporation	% ownership 31.12.2020
Heat Biomass EOOD	Bulgaria	100,00%
Karlovo Biomass EOOD	Bulgaria	100,00%
Tvarditsa Biomass EOOD	Bulgaria	100,00%
Nova Zagora Biomass EOOD	Bulgaria	100,00%
Plovdiv Biomass EOOD	Bulgaria	100,00%
United Biomass EOOD	Bulgaria	100,00%
Biomass Distribution EOOD	Bulgaria	100,00%
Brilla EOOD	Bulgaria	100,00%
Tvarditsa PV EOOD	Bulgaria	100,00%
Eqtec Bulgaria EOOD	Bulgaria	100,00%
Energotec Eco AD	Bulgaria	100,00%
Winttec Greece IKE	Greece	100,00%
Wintec World SL (former Addom SL)	Spain	100,00%
TNL SL	Spain	80,00%
PetrolProm Bulgaria EOOD	Bulgaria	50,43%
Silena Company EOOD	Bulgaria	50,43%

Since in the beginning of 2021 Winttec World S.L. and TNL Equipamientos Ambientales S.L. were declared in a state of bankruptcy by the Court in Barcelona, the investments in these subsidiaries were written-off and both companies were dissolved. The Group also wrote off its investments in PetrolProm Bulgaria OOD and Silena Company EOOD due to loss of control as described in Note 3C. Akiles Corporation SE continues to own 50.43% of the registered capital of PetrolProm Bulgaria OOD and Silena Company EOOD. All trade receivables are considered non-recoverable and have been fully impaired and the trade payables are considered non-payable and have also been written-off. The loans granted to all these subsidiaries, as well as the goodwill that that had arisen upon acquisition of PetrolProm Bulgaria OOD have also been written-off.

2. Basis of accounting

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU). The Board of Directors authorized the issuance of the consolidated financial statements on 15.04.2024. Along with this authorization, the Board has granted the Chief Executive Officer the authority to amend the financial statements based on audit findings prior to their final issuance. Additionally, the Chief Executive Officer is authorized to prepare the final version of the annual activity report.

Details of the Group's accounting policies are included in Note 31.

3. Use of judgements and estimates

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

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.

3.Use of judgements and estimates (continued)

A. Going concern basis of accounting

The consolidated financial statements of Akiles Corporation SE as at 31 December 2021 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 22,265 thousand mainly due to recognised impairments losses and write-offs on intangibles, investments and loans, as well as accrued interest expenses. The accumulated loss as at 31 December 2021 amounts to EUR 74,345 thousand. The equity as of 31 December 2021 is negative and amounts to EUR 33,210 thousand.

Akiles Corporation SE went through an insolvency procedure that as of the reporting date is terminated taking place between November 2020 until March 2022.

The insolvency procedure was initiated by the company itself acting as an insolvent debtor on 11th of November 2020 at the Sofia City Court. In December 2020 UBB filed another petition for opening of insolvency proceedings against the parent Company which suspended the initial one filed. In February 2021 a third petition for opening of insolvency procedure against the Company was filed by EF Facet Discretionary Portfolios, another creditor of the Company which was adjoined to the insolvency petition of UBB and thus a uniform legal process with two pretending creditors was in progress.

The Group has total liabilities in the amount of EUR 33,557 thousand consisting of:

- Bond emissions amounting to EUR 12,500 thousand and interest payments amounting to EUR 5,269 thousand in relation to its unsecured corporate bonds issued. The Group is in delay on covering those liabilities. The non-payment of these liabilities represents an event of default and the total amount of the bond liabilities of EUR 19 769 thousand are considered overdue.
- The Group is also in delay with interest and other penalty interest and taxes amounting to EUR 985 thousand as well as overdue principal amounting to EUR 3,696 thousand in relation to bank loan received from United Bulgarian Bank. The Group had stopped paying the instalments due on 26.02.2020.
- Other liabilities in the amount of EUR 8,826 thousand that are immediately payable.

The parent company and its subsidiaries do not have active business operations. The business operations of the entire Group are in process of restructuring.

These current conditions and events indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

The management believes that the measures taken which are listed below will enable the Group to continue its operations and settle its obligations in the ordinary course of business.

Based on out-of-court settlement agreement, reached between the Group and UBB on 16.02.2022, the legal procedure for opening of bankruptcy against the parent Company was terminated with explicit ruling of the Sofia City Court 15.03.2022. Few days earlier also the insolvency procedure, opened by request of the Company itself as well as of EF Facet Discretionary Portfolios was terminated.

On 15.04.2024 an extraordinary General Meeting of the shareholders of AKILES CORPORATION" SE was held and the decisions taken were inscribed in the Bulgarian Trade Register on 24.04.2024. Among the most important decisions taken are the following:

- the name of the company is changed to Tesla Energy Storage SE
- the new Board of Directors will consist of Oscar Leiva Mendez, Juan Molins Monteys, Dusan Lichardus, Horia Grigorescu and Johannes Antonie Marius Marijnen
- Adoption of resolution for delegation to the Board of Directors of „AKILES CORPORATION" SE to accomplish increase of the Company's registered capital, on the grounds of art. 196 of the Commerce Act, by emitting new shares, up to a maximum nominal amount of € 450'000'000
- The capital of the Company will be increased predominantly by way of contribution in kind of all the shares from the capital of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365 subject to the approval of the shareholders of Tesla Global SE and Akiles Corporation SE.

3.Use of judgements and estimates (continued)

A. Going concern basis of accounting (continued)

As at 31 December 2023 liabilities amounting to EUR 6,554 thousand are agreed to be settled through debt conversion agreements. The creditors have agreed to convert these liabilities into newly emitted shares in 2024. All debt conversions are subject to accomplishment of capital increase of Akiles's capital and reverse takeover of the whole capital of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365, where the current shareholders of Tesla Global SE will subscribe newly emitted shares from the capital of Akiles. If the above reverse takeover is not completed, the debt conversion agreements shall not be deemed valid and liabilities amounting to EUR 6,554 thousand will become immediately due.

The future business activity of the Group is subject to the successful completion of in-kind contribution of the shares of the capital of Tesla Global SE. This will enable the Company to focus on and further expand the key activity of Tesla Global SE which is the production and sale of battery storage units using the highest-quality liquid-cooled battery modules. The factory designing, engineering, and assembling the battery storage units is located in Slovakia and historically is known for its huge expertise in the field of energy. The company is initiating the construction of the first Gigafactory in Europe (Romania) for 4GW/year of Battery Energy Storage Solutions.

In view of the above directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and the Group will be able to secure financing necessary to repay the outstanding immediately payable liabilities and execute successfully the debt conversion agreements. For these reasons, the Group continues to adopt the going concern basis of accounting in preparing the consolidated financial statements.

B. Significant sources of estimation uncertainties

The military conflict between the Republic of Ukraine and the Russian Federation has a negative impact on the macro- and micro-economic plan of the EU. The economic sanctions imposed between the EU member states, on one hand, and the Russian Federation, on the other, may have some adverse economic effects in the countries where the Group will operate.

Therefore, the overall impact on the Group's business activity and its financial performance will depend on future developments, which are highly uncertain and currently cannot be predicted. However, the Management has been actively working to minimize the negative impact, to seek additional financing and to follow the Group's business strategy. The Management will continue to monitor the development of the situation and the effect on all aspects of the Group's activities.

In view of this, the management believes in the Group's ability to continue as a going concern.

C. Loss of control over subsidiaries

The parent company holds directly 50,43% of the equity interest in its subsidiary PetrolProm Bulgaria OOD and 50,43% indirectly of the equity interest in its subsidiary Silena Company EOOD. The management considers that effective control over these entities is not established despite owning a majority of voting rights. This conclusion is drawn based on several significant factors which impair the ability to exercise control as defined under IFRS 10:

- Non-compliance with Shareholder Agreements: Akiles, a key shareholder, has failed to meet its financial obligations as stipulated in the Shareholders Agreement dated February 15, 2019. This non-compliance has notably weakened the parent company's influence over corporate decisions.
- Insolvency Proceedings: As of November 2020, Akiles has been subjected to insolvency proceedings, severely restricting the parent company's capability to inject further capital and thereby diminishing its effective influence over the subsidiaries' operational and financial policies.
- Communication Barriers: There has been a significant deterioration in communications pertaining to the management and strategic operations of the investees, further evidencing the lack of effective control.

3.Use of judgements and estimates (continued)

C. Loss of control over subsidiaries (continued)

- Absence of Control Power: The parent company does not possess the necessary power to govern the financial and operating policies of the investee entities to obtain benefits from their activities. The management is appointed by the suggestions of the other shareholder.
- Extraordinary Shareholders' Meeting: An extraordinary meeting held on June 1, 2021, led to a reassessment of the control status, resulting in the conclusion that the parent company Akiles no longer retains control over PetrolProm Bulgaria OOD and Silena Company EOOD as of this date.

The investments in PetrolProm Bulgaria OOD and Silena Company EOOD have been classified as financial assets at fair value through profit or loss in accordance with IFRS 9 in the consolidated financial statements for the year ending 31st December 2022. This reclassification reflects the loss of control as specified and substantiated by the outlined events and circumstances.

The Group has elected not to consolidate the financial statements of Winntec Greece IKE, which has been inactive since 2018. This decision is based on the reasons that the company is not engaged in any operational or financial activities since 2018 and it has no significant transactions or balances that would impact the Group's consolidated financial statements. The financial position and results of Winntec Greece IKE are immaterial to the Group's consolidated financial statements. As a result, its exclusion does not affect the fair presentation of the Group's financial position, performance, or cash flows.

D. 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.

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

Further information about the assumptions made in measuring fair values is included in the respective notes.

4. Revenue

A. Revenue streams

The Group revenue primarily relates to sale of production and goods by the newly acquired subsidiaries and the services and products sold by the subsidiaries that provide waste management solutions.

For the year ended 31 December	2021 EUR'000	2020 EUR'000
Revenue from contracts with customers	-	657
Other revenue	492	1
Total revenue	**492**	**658**

Since in the beginning of 2021 TNL Equipamientos Ambientales S.L. was declared in a state of bankruptcy by the Court in Barcelona and subsequently dissolved, the investment in this subsidiary, as well as the investment in TNL World EOOD were written-off. Following the above, the trade payables to TNL Equipamientos Ambientales S.L. amounting to EUR 460 thousand are considered non-payable and have also been written-off. The plot of land owned by Brila EOOD has been sold in 2021, as the Group recognizes revenue of EUR 5 thousand. In 2021 the Group has been written-off liabilities with expired limitation period, as well as other non-payable liabilities at the total amount of EUR 27 thousand.

B. Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by major business lines. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments.

For the year ended 31 December	Sale and management of waste collection systems		Gas and oil trading		Total	
	2021 EUR'000	2020 EUR'000	2021 EUR'000	2020 EUR'000	2021 EUR'000	2020 EUR'000
Major business lines						
Sales of production	-	-	-	178	-	178
Sales of goods	-	-	-	452	-	452
Rendering of services	-	23	-	4	-	27
	-	**23**	**-**	**634**	**-**	**657**

C. Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
Sale of goods	The Group operates retail points for sale of oil & gas products. The customers gain control over the goods at the point of sale. No discounts, loyalty points or returns are provided.	Revenue is recognised at the point in time when sale is accomplished.
Sale of production	Customers gain control over oil, gas and related production when the goods are shipped to the customers' warehouses.	Revenue is recognised at the point in time when sale is accomplished.
Engineering and construction services	The services are related to waste management solutions.	Revenue is recognised over time as the services are provided. The stage of completion is determined by analysing the completed work.

5. Raw materials and consumables used

Raw materials and consumables represent mainly materials utilized in the production process of the subsidiaries dealing with gas and oil production and sales.

6. Expenses for hired services

For the year ended 31 December	2021 EUR'000	2020 EUR'000
Construction, management and operation of biomass power plants and pelletization plants related	21	154
Gas and oil related	-	35
Cost of sales for waste management subsidiaries	-	13
	21	**202**

7. Cost of goods sold

For the year ended 31 December	2021 EUR'000	2020 EUR'000
Gas and oil related	-	435
Cost of sales for waste management subsidiaries	-	32
	-	**467**

8. Employee benefit expenses

For the year ended 31 December	2021 EUR'000	2020 EUR'000
Wages and salaries	313	585
Social security contributions	19	31
	332	**616**

9. Loans and trade receivables written-off

Since in the beginning of 2021 Winttec World S.L. and TNL Equipamientos Ambientales S.L. were declared in a state of bankruptcy by the Court in Barcelona, the investments in these subsidiaries, as well as the investment in TNL World EOOD were written-off. The Group also wrote off its investment in PetrolProm Bulgaria OOD due to the suspension of its business activity. Respectively the management does not consider the loans granted to these companies repayable and has made a decision to write the amounts off.

For the year ended 31 December	2021 EUR'000	2020 EUR'000
Winttec World S.L.	203	-
TNL Equipamientos Ambientales S.L.	1,527	-
TNL World EOOD	20	-
PetrolProm Bulgaria OOD	59	-
	1,809	**-**

In 2021 the management also decided to write-off the loans provided to other related parties due to the lack of movement throughout the last years at the total amount of EUR 25 thousand.

10. Other expenses

For the year ended 31 December	2021 EUR'000	2020 EUR'000
Construction, management and operation of biomass power plants and pelletization plants related	283	615
Gas and oil related	-	3
Cost of sales for waste management subsidiaries	-	1
	283	**619**

11. Finance income and costs

For the year ended 31 December		2021 EUR'000	2020 EUR'000
Interest income		1	1
Profit on sale of investments	(a)	-	694
Profit on revaluation of shares lent, net	(b)	-	331
Net FX gains		-	24
Finance income		**1**	**1,050**
Equity investments at FVTPL - net change in fair value	(c)	-	(4,106)
Interest expense		(1,832)	(1,667)
Net FX losses		(118)	-
Bank expenses		(1)	(16)
Finance costs		**(1,951)**	**(5,789)**
Net finance costs recognised in profit or loss		**(1,950)**	**(4,739)**

(a) The profit/loss on sale of investments relates to sales of shares held in Eqtec plc. As at 31 December 2021 Akiles holds no shares in Eqtec plc (31.12.2020: 95,698 shares). Eqtec plc's shares are quoted on AIM of the London Stock Exchange market and their market price as at 31 December 2020 is 1.670 GBX/share.

(b) Profit/Loss on revaluation of shares lent from Elektra relates to the share lending agreements signed between the parties where Elektra has effectively lent 5,488,000 shares (31.12.2020: 5,488,000 shares) shares to Akiles which were either sold by Akiles or used for the purpose of repayment of its loan liabilities. The liability to Elektra is measured based on the number of shares effectively lent and with reference to the market price of the shares at BME Growth as at 31 December 2021 – 0.113 EUR per share (31 December 2020 – 0.113 EUR per share). Nevertheless, according to the signed share lending agreements 5 488 000 should be transferred back to Elektra Holding AD.

(c) Equity investments at FVTPL - net change in fair value – in 2020 the Company accounts for other equity investments at fair value through profit and loss. Those include investments in Eqtec plc, Interavers OOD and HM Hotels JSC.

12. 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
Cost										
At 1 January 2020	**859**	**1,024**	**124**	**2,429**	**284**	**4**	**15**	**44**	**23**	**4,806**
Additions	-	-	-	-	-	-	1	40	-	41
Derecognition of ROU	-	-	(124)	-	-	-	-	-	-	(124)
Disposals	-	-	-	-	-	-	(1)	-	-	(1)
At 31 December 2020	**859**	**1,024**	**-**	**2,429**	**284**	**4**	**15**	**84**	**23**	**4,722**
Disposals	(87)	-	-	-	-	-	-	-	-	(87)
Disposal of subsidiaries	-	-	-	-	(95)	-	(13)	(82)	-	(190)
At 31 December 2021	**772**	**1,024**	**-**	**2,429**	**189**	**4**	**2**	**2**	**23**	**4,445**
Depreciation and impairment loss										
Balance at 1 January 2020	**-**	**133**	**41**	**2**	**227**	**1**	**5**	**3**	**-**	**412**
Depreciation for the period	-	41	41	-	32	2	5	7	-	128
Disposals	-	-	(82)	-	-	-	-	-	-	(82)
Balance at 31 December 2020	**-**	**174**	**-**	**2**	**259**	**3**	**10**	**10**	**-**	**458**
Depreciation for the period	-	41	-	-	14	1	3	-	-	59
Impairment loss	484	809	-	2,427	5	-	-	-	23	3,748
Disposal of subsidiaries	-	-	-	-	(90)	-	(12)	(8)	-	(110)
Balance at 31 December 2021	**484**	**1,024**	**-**	**2,429**	**188**	**4**	**1**	**2**	**23**	**4,155**
Net book value										
At 31 December 2020	**859**	**850**	**-**	**2,427**	**25**	**1**	**5**	**74**	**23**	**4,264**
At 31 December 2021	**288**	**-**	**-**	**-**	**1**	**-**	**1**	**-**	**-**	**290**

12. Property, plant and equipment (continued)

Assets under construction reported as at 31 December 2020 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 31 December 2020 attributable to the following projects:

	Assets under construction
	EUR'000
Plovdiv Biomass EOOD	14
Tvarditsa Biomass EOOD	9
	23

The assets under construction have been fully impaired in 2021.

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 31 December 2020. However, the Management considers that Covid – 19 pandemics has not affected significantly the fair values of land. The valuation reports of the appraiser show the following amounts for the value of land as at 31 December 2021:

	Value according to the valuation report
	EUR'000
Tvarditsa Biomass EOOD	46
Plovdiv Biomass EOOD	77
United Biomass EOOD	60
Tvarditsa PV EOOD	105
	288

The plot of land owned by Brila EOOD has been sold in 2021. The land owned by Biomass Distribution EOOD has been fully impaired in 2021 together with all assets owned by the subsidiary.

12. Property, plant and equipment (continued)

Measurement of fair value (continued)

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.

Valuation technique and significant unobservable inputs

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Market comparison technique and residual technique of valuation: 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.	• Coefficient reflecting the value of the difference between the plots owned and those used for comparison purposes (1.3-1.9).	The estimated fair value would increase (decrease) if: • The estimated coefficient reflecting the differences was higher (lower).

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 139 thousand.

13. Intangible assets

	Development costs in progress EUR 000	Development costs EUR 000	Patents and trademarks EUR 000	Software EUR 000	Other EUR 000	Total EUR 000
Cost						
Balance at 1 January 2020	10,298	10	622	33	4	10,967
Balance at 31 December 2020	10,298	10	622	33	4	10,967
Disposal of subsidiaries	-	-	-	(28)	-	(28)
Balance at 31 December 2021	10,298	10	622	5	4	10,939
Amortisation and impairment						
Balance at 1 January 2020	7,549	10	33	2	-	7,594
Charge for the year	-	-	10	12	1	23
Impairment loss	-	-	579	-	-	579
Balance at 31 December 2020	7,549	10	622	14	1	8,196
Impairment loss	2,749	-	-	-	-	2,749
Disposal of subsidiaries	-	-	-	(9)	-	(9)
Balance at 31 December 2021	10,298	10	622	5	1	10,936
Net book value						
At 1 January 2020	2,749	-	589	31	4	3,373
At 31 December 2020	2,749	-	-	19	3	2,771
At 31 December 2021	-	-	-	-	3	3

13. Intangible assets (continued)

Development costs in progress as at 31 December 2020 represent licences, contracts, permits, designs, etc. related to development phase of the following three projects for construction and operation of pelletization plants:

	Development costs in progress EUR'000
Thermal plant and pelletization plant of Tvarditsa Biomass EOOD	1,745
Thermal plant and pelletization plant of Plovdiv Biomass EOOD	1,003
Thermal plant and pelletization plant of Tvarditsa PV EOOD	1
	2,749

Development costs in progress have been recognized initially as part of business combination and valued at fair value by certified licensed valuers, based on discounted estimated future net cash flows expected from these assets. Their values were dependent on the estimated timing of completion of projects and commencement of production. Their amortisation was about to start when the projects are finalised and the production commences. However, based on the Management's decision, the development costs in progress have been fully impaired in 2021.

Impairment testing for CGUs containing goodwill

As at 31 December 2021 and 2020 the Group performed a test for impairment based on the best estimates and judgments of the Management.

14. 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:

In thousands of EUR	Acquisition date	Goodwill recognized at acquisition	Goodwill as at 31 December 2021	Goodwill as at 31 December 2020
Heat Biomass EOOD	30 November 2012	1,221	-	-
Karlovo Biomass EOOD	30 November 2012	825	-	-
Nova Zagora Biomass EOOD	30 November 2012	185	-	-
United Biomass EOOD	30 November 2012	103	-	-
Tvarditsa Biomass EOOD	30 November 2012	411	-	370
Eqtec Iberia SL	30 November 2012	76	-	-
Winttec SGPS SA (former TNL SGPS)	1 August 2014	1,915	-	-
Eqtec plc	7 February 2017	3,461	-	-
Citytainer Brasil Soluções Ambientais Ltd	3 May 2017	778	-	-
PetrolProm Bulgaria EOOD	3 June 2019	627	-	627
Total		**9,602**	**-**	**997**

In 2021 the Group wrote off its investment in PetrolProm Bulgaria OOD due to the considered loss of control in the entity. Following the above, the goodwill that had arisen upon the acquisition of PetrolProm Bulgaria OOD amounting to EUR 627 thousand has been also written-off (Note 14.1). Impairment loss of EUR 370 thousand was recognized in 2021 in respect of the goodwill that had arisen upon acquisition of Tvarditsa Biomass EOOD (2020: EUR 41 thousand) as the Management decided not to develop this project.

14. Acquisitions and disposals of subsidiaries (continued)

14.1 Loss of control in PetrolProm Bulgaria OOD and Silena Company EOOD

In 2021 The Group wrote off its investments in PetrolProm Bulgaria OOD and Silena Company EOOD due to loss of control as described in Note 3C. Akiles Corporation SE continues to own 50.43% of the registered capitals of PetrolProm Bulgaria OOD and Silena Company EOOD.

The effect of the disposal of PetrolProm Bulgaria OOD is described below:

in thousand EUR		Disposal of PetrolProm Bulgaria OOD
Fair value of consideration paid		-
Fair value of investment retained		-
Less share of consolidated carrying value at the date control is lost		
Net assets	(409)	
Goodwill	627	
Non-controlling Interest	(245)	
		27
Group profit on disposal		27

The effect of the disposal of Silena Company EOOD is described below:

in thousand EUR		Disposal of Silena Company EOOD
Fair value of consideration paid		-
Fair value of investment retained		-
Less share of consolidated carrying value at the date control is lost		
Net assets	18	
Non-controlling interest	9	
		(27)
Group loss on disposal		(27)

14.2 Disposal of Winttec World S.L., TNL Equipamientos Ambientales S.L. and TNL World EOOD

On 2 March 2021 Winttec World S.L. and TNL Equipamientos Ambientales S.L. which used to be in procedure of liquidation, were declared in a state of bankruptcy by the Court in Barcelona and subsequently dissolved. The Group also have lost the control over TNL World EOOD in this regard.

The effect of the disposal of Winttec World S.L. is described below:

in thousand EUR		Disposal of Winttec World S.L.
Fair value of consideration paid		-
Fair value of investment retained		-
Less share of consolidated carrying value at the date control is lost		
Net assets	(1,059)	
Non-controlling interest	-	
		1,059
Group profit on disposal		1,059

14. Acquisitions and disposals of subsidiaries (continued)

14.2 Disposal of Winttec World S.L. and TNL Equipamientos Ambientales S.L. (continued)

The effect of the disposal of TNL Equipamientos Ambientales S.L. is described below:

In thousand EUR		Disposal of TNL Equipamientos Ambientales S.L.
Fair value of consideration paid		-
Fair value of investment retained		-
Less share of consolidated carrying value at the date control is lost		
Net assets	1,477	
Non-controlling interest	(353)	
		(1,124)
Group loss on disposal		(1,124)

The effect of the loss of control in TNL World EOOD is described below:

In thousand EUR		Disposal of TNL World EOOD
Fair value of consideration paid		-
Fair value of investment retained		-
Less share of consolidated carrying value at the date control is lost		
Net assets	(21)	
Non-controlling interest	-	
		21
Group profit on disposal		21

15. Other investments

As at 31 December 2021 and 2020 the other investments include the following:

	31.12.2021 EUR'000	31.12.2020 EUR'000
Equity securities – at FVTPL (Investment in Eqtec plc)	-	3
Equity securities – at FVTPL (Investment in PetrolProm Bulgaria OOD and Silena Company EOOD)	-	-
	-	**3**

As at 31 December 2021 Akiles holds no shares in Eqtec plc (31.12.2020: 95,698 shares). Eqtec plc's shares are quoted on AIM of the London Stock Exchange market and their market price as at 31 December 2020 is 1.670 GBX/share.

16. Trade and other receivables

	Note	31.12.2021 EUR'000	31.12.2020 EUR'000
Current part of trade and other receivables			
Trade and other receivables from related parties	27	43	75
Trade receivables from clients		2	978
Prepaid amounts to suppliers		-	11
Receivables from employees		-	18
Refundable VAT		-	33
Other receivables		-	46
		45	**1,161**
Non-current part of trade and other receivables			
Trade receivables from clients		-	62
		-	**62**

17. Assets classified as held for sale

	31.12.2021 EUR'000	31.12.2020 EUR'000
Assets classified as held for sale related to:		
Karlovo Biomass	-	8,636
Heat Biomass	-	1,274
	-	**9,910**

The assets classified as held for sale were presented at the lower of their carrying value and their fair value less cost of the disposal. Impairment loss of EUR 9,910 thousand was recognized in 2021 in respect of the assets held for sale (2020: EUR 0 thousand) as the Management decided not to develop these projects.

The assets held for sale were part of Operating Segment 1 Construction, management and operation of biomass power plants and pelletization plants (see Note 26).

18. Inventory

	31.12.2021 EUR'000	31.12.2020 EUR'000
Goods	-	123
Raw materials and consumables	-	76
Production	-	6
	-	**205**

19. Cash at bank and in hand

	31.12.2021 EUR'000	31.12.2020 EUR'000
Cash at bank	1	6
Cash in hand	-	130
	1	**136**

20. Capital and capital reserves

20.1. 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 2021 and 2020 the Company has issued 27,367,811 ordinary shares with a nominal value of EUR 1 (BGN 1.96) each.

20.2. Treasury shares reserve

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

As at 31 December 2021 and 2020 the Company held 4,411,560 own shares with nominal value EUR 1 at total amount of EUR 4,412 thousand.

20.3 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.

21. Loss per share

Basic loss per share

The calculation of basic loss per share (LPS) at 31 December 2021 (31 December 2020) is based on the loss attributable to ordinary shareholders of EUR 22,265 thousand (31 December 2020: loss of EUR 7,120 thousand), and a weighted average number of ordinary shares outstanding of 22,956 thousand (31 December 2020: 21,191 thousand), calculated as follows:

(i) Loss attributable to ordinary shareholders (basic)

In thousands of EUR	**2021**	**2020**
Loss for the period	(21,952)	(7,120)
Loss attributable to ordinary shareholders	**(21,952)**	**(7,120)**

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

In thousands of shares	**31.12.2021**	**31.12.2020**
Issued ordinary shares at 1 January	27,368	27,368
Effect from repurchased own shares	(4,412)	(2,177)
Weighted average number of ordinary shares at 31 December	22,956	21,191
Loss per share (EUR)	(0.96)	(0.34)

21. Loss per share (continued)

Diluted loss per share

The Group does not have dilutive potential ordinary shares in the form of bonds, convertible into shares of the Parent company or share options.

On 18 March 2019 and in regard to the SSF signed between Ebioss Energy SE and GEM Global Yield Fund in October 2018, Akiles Corporation 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 Akiles Corporation 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.

22. 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.

In thousands of EUR	*Note*	**31.12.2021**	**31.12.2020 Restated**
Non-current liabilities			
Bank loans	(c)	-	341
Lease liabilities		-	22
Other non-current loans and borrowings		-	9
		-	**372**
Current liabilities			
Unsecured corporate bonds issues	(a)	19,769	18,543
Bank loans and overdrafts	(c)	5,009	4,801
Loans payable to related parties	27	943	912
Lease liabilities		-	16
Loans payable to third parties	(b)	2,874	3,320
		28,595	**27,592**
Total		**28,595**	**27,964**

(a) Corporate bonds issue

In thousands of EUR	
Carrying amount of liability at 1 January 2020	**17,206**
Accrued interest	1,081
Net FX loss on GBP bonds during the period	(12)
Other movements	268
Carrying amount of liability at 31 December 2020	**18,543**
Accrued interest	1,211
Net FX loss on GBP bonds during the period	15
Carrying amount of liability at 31 December 2021	**19,769**

The initial placement of bond emissions 2-5 was done through the Luxembourg Stock Exchange. As at 31 December 2021 and 2020 the bonds are not traded.

As at 31 December 2021 interest payments for the total amount of EUR 5,269 thousand, which fell due in 2018, 2019, 2020 and 2021 and the repayment of the principles of the first four bond emissions for the amount of EUR 12,500 thousand which were due on 18 June 2020, 22 December 2020 and 20 April 2021 respectively have not been paid and are considered overdue.

22. Loans and borrowings (continued)

(a) Corporate bonds issue (continued)

The bondholders have negotiated disposal of their receivables with principle in the amount of EUR 10,500 to a third party. The transaction is subject to conditions precedent including resumption of trading of the Company's shares on the BME Growth market with a long stop date 21st July 2024. As of the date of issuance of these financial statements the Company's share have not resumpted trading on the BME Growth market and the Transaction is in process of renegotiating. At present an investment fund specialized in debt restructuring is currently negotiating with the two principal bondholders and expects the settlement agreement to be reached in the foreseeable future again subject to resumption of trading of the Company's shares on the BME Growth market and the completion of the transaction for share capital increase from Tesla Global SA.

The overdue payments are subject to renegotiations which is conditional upon the intended transaction for share capital increase from Tesla Group SA.

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 was 18 June 2020 and maturity dates of the coupon payments were as follows: 18 June 2016, 18 June 2017, 18 June 2018, 18 June 2019 and 18 June 2020.

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 was 22 December 2020 and maturity dates of the coupon payments were 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 was 20 April 2021 and maturity dates of the coupon payments were as follows: 20 April 2017, 20 April 2018, 20 April 2019, 20 April 2020 and 20 April 2021.

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 was 20 April 2021 and maturity dates of the coupon payments were as follows: 20 April 2017, 20 April 2018, 20 April 2019, 20 April 2020 and 20 April 2021.

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 are as follows: 2 June 2018, 2 June 2019, 2 June 2020, 2 June 2021 and 2 June 2022.

(b) Loans payable to third parties

As at 31 December 2021 the Group's main credit funding granted by third parties included the following agreements:

- EUR 1,050 thousand received on 28 February 2018. The interest rate on the loan is 5% and the loan is repayable 1 year after its receipt. The accumulated interest and other accrued expenses amount to EUR 632 thousand.
- EUR 1,000 thousand received on 26 March 2018. The interest rate on the loan is 5% and the loan is repayable 1 year after its receipt. The accumulated interest and other accrued expenses amount to EUR 192 thousand.

The outstanding loan balances related to both contracts have not been repaid as at the date of these financial statements.

22. Loans and borrowings (continued)

(c) Bank loans

Bank loans structure as at 31 December 2021 is, as follows:

Bank	Borrower	Interest rate	Balance 31.12.2021 EUR'000	Maturity
UBB AD	Karlovo Biomass EOOD	3M EURIBOR + 6,00%	4,594	Payable on demand
BBVA	Akiles Corporation SE	2,00%	367	30.11.2023
GPM – overdraft	Akiles Corporation SE	n/a	9	Payable on demand
Sabadel – credit card	Akiles Corporation SE	n/a	13	Payable on demand
Other overdrafts	Akiles Corporation SE	n/a	26	
TOTAL BANK LOANS			**5,009**	

As at 31 December 2021 the outstanding principal to the loan granted by UBB AD to Karlovo Biomass EOOD is EUR 3,696 thousand (31 December 2020: EUR 3,696 thousand). Akiles Corporation had stopped paying the instalments due and on 26.02.2020, United Bulgarian Bank AD accelerated the repayment of the bank loan. The Management plans to pay the overdue principle upon completion of the sales transaction of the plant in the foreseeable future.

Bank loans structure as at 31 December 2020 is, as follows:

Bank	Borrower	Interest rate	Balance 31.12.2020 EUR'000	Maturity
UBB AD	Karlovo Biomass EOOD	3M EURIBOR + 6,00%	4,258	Payable on demand
BBVA	Akiles Corporation SE	2,00%	360	30.11.2023
GPM – overdraft	Akiles Corporation SE	n/a	7	Payable on demand
Sabadel – credit card	Akiles Corporation SE	n/a	13	Payable on demand
Other overdrafts	Akiles Corporation SE	n/a	26	Payable on demand
Eurobank Bulgaria	PetrolProm Bulgaria EOOD	Prime Eurobank + 3,25%	269	30.06.2021
Popular Bank	TNL SL	4,00%	11	14.11.2020
Banco Sabadell	TNL SL	4,00%	56	31.07.2028
La Caixa Bank	TNL SL	4,62%	131	Payable on demand
Credit cards	TNL SL	n/a	7	Payable on demand
Credit cards	Wintec Word SL	n/a	4	Payable on demand
TOTAL BANK LOANS			5,142	

23. Trade and other payables

	Note	31.12.2021 EUR'000	31.12.2020 EUR'000 Restated
Payables to related parties	27	1,048	1,398
Payables to suppliers		3,242	4,919
Payables to employees		445	264
Tax and contributions liabilities		141	91
Other payables		81	-
		4,957	**6,672**

The payable to suppliers includes the liability towards the seller of the shares of PetrolProm Bulgaria OOD which will be settled through transfer of 540,000 shares at nominal value EUR 1 each share from the capital of Akiles Corporation SE.

Payables to suppliers and to employees amounting to EUR 2,060 thousand and EUR 417 thousand respectively have been agreed to be settled through debt conversion agreements to convert these liabilities into newly emitted shares. All debt conversions are subject to accomplishment of capital increase of Akiles's capital and reverse takeover of the whole capital of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365, where the current shareholders of Tesla Global SE will subscribe newly emitted shares from the capital of Akiles. If the above reverse takeover is not completed, this agreement shall not be deemed valid.

24. Taxation

Under the current provisions of Bulgarian Corporate Income Tax Act, a company may use its accumulated loss with restriction of five years in the time period to reduce the income tax it would otherwise have to pay on future taxable income. The Group has not recognized deferred tax assets in relation to accumulated tax losses because of the uncertainty that it would recognize future taxable income.

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2021 EUR'000	2020 EUR'000	2021 EUR'000	2020 EUR'000	2021 EUR'000	2020 EUR'000
Land and developments costs	-	-	7	344	320	344
Tax loss carry-forwards	-	(403)	-	-	-	(403)
Tax (assets) / liabilities	**-**	**(403)**	**7**	**344**	**320**	**(59)**

Movement in deferred tax balances

In thousands of EUR	Balance 1 January 2020	Recognized in profit or loss	Balance 31 December 2020	Recognized in profit or loss	Balance 31 December 2021
Land and developments costs	344	-	344	(337)	7
Tax loss carry-forwards	(403)	-	(403)	403	-
	(59)	**-**	**(59)**	**66**	**7**

25. Financial Instruments

Accounting classifications and fair values

The following tables shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value since their carrying amount is considered to be a reasonable approximation of the fair value.

31 December 2021

In thousands of EUR	Note	FVTPL	Financial assets at amortised cost	Other financial liabilities at amortised cost	Total	Fair value
Financial assets not measured at fair value						
Loans provided	27	-	15	-	15	
Trade receivables	16, 27	-	45	-	45	
Cash and cash equivalents	19	-	1	-	1	
		-	**61**	**-**	**61**	
Financial liabilities measured at fair value						
Own shares lent by Elektra Holding AD	27	620	-	-	620	Level 1
		620	**-**	**-**	**620**	
Financial liabilities not measured at fair value						
Loans and borrowings	22, 27	-	-	(28,595)	(28,595)	
Trade payables	23, 27	-	-	(4,290)	(4,290)	
		-	**-**	**(32,885)**	**(32,885)**	

31 December 2020

In thousands of EUR	Note	FVTPL	Financial assets at amortised cost	Other financial liabilities at amortised cost	Total	Fair value
Financial assets measured at fair value						
Equity securities - Eqtec plc	15	3	-	-	3	Level 1
		3	**-**	**-**	**3**	
Financial assets not measured at fair value						
Loans provided	27	-	70	-	70	
Trade receivables	16, 27	-	1,115	-	1,115	
Cash and cash equivalents	19	-	136	-	136	
		-	**1,321**	**-**	**1,321**	
Financial liabilities measured at fair value						
Own shares lent by Elektra Holding AD	27	620	-	-	620	Level 1
		620	**-**	**-**	**620**	
Financial liabilities not measured at fair value						
Loans and borrowings	22, 27	-	-	(27,964)	(27,964)	
Trade payables	23, 27	-	-	(6,317)	(6,317)	
		-	**-**	**(34,281)**	**(34,281)**	

25. Financial instruments (continued)

Overview

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

- credit risk
- liquidity risk
- market risk

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

Risk management framework

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

(a) Credit risk

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

The carrying amount of Group's financial assets represent the maximum exposure to credit risk.

Trade receivables and loans provided

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The maximum exposure to credit risk for trade receivables and loans provided at the reporting date was as follows:

	Note	31.12.2021 EUR'000	31.12.2020 EUR'000
Loans provided to related parties	27	15	70
Trade receivables from related parties	27	43	75
Trade receivables from third parties	16	2	1,040
		60	**1,185**

Impairment

Impairment losses on financial assets recognised in profit or loss were, as follows:

Recognised in profit or loss	2021 EUR'000	2020 EUR'000
Impairment loss on trade and other receivables	38	440
Written-off principals and interests on loans provided	1,834	-
	1,872	**440**

25. Financial instruments (continued)

(a) Credit risk (continued)

Cash and cash equivalents

The Group held cash and cash equivalents of EUR 1 thousand at 31 December 2021 (31 December 2020: EUR 136 thousand).

The estimated impairment on cash and cash equivalents was calculated based on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

(b) Liquidity risk

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

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements as at 31 December 2021:

In thousands of EUR	Note	Carrying amount	Contractual cash flows	1 year or less	1-2 years	2-5 years
Non-derivative financial liabilities						
Corporate bonds issued	22	19,769	19,769	19,769	-	-
Bank loans and overdrafts	22	5,009	5,009	5,009	-	-
Loans payable to related parties	27	943	943	943	-	-
Loans payable to third parties	22	2,874	2,874	2,874	-	-
Trade payables to related parties	27	1,048	1,048	1,048	-	-
Trade payables to third parties	23	3,242	3,242	3,242	-	-
		32,885	**32,885**	**32,885**	**-**	**-**

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements as at 31 December 2020:

In thousands of EUR	Note	Carrying Amount	Contractual cash flows	1 year or less	1-2 years	2-5 years
Non-derivative financial liabilities						
Corporate bonds issued	22	18,543	18,543	18,543	-	-
Bank loans and overdrafts	22	5,142	5,142	4,801	341	-
Loans payable to related parties	27	912	912	912	-	-
Loans payable to third parties	22	3,320	3,320	3,320	-	-
Trade payables to related parties	27	1,398	1,398	1,398	-	-
Trade payables to third parties	23	4,919	4,919	4,919	-	-
Finance lease liabilities	22	38	38	16	22	-
Other non-current loans and borrowings	22	9	9	-	9	
		34,281	**34,281**	**33,909**	**372**	**-**

25. Financial Instruments (continued)

Risk management framework (continued)

(c) Market risk

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

Currency risk

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than BGN. The majority of the Company's transactions are denominated in EUR and the BGN is pegged to the EUR. Some transactions, including one of the bonds emissions (see note 22) are denominated in GBP.

Interest rate risk

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

(d) Capital management

The Management's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. There were no changes in the Group's approach to capital management during the year.

(e) Fair value of financial assets and liabilities

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

26. Segment reporting

As at 31 December 2021 the Group has one reportable segment (31 December 2020: three 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**	
For the year ended 31 December	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Revenues	492	-	-	23	-	635	492	658
Raw materials and consumables used	-	(13)	-	-	-	(154)	-	(167)
Cost of goods sold	-	-	-	(32)	-	(435)	-	(467)
Expenses for hired services	(21)	(154)	-	(35)	-	(13)	(21)	(202)
Employee benefit expenses	(332)	(523)	-	(66)	-	(27)	(332)	(616)
Depreciation and amortisation	(59)	(121)	-	(17)	-	(13)	(59)	(151)
Goodwill impairment	(370)	(41)	-	-	-	-	(370)	(41)
Impairment of assets classified as held for sale	(9,910)	-	-	-	-	-	(9,910)	-
Impairment of tangible and intangible assets	(6,497)	-	-	(579)	-	-	(6,497)	(579)
Impairment loss on trade receivables	(38)	-	-	(27)	-	(413)	(38)	(440)
Loans and trade receivables written-off	(1,834)	-	-	-	-	-	(1,834)	-
Other expenses	(283)	(615)	-	(3)	-	(1)	(283)	(619)
Loss from operating activities	**(18,852)**	**(1,467)**	-	**(736)**	-	**(421)**	**(18,852)**	**(2,624)**
Finance income	1	1,050	-	-	-	-	1	1,050
Finance expenses	(1,951)	(5,780)	-	-	-	(9)	(1,951)	(5,789)
Inter-segment finance income	-	71	-	-	-	-	-	71
Inter-segment finance (expense)	-	-	-	(71)	-	-	-	(71)
Net finance costs	**(1,950)**	**(4,659)**	-	**(71)**	-	**(9)**	**(1,950)**	**(4,739)**
Investments written-off	(1,040)	-	-	-	-	-	(1,040)	-
Loss on disposal of subsidiaries	(44)	-	-	-	-	-	(44)	-
Loss before income tax	**(21,886)**	**(6,126)**	-	**(807)**	-	**(430)**	**(21,886)**	**(7,363)**
Income tax expense	(66)	-	-	-	-	-	(66)	-
Loss for the period	**(21,952)**	**(6,126)**	-	**(807)**	-	**(430)**	**(21,952)**	**(7,363)**
Total comprehensive loss	**(21,952)**	**(6,126)**	-	**(807)**	-	**(430)**	**(21,952)**	**(7,363)**
Total assets for reportable segments	**354**	**17,935**	-	**428**	-	**1,619**	**354**	**19,982**
Total liabilities for reportable segments	**33,564**	**31,881**	-	**1,699**	-	**1,426**	**33,564**	**35,006**

27. Related party transactions and balances

Related parties are as follows:

Related party	Relationship
Southeimer LLC, Spain	Ultimate parent
Elektra Holding AD, Bulgaria	Parent of Akiles Corporation SE
Epsion Resorts AD	Under common control, controlled by Elektra Holding AD
Levi Capital EOOD	Under common control, controlled by Elektra Holding AD
Luxur PV EOOD	Under common control, controlled by Elektra Holding AD
Bul PV EOOD	Under common control, controlled by Elektra Holding AD
Bul Biomass EOOD	Under common control, controlled by Elektra Holding AD
Smolyan Biomass EOOD	Under common control, controlled by Elektra Holding AD
Titan Power OOD	Under common control, controlled by Elektra Holding AD
Eco El Invest OOD	Under common control, controlled by Elektra Holding AD

Directors

The Executive Director of Akiles Corporation SE is Jose Oscar Leiva Mendez.

Non-executive Directors of Akiles Corporation SE as if 31 December 2021 and 2020 are Carlos Cuervo Arango Martinez, Juan Molins Monteys and Onofre Servera Andreu.

The remuneration accrued in favour of the key management personnel for 2021 amounts to EUR 108 thousand (2020: EUR 218 thousand).

Balances with related parties

In thousands of EUR

	Balance outstanding as at			
	31.12.2021		31.12.2020	
	Receivables	Payables	Receivables	Payables
Elektra Holding AD	-	(620)	-	(620)
Eqtec PLC	-	(70)	-	(70)
Eqtec Iberia	-	(11)	-	(11)
TNL SGPS	-	-	-	(460)
Directors	37	(347)	75	(237)
Close family members of the management	6	-	-	-
	43	**(1,048)**	**75**	**(1,398)**

The amount of EUR 620 thousand payable to Elektra Holding AD (31.12.2020: EUR 620 thousand) is related to share lending agreements signed between the parties where Elektra has effectively lent 5,488,000 shares (31.12.2020: 5,488,000 shares) to Akiles which were either sold by Akiles or used for the purpose of repayment of its loan liabilities. The liability to Elektra is measured based on the number of shares effectively lent and with reference to the market price of the shares at BME Growth as at 31 December 2021 – 0.113 EUR per share (31 December 2020 – 0.113 EUR per share). Nevertheless, according to the signed share lending agreements 5 488 000 should be transferred back to Elektra Holding AD.

27. Related party transactions and balances (continued)

Loans provided to related parties

In thousands of EUR

Receivables from:	Balance outstanding as at 31.12.2021	31.12.2020
Winttec Greece IKE		19
TNL SA	-	13
Employees, management and other close family members	15	38
Total loans provided to related parties	**15**	**70**

Loans due to related parties

In thousands of EUR

Payables to:	Balance outstanding as at 31.12.2021	31.12.2020
Elektra Holding AD	733	710
Close family members of the management	210	202
Total loans due to related parties	**943**	**912**

Transactions with related parties

In thousands of EUR	Description	For the period ended 31.12.2021	For the period ended 31.12.2020
Elektra Holding AD – amounts received	Loans	-	1
Elektra Holding AD – amounts repaid	Loans	-	(31)
Elektra Holding AD – interest accrued	Loans	24	24
Close family members – interest accrued	Loans	7	7

28. Commitments and contingent liabilities

Akiles Corporation SE is a co-debtor for the financing of the liquidated in 2021 subsidiary TNL SL with Banco de Sabadell S.A., Spain for the amount of approximately EUR 57 thousand.

Akiles Corporation 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 31 December 2021 the outstanding liability to this loan is EUR 4,594 thousand (31 December 2020: EUR 4,259 thousand). As at 31 December 2021 the outstanding principal to this loan is EUR 3,696 thousand (31 December 2020: EUR 3,696 thousand). Akiles Corporation had stopped paying the instalments due and on 26.02.2020.

The Group has no other commitments or contingent liabilities as at 31 December 2021 and 2020.

29. Events after the reporting period end

Akiles Corporation SE went through an insolvency procedure that as of the reporting date is terminated taking place between November 2020 until March 2022.

It was initiated by the Company itself acting as an insolvent debtor on 11th of November 2020 at the Sofia City Court. In December 2020 UBB filed another petition for opening of insolvency proceedings against the Company which suspended the initial one filed. In February 2021 a third petition for opening of insolvency procedure against the

29. Events after the reporting period end (continued)

Company was filed by EF Facet Discretionary Portfolios, another creditor of the Company which was adjoined to the insolvency petition of UBB and thus a uniform legal process with two pretending creditors was in progress.

Based on out-of-court settlement agreement, reached between the Company and UBB on 16.02.2022, the legal procedure for opening of bankruptcy against Tesla Energy Storage SE was terminated with explicit ruling of the Sofia City Court 15.03.2022. Few days earlier also the insolvency procedure, opened by request of the Company itself as well as of EF Facet Discretionary Portfolios was terminated.

On 17.02.2023, pursuant to a Contract for Assignment of Receivables (cession), ATZ Project EOOD acquired all receivables of United Bulgarian Bank AD towards Akiles Corporation SE (in its capacity of co-debtor) arising from the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016. The value of the receivables in relation to the Bank loan agreement and the additional annexes thereto amounts to EUR 5,019,687. The assigned claim has passed from United Bulgarian Bank AD to the new creditor along with its privileges, securities and other accessories, including accrued interest.

Pursuant to Preliminary Agreement for sale of the Company's shares, as well as sale of receivables dated 07.04.2023, Akiles has transferred to a third party (indicated by the new creditor under the Cession contract dated 17.02.2023), the Company's shares from the capital of Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD.

According to the Preliminary Agreement dated 07.04.2023, the new creditor, as the holder of the receivables under the Cession contract dated 17.02.2023, has undertaken to discharge the obligations of Akiles Corporation SE under the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016, as a counter performance related to the transfer of the Company's shares from the capital of Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD and in connection with the reciprocal obligation to transfer all the receivables to Akiles towards these subsidiaries.

On 13.04.2023, through a Contract for Assignment of Receivables (Cession), ATZ Project EOOD sold to new party Energowind EOOD all receivables from Karlovo Biomass EOOD (as the principal debtor) and Akiles Corporation SE, Heat Biomass EOOD and Biomass Distribution EOOD (as co-debtors) arising from the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016.

On 29.06.2023 Energowind EOOD, in its capacity as the ultimate assignee and current holder of the receivables mentioned above, has agreed to cancel all the obligations of Akiles Corporation SE amounting to EUR 5,019,687 against these receivables. As a result Akiles Corporation SE does not have any liability regarding UBB debt after this transaction.

On 15.04.2024 an extraordinary General Meeting of the shareholders was held and the decisions taken were inscribed in the Bulgarian Trade Register on 24.04.2024. Among the most important decisions taken are the following:

- the name of the company is changed to Tesla Energy Storage SE
- the new Board of Directors will consist of Oscar Leiva Mendez, Juan Molins Monteys, Dusan Lichardus, Horia Grigorescu and Johannes Antonie Marius Marijnen
- Adoption of resolution for delegation to the Board of Directors of „AKILES CORPORATION" SE to accomplish increase of the Company's registered capital, on the grounds of art. 196 of the Commerce Act, by emitting new shares, up to a maximum nominal amount of € 450'000'000
- The capital of the Company will be increased predominantly by way of contribution in kind of all the shares from the capital of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365 subject to the approval of the shareholders of Tesla Global SE and Akiles Corporation SE.

29. Events after the reporting period end (continued)

The future business activity of the Group is subject to the successful completion of in-kind contribution of the shares of the capital of Tesla Global SE. This will enable the Company to focus on and further expand the key activity of Tesla Global SE which is the production and sale of battery storage units using the highest-quality liquid-cooled battery modules. The factory designing, engineering, and assembling the battery storage units is located in Slovakia and historically is known for its huge expertise in the field of energy. The company is initiating the construction of the first Gigafactory in Europe (Romania) for 4GW/year of Battery Energy Storage Solutions.

In 2024, following the resolution of the extraordinary General Meeting to convert Group's payables in the amount of EUR 11,4 mln. into shares through an in-kind contribution, the Company signed debt conversion agreements with all creditors. The conversions are subject to the successful completion of the in-kind contribution of the shares of Tesla Global SE. The most significant payables subject to the conversion are as follows:

- An agreement dated 11 April 2024 whereby EF FACET BALANCED DISCRETIONARY PORTFOLIO FUND agrees to exchange its payable amounting to EUR 546 thousand against 546,459 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.
- An agreement dated 11 April 2024 whereby EF FACET CAUTIOUS DISCRETIONARY PORTFOLIO FUND agrees to exchange its payable amounting to EUR 911 thousand against 910 766 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.
- An agreement dated 10 April 2024 whereby BTC DOCE S.à.r.l agrees to exchange its payable amounting to EUR 1 680 thousand against 1 680 000 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.
- An agreement dated 14 April 2024 whereby Arrizabal Elkartea SL agrees to exchange its payable amounting to EUR 419 thousand against 419 147 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.

After the reporting date Tesla Global SE acquired shares of the parent Company and as a result as of the date of the above-mentioned Ordinary Shareholders meeting owns 2 338 461 shares which represents 8,54% from the total issued shares issued less treasury own shares and 9,6% from the total shares issued. Thus, the shareholding of Tesla Global SE exceeds the shareholding of the parent company Elektra Holding AD. Tesla Global SE presented during the last Ordinary Shareholders Meeting and the decisions stated above have been voted by them.

On 05 June 2024 an agreement was signed with Tsvetomir Toshev Yordanov, according to which the liability to the seller related to the shares acquired in Petrolprom Bulgaria OOD will no longer be settled through the transfer of 540,000 shares, but through monetary payment of 540 000 euro payable within 8 months as of signing of this agreement – until 05 February 2025.

On 06 June 2024 the Group signed Sales purchase agreement for disposal of 50.43% of the share capital of PetrolProm Bulgaria OOD. The transfer of ownership was registered under the company's file in the Bulgarian Trade Registry on 13 June 2024.

On 06 June 2024 the Group reached an agreement with PROMONTORIA POSEIDON DAC for settlement of the remaining debt in 12 monthly instalments of EUR 24 thousand, starting from July 2024 to June 2025.

On 16 July 2024 following an ordinary General Meeting of the shareholders held on 25 June 2024 the scope of activity of the parent company had changed in the Trade Registry to include Production and assembly of battery energy storage systems ("BESS"), including component manufacturing and end product assembly and other services related to BESS projects.

There are no other significant events, adjusting or non-adjusting, which have a bearing on the understanding of the separate financial statements of the Group.

30. Basis of measurement

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

The consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU.

31. Significant accounting policies

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

Basis for consolidation

(i) Business combinations

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

(ii) Non-controlling interests

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

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

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

(iii) Subsidiaries

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

31. Significant accounting policies (continued)

Basis for consolidation (continued)

(iv) Loss of control

On the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, depending on the level of influence retained, it is accounted for as an equity-accounted investee or as a financial asset in accordance with IFRS 9 *Financial instruments*.

(v) Transactions eliminated on consolidation

Intra-group balances arising from intra-group transactions should be eliminated.

(vi) Acquisitions from entities under common control

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

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

(vii) Provisional acquisition accounting

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

Investments in associates

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

31. Significant accounting policies (continued)

Investments in associates (continued)

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

Revenue from contracts with customers

Information about the Group's accounting policies relating to contracts with customers is provided in Note 4.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The key operating decision maker has determined two operating segments for reporting purposes - construction, management and operation of biomass power plants and pelletization plants and sale and management of waste collection systems.

Finance income and finance costs

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

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

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

Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Group's entities are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The functional currency for the subsidiaries TNL SL Spain and Winttec World SL (former Addom SL) is EUR. The functional currency of the parent and rest of the subsidiaries in the Group is BGN. The consolidated financial statements are presented in thousands of EUR, which is the Group's presentation currency.

(ii) Transactions and balances

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

31. Significant accounting policies (continued)
Foreign currency translation (continued)

(iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency at the exchange rate of EUR to BGN of 1/1.95583, as the Bulgarian lev (BGN) is pegged to the euro (EUR).

Tax

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

Deferred tax is not recognised for:

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

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

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

Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to

31. Significant accounting policies (continued)

Discontinued operations (continued)

be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is represented as if the operation had been discontinued from the start of the comparative year.

Assets classified as held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated to assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, investment property, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss. Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

Property, plant and equipment

Property, plant and equipment are initially measured at cost. After initial recognition, property, plant and equipment except land is carried at cost less accumulated depreciation and any accumulated impairment losses.

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

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

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

Depreciation

Depreciation commences when the assets are ready for their intended use. Depreciation is calculated using the most appropriate depreciation method - on a straight-line basis or based on the hours in use (for the palletization installation) so as to write off the cost of each asset to its residual value over its estimated useful life. Land is not depreciated. The estimated useful lives of other property, plant and equipment are as follows:

Buildings	5-50 years
Equipment	4-14 years
Furniture	10 years
Computers	2-5 years
Motor vehicles	4-6 years
Heat boilers	15-20 years
Power plants	12-20 years
Pelletization installation	175,200 machine hours

31. Significant accounting policies (continued)

Property, plant and equipment (continued)

The residual values and useful lives of the assets are reviewed, and adjusted if appropriate, at each reporting date. Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Subsequent costs

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

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

Intangible assets and goodwill

Goodwill

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

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

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

Development costs

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

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

31. Significant accounting policies (continued)

Intangible assets and goodwill (continued)

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

Amortisation

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

Patents and trademarks	5-20 years
Development costs	5 years
Computer software	3 years

Amortization of the development costs in progress will start when the projects are finalised and the production commences.

Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition, are included at cost of acquisition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Financial instruments

(i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

31. Significant accounting policies (continued)

Financial instruments (continued)

(ii) Classification and subsequent measurement financial assets (continued)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Groups' continuing recognition of the assets.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

31. Significant accounting policies (continued)

Financial instruments (continued)

(ii) Classification and subsequent measurement financial assets (continued)

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest (continued)

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual per amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and losses

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss, except for derivatives designated as hedging instruments for which hedge accounting is applied.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

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

31. Significant accounting policies (continued)

Financial instruments (continued)

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Impairment

(i) Non-financial assets

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

(ii) Financial assets

The Group recognises loss allowances for ECLs on its financial assets measured at amortised cost, debt investments measured at FVOCI; and contract assets.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

31. Significant accounting policies (continued)

Financial instruments (continued)

Impairment (continued)

(ii) Financial assets (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 365 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

31. Significant accounting policies (continued)

Financial instruments (continued)

Impairment (continued)

(ii) Financial assets (continued)

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Provisions

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

Employee benefits

(i) Defined contribution plans

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

(ii) Defined benefit plan

According to Bulgarian Labour Code at the time when employees acquire pension rights, the company owes 2 monthly salaries for employees with less than 10 years, or 6 monthly salaries to them, in case the employees have worked for the same company for more than 10 years before pensioning. The Group's obligation in respect of this defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and that amount is discounted. The calculation is performed annually based on the projected unit credit method. Except for Bulgaria under the foreign jurisdictions where the Group operates there are no obligations to pay future additional remuneration for the employees, when they reach retirement age.

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

31. Significant accounting policies (continued)

Employee benefits (continued)

(ii) Defined benefit plan (continued)

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

(iii) Short-term employee benefits

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

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

Share capital

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

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

Treasury shares reserve

The parent Company has selected to present treasury shares within equity as a separate line-item Treasury shares *reserve.*

32. New standards and interpretations not yet adopted

New standards, effective from 1 January 2021

The Group has adopted the following new standards, amendments and interpretations to IFRS, issued by the International Accounting Standards Board (IASB) which are mandatory for application from the annual period beginning on 1 January 2021, but have no material effect on the Group`s financial result and financial position:

- IFRS 4 Insurance Contracts - Postponement of IFRS 9 effective from 1 January 2021, adopted by the EU.
- IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Reform of the Reference Interest Rate - Phase 2, effective from 1 January 2021, adopted by the EU.
- IFRS 16 Leasing: Reduction of Covid-19 Leases from 30 June 2021, effective from 1 April 2021, adopted by the EU.

32. New standards and interpretations not yet adopted (continued)

Standards, amendments and interpretations that are not yet effective and have not been adopted early by the Group

As of the date of approval for the issuance of these financial statements, new standards, amendments and interpretations have been issued but are not yet effective or not adopted by the EU for annual periods beginning on 1 January 2021 and have not been adopted early by the Group. Management expects all standards and amendments to be adopted in the Group's accounting policy for the first period beginning after the date of their adoption.

The changes relate to the following standards:

- Amendments to IFRS 3 Business Combinations, IAS 16 Property, Plant and Equipment, IAS 37 Provisions, Contingent Liabilities and Contingent Assets, effective from 1 January 2022.
- Annual improvements 2018-2020 in force from 1 January 2022, adopted by the EU.
- Amendments to IFRS 17 Insurance Contracts, effective from 1 January 2023, adopted by the EU
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statements 2: Disclosure of Accounting Policies, effective from 1 January 2023, adopted by the EU
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates, effective from 1 January 2023, adopted by the EU
- Amendments to IAS 12 Income Taxes: Deferred Taxes Relating to Assets and Liabilities Arising from Single Transactions, effective from 1 January 2023, adopted by the EU
- Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information, effective from 1 January 2023, adopted by the EU
- Amendments to IFRS 14 Regulatory Deferral Accounts, effective from 1 January 2016, not yet adopted by the EU
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current and Non-current, effective from 1 January 2024, not yet adopted by the EU
- Amendments to IFRS 16 Leases: Leaseback obligation on sale and leaseback, effective from 1 January 2024, adopted by the EU
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements, effective from 1 January 2024, not yet adopted by the EU
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability, effective from 1 January 2025, not yet adopted by the EU

AKILES CORPORATION SE

SEPARATE FINANCIAL STATEMENTS
For the year ended 31 December 2021

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AKILES CORPORATION SE

DIRECTOR'S REPORT

The Board of Directors presents its separate report on the activities of AKILES CORPORATION SE (the Company) for the period ended 31.12.2021.

Incorporation and principal activities

Akiles Corporation SE (the" Company") is a joint stock company registered in Sofia, Bulgaria with UIC: 202356513. It was incorporated on 7 January 2011.

On 6 November 2019 the share capital of the Company was increased from EUR 20,918 thousand to EUR 27,368 thousand through 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, which receivables from the Company originate from a Bond Conversion Agreement dated 10.07.2019 and are at the amount of EUR 1,850 thousand and which receivables the Company is obligated to pay by issuance and allotment in favour 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, 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 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 EUR 4,500 thousand and which receivables the Company is obligated to pay by issuance and allotment in favour 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, 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, 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 EUR 100 thousand and which receivables the Company is obligated to pay by issuance and allotment in favour of Stanislav Raynov Novakov 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.

On 3 April 2020 the Executive Director of Akiles Corporation terminated unilaterally and on the grounds of art. 306, para. 5 of the Bulgarian Commerce Act, due to continuous period of force-majeure and objective negative economic factors, the Shareholders Agreement which Akiles had signed with Stanislav Novakov for acquisition of 50% of the registered capital of HM Hotels JSC. As a result of this unilateral termination of the contractual relations with Stanislav Novakov, Akiles returned to him the ownership over 50% of the shares capital of HM Hotels JSC.

The Company's shares are registered for public trading on BME Growth (Madrin, Spain), however no trading is observed since November 2020 as the instruments are suspended from trading. The Company is considered a public interest entity.

AKILES CORPORATION SE

DIRECTOR’S REPORT

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 principal business activities and is preparing an in-kind contribution of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365. As a result the Company will focus on the production and sale of battery storage battery units. The in kind contribution is expected to be finalized in 2024 and is subject to the approval of the valuation to be prepared by nominated experts from the Bulgarian Trade Register and the Due Diligence report by the shareholders of Tesla Global SE and Akiles Corporation SE shareholders.

2. Review of current position, future developments and significant risks

The Company's development to date, financial results and position are presented in the separate financial statements. For the period ended 31.12.2021 the financial result of the Company is net loss in the amount of EUR 21 840 thousand. Net equity is a negative value amounting to EUR 28 230 thousand. As of 31 December 2021 the earnings per share are a negative value of EUR 0.87.

3. Analysis of key, financial and non-financial, performance indicators relevant to the business operations of the Group

The Company management periodically review its gearing and liquidity ratios which are indicators of financial stability.

Gearing ratio (total liabilities / total equity)

31.12.2021	31.12.2020
-1	-4,24

Liquidity ratio (current assets / current liabilities)

31.12.2021	31.12.2020
0	0,61

4. Events after the reporting period

Akiles Corporation SE went through an insolvency procedure that as of the reporting date is terminated taking place between November 2020 until March 2022.

It was initiated by the Company itself acting as an insolvent debtor on 11th of November 2020 at the Sofia City Court. In December 2020 UBB filed another petition for opening of insolvency proceedings against the Company which suspended the initial one filed. In February 2021 a third petition for opening of insolvency procedure against the Company was filed by EF Facet Discretionary Portfolios, another creditor of the Company which was adjoined to the insolvency petition of UBB and thus a uniform legal process with two pretending creditors was in progress.

Based on out-of-court settlement agreement, reached between the Company and UBB on 16.02.2022, the legal procedure for opening of bankruptcy against Tesla Energy Storage SE was terminated with explicit ruling of the Sofia City Court 15.03.2022. Few days earlier also the insolvency procedure, opened by request of the Company itself as well as of EF Facet Discretionary Portfolios was terminated.

On 17.02.2023, pursuant to a Contract for Assignment of Receivables (cession), ATZ Project EOOD acquired all receivables of United Bulgarian Bank AD towards Akiles Corporation SE (in its capacity of co-debtor) arising from

29. Events after the reporting period end (continued)

the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016.

The value of the receivables in relation to the Bank loan agreement and the additional annexes thereto amounts to EUR 5,019,687. The assigned claim has passed from United Bulgarian Bank AD to the new creditor along with its privileges, securities and other accessories, including accrued interest.

Pursuant to Preliminary Agreement for sale of the Company's shares, as well as sale of receivables dated 07.04.2023, Akiles has transferred to a third party (indicated by the new creditor under the Cession contract dated 17.02.2023), the Company's shares from the capital of Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD.

According to the Preliminary Agreement dated 07.04.2023, the new creditor, as the holder of the receivables under the Cession contract dated 17.02.2023, has undertaken to discharge the obligations of Akiles Corporation SE under the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016, as a counter performance related to the transfer of the Company's shares from the capital of Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD and in connection with the reciprocal obligation to transfer all the receivables to Akiles towards these subsidiaries.

On 13.04.2023, through a Contract for Assignment of Receivables (Cession), ATZ Project EOOD sold to new party Energowind EOOD all receivables from Karlovo Biomass EOOD (as the principal debtor) and Akiles Corporation SE, Heat Biomass EOOD and Biomass Distribution EOOD (as co-debtors) arising from the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016.

On 29.06.2023 Energowind EOOD, in its capacity as the ultimate assignee and current holder of the receivables mentioned above, has agreed to cancel all the obligations of Akiles Corporation SE amounting to EUR 5,019,687 against these receivables. As a result Akiles Corporation SE does not have any liability regarding UBB debt after this transaction.

On 15.04.2024 an extraordinary General Meeting of the shareholders was held and the decisions taken were inscribed in the Bulgarian Trade Register on 24.04.2024. Among the most important decisions taken are the following:

- the name of the company is changed to Tesla Energy Storage SE
- the new Board of Directors will consist of Oscar Leiva Mendez, Juan Molins Monteys, Dusan Lichardus, Horia Grigorescu and Johannes Antonie Marius Marijnen
- Adoption of resolution for delegation to the Board of Directors of „AKILES CORPORATION" SE to accomplish increase of the Company's registered capital, on the grounds of art. 196 of the Commerce Act, by emitting new shares, up to a maximum nominal amount of € 450'000'000
- The capital of the Company will be increased predominantly by way of contribution in kind of all the shares from the capital of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365 subject to the approval of the shareholders of Tesla Global SE and Akiles Corporation SE.

In 2024, following the resolution of the extraordinary General Meeting to convert Group's payables in the amount of EUR 11,4 mln. into shares through an in-kind contribution, the Company signed debt conversion agreements with all creditors. The conversions are subject to the successful completion of the in-kind contribution of the shares of Tesla Global SE. The most significant payables subject to the conversion are as follows:

- An agreement dated 11 April 2024 whereby EF FACET BALANCED DISCRETIONARY PORTFOLIO FUND agrees to exchange its payable amounting to EUR 546 thousand against 546,459 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.
- An agreement dated 11 April 2024 whereby EF FACET CAUTIOUS DISCRETIONARY PORTFOLIO FUND agrees to exchange its payable amounting to EUR 911 thousand against 910 766 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.

- An agreement dated 10 April 2024 whereby BTC DOCE S.à.r.l agrees to exchange its payable amounting to EUR 1 680 thousand against 1 680 000 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.
- An agreement dated 14 April 2024 whereby Arrizabal Elkartea SL agrees to exchange its payable amounting to EUR 419 thousand against 419 147 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.

After the reporting date Tesla Global SE acquired shares of the parent Company and as a result as of the date of the above-mentioned Ordinary Shareholders meeting owns 2 338 461 shares which represents 8,54% from the total issued shares issued less treasury own shares and 9,6% from the total shares issued. Thus, the shareholding of Tesla Global SE exceeds the shareholding of the parent company Elektra Holding AD. Tesla Global SE presented during the last Ordinary Shareholders Meeting and the decisions stated above have been voted by them.

On 05 June 2024 an agreement was signed with Tsvetomir Toshev Yordanov, according to which the liability to the seller related to the shares acquired in Petrolprom Bulgaria OOD will no longer be settled through the transfer of 540,000 shares, but through monetary payment of 540 000 euro payable within 8 months as of signing of this agreement.

On 06 June 2024 the Group signed Sales purchase agreement for disposal of 50.43% of the share capital of PetrolProm Bulgaria OOD. The transfer of ownership was registered under the company's file in the Bulgarian Trade Registry on 13 June 2024.

On 06 June 2024 the Group reached an agreement with PROMONTORIA POSEIDON DAC for settlement of the remaining debt in 12 monthly instalments of EUR 24 thousand, starting from July 2024 to June 2025.

On 16 July 2024 following an ordinary General Meeting of the shareholders held on 25 June 2024 the scope of activity of the parent company had changed in the Trade Registry to include Production and assembly of battery energy storage systems ("BESS"), including component manufacturing and end product assembly and other services related to BESS projects.

There are no other significant events, adjusting or non-adjusting, which have a bearing on the understanding of the separate financial statements of the Group.

5. Future development of the Company

The future business activity of the Company is subject to the successful completion of in kind contribution of the shares of the capital of Tesla Global SE. This will enable the Company to focus on and further expand the key activity of Tesla Global SE which is the production and sale of battery storage units using the highest-quality liquid-cooled battery modules. The factory designing, engineering, and assembling the battery storage units is located in Slovakia and historically is known for its huge expertise in the field of energy. The company is initiating the construction of the first Gigafactory in Europe (Romania) for 4GW/year of Battery Energy Storage Solutions.

6. Activities in the field of research and development

As of 31.12.2021 the Company does not have any activities in the field of research and development.

7. Information concerning acquisitions of own shares required under the procedure provided for in Art. 187e of the Commerce Act

As at 31 December 2021 and 2020 the Company held 4,411,560 own shares with nominal value EUR 1 at total amount of EUR 4,412 thousand.

8. Existence of branches of the Company

The Company does not have branches as of 31.12.2021 and in 2020.

9. Company`s financial risk management objectives and policies

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

- credit risk
- liquidity risk
- market risk

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

Risk management framework

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

(a) Credit risk

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

The carrying amount of Company's financial assets represent the maximum exposure to credit risk.

(b) Liquidity risk

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

(c) Market risk

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

Currency risk

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

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

Interest rate risk

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

Capital management

The Management's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. There were no changes in the Company's approach to capital management during the year.

Fair value of financial assets and liabilities

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

CORPORATE GOVERNACE STATEMENT

1. Code of Corporate Governance

The Company has issued a Code of Corporate Governance approved by Jose Oscar Leiva Mendez. The Company strictly follows this Code of Corporate Governance. This document is published on the official website of Akiles Corporation SE.

2. System of internal control and management of risks

Internal control is defined as a process integrated into the Company's activities and executed by the Board of Directors, the Audit Committee, by management and employees.

The Company has established adequate and effective internal control, which is continuous process integrated in all of the Company`s activities and is designed to achieve:

- compliance with legislation
- compliance with internal rules and contracts
- reliability and completeness of financial and operational information
- economy, efficiency and effectiveness of the activities
- protection of assets and information

Everyone in the Company has a certain responsibility with regard to internal control. The Company has created adequate organizational structure to ensure segregation of duties, proper division of responsibilities and adequacy of reporting levels. The control functions of the participants in the internal control system are regulated in the job descriptions of the persons concerned. There is commitment to competence at each working place and there are strict requirements for the knowledge and skills needed for each position. The management has set the values of integrity and ethical behavior through Code of conduct.

Risks relevant to financial reporting include external and internal events, transactions, and circumstances that may arise and have a negative impact on the entity's ability to initiate, record, and process financial data. The management applies a conservative approach to identifying the business risks that are material for the preparation of the financial statements, assesses their significance and likelihood of their occurrence, and decides how to address these risks, how to manage them, and how to evaluate the results reliably.

AKILES CORPORATION SE

DIRECTOR'S REPORT

3. Information under Article 10, Paragraph 1, Letters "c", "d", "f", "h" and "i" of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 regarding take-over offers;

- **significant direct and indirect shareholdings (including indirect shareholdings through pyramid structures and cross-shareholdings) within the meaning of Article 85 of Directive 2001/34/EC;**

As of 31 December 2021 the major shareholder in the Company is Elektra Holding AD.

- **holders of any securities with special control rights and a description of those rights**

No securities with special control rights exist.

- **any restrictions on voting rights, such as limitations of the voting rights of holders of a given percentage or number of 30.4.2004 EN Official Journal of the European Union L 142/19 votes, deadlines for exercising voting rights, or systems whereby, with the company's cooperation, the financial rights attaching to securities are separated from the holding of securities**

No restriction of voting rights exist in articles of association.

- **the rules governing the appointment and replacement of board members and the amendment of the articles of association;**

The appointment and replacement of board members and the amendment of the articles of association can be done only through decision of General Shareholders meeting.

- **the powers of board members, and in particular the power to issue or buy back shares**

With the amendment of the Articles of Association as of 15.04.2024, the Board of Directors is entrusted with the powers until the date 31.12.2024, acting with own discretion and having the right to specify all the parameters of the respective emission, to increase the capital of the Company up to reaching the maximum amount of € 450'000'000 /four hundred and fifty million Euro/, through issuing new shares or through conversion of debts.

4. Information regarding composition and functioning of the administrative, managerial and supervisory bodies and their committees, as well as description of the diversity policy applied as regards the administrative, managerial and supervisory bodies of the issuer in connection with aspects such as age, gender or education and professional experience

As of 31.12.2021 the Company's management bodies are the following:

1. Board of Directors with the following members:

- Jose Oscar Leiva Mendez
- Carlos Cuervo Arango Martinez
- Juan Molins Monteys
- Onorfe Servera Andreu

The Board of Directors conduct regular meetings at least once in three months to review the results of the Company, to evaluate business risks and to discuss future prospects for development of the Company.

The Company has appointed an Audit Committee to supervise the financial reporting and ensure the independence of the appointed auditors.

In respect to the members of the management/supervisory bodies the Company applies the policy of diversity regarding gender, age, education and professional background. This is to ensure that the members have been appointed based on their expertise and capacity to contribute to the achievement of the Company's objectives.

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INDEPENDENT AUDITOR`S REPORT

To the shareholders of
TESLA ENERGY STORAGE SE (former name Akiles Corporation SE)

Address: 68 Vitosha Blvd, Floor 1
Sofia 1463, Bulgaria

Report on the Audit of the Separate Financial Statements

Qualified Audit Opinion

We have audited the separate financial statements of TESLA ENERGY STORAGE SE ("the Company") which comprise the separate statement of financial position as at 31 December 2021, the separate statement of profit or loss and other comprehensive income, the separate statement of changes in equity and the separate cash flow statement for the year then ended, as well as the notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section, the accompanying separate financial statements give a true and fair view of the financial position of the Company as at 31 December 2021 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and Bulgarian legislation.

Basis for Qualified Opinion

As presented in note 4 Use of judgements and estimates A. Going concern in the separate financial statements, the accumulated loss as at 31 December 2021 amounts to EUR 69,761 thousand. The equity as of 31 December 2021 is negative and amounts to EUR 28,683 thousand. As of 31 December 2021 the Company has total liabilities in the amount of EUR 28,765 thousand consisting of:

1) Bond emissions amounting to EUR 14,500 thousand and interest payments amounting to EUR 5,269 thousand in relation to its unsecured corporate bonds issued that are overdue and immediately payable.
2) Other liabilities in the amount of EUR 8,996 thousand are immediately payable.

As at the date of issuance of these financial statements the Company was unable to conclude re-negotiations or obtain replacement financing for substantial part of the liabilities under 1) and 2) listed above. As stated in note 4A, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The future development of the Company's business operations, depends on the successful completion of in kind contribution of the shares of the capital of Tesla Global SE and re-listing of the parent company's shares on BME Growth, as well as the realization of the plan to expand the business activity in the production and sale of battery storage units. The in-kind contribution and other measures presented in note 4 Use of judgements and estimates A. Going concern to ensure continuing as a going concern for the foreseeable future are subject to complex clauses and the fulfillment of large number of conditions precedent. Thus, if the management assessment for feasibility of refinancing arrangements is changed by new circumstances arising from future development of macroeconomic environment or investors' and creditors' position in ongoing negotiations, there is material uncertainty that the Company will continue as going concern.

The Company presents total liabilities amounting to EUR 28,765 thousand consisting of liabilities for unsecured bond emissions, loans payable to related and third parties, as well as trade and other liabilities. In the course of our audit procedures, we received confirmation letters from the creditors for liabilities amounting to EUR 14,725 thousand and the liabilities amounting to EUR 13,524 thousand were tested via alternative procedures. As at 31 December 2021 substantial part of the liabilities are immediately due. According to legal letter received none of the liabilities of the Company are claimed in court as at the date of this report and management provides written representations confirming ongoing negotiations to cut principal debt. Nevertheless, due to the lack of final signed renegotiation agreements, as well as lack of effective payments and conversions made as at the date of this report, we were not able to obtain reasonable assurance whether any additional adjustments to those liabilities may arise in relation to any change in the creditors' position in ongoing negotiations.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the separate financial statements in Bulgaria, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Emphasis of matter

We draw attention to Note 4. *Use of judgements and estimates* C. *Loss of control over subsidiaries* in the separate financial statements, which describes the circumstances surrounding the loss of control over the subsidiaries Petrolprom Bulgaria OOD and Silena Company EOOD and its impact on the Company's financial statements. Our opinion is not modified in respect of this matter.

We draw attention to Note 24 *Events after the reporting date* to the separate financial statements, which discloses a material non-adjusting event related to insolvency procedure that took place from November 2020 until March 2022. Our opinion is not modified in respect of this matter.

Key Audit Matters

Except for the matters described in the *Basis for Qualified Opinion* section, we have determined that there are no other key audit matters to communicate in our report.

Other matters

The separate financial statements of TESLA ENERGY STORAGE SE for the year ending on 31 December 2020 have not been audited.

Information Other than the Separate Financial Statements and Auditor's Report thereon

Management is responsible for the other information. The other information comprises the annual management report, prepared by the management in accordance with Chapter VII of the Bulgarian Accountancy Act, but does not include the separate financial statements and our auditor's report thereon.

Our opinion on the separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon unless explicitly stated in our report and to the extent stated in our report.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or whether our knowledge obtained in the audit may indicate that there is a material misstatement or otherwise the other information appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Crowe

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and Bulgarian legislation, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

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

The Audit Committee ("Those charged with governance") are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate Financial Statements

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

As part of our audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the separate financial statements.
- We are responsible for the direction, supervision and performance of the Company audit.
- We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Reporting Pursuant to Article 59 of Bulgarian Independent Financial Audit Act in relation to Article 10 of Regulation (EC) № 537/2014

In accordance with the requirements of Bulgarian Independent Financial Audit Act and in relation with Article 10 of Regulation (EC) № 537/2014, we report additionally the information as follows:

- Crowe Bulgaria Audit EOOD was appointed as statutory auditor of the financial statements of TESLA ENERGY STORAGE SE for the year ended on 31 December 2021 by the Ordinary General meeting of the shareholders, held on 15.04.2024, for a period of three years.
- The audit of the separate financial statements of the Company for the year ended on 31 December 2021 has been made for third non-consecutive year.
- We confirm that our audit opinion is consistent with the additional report to the audit committee, which was provided in ac4cordance with Article 60 of Bulgarian Independent Financial Audit Act.
- We declare that prohibited non-audit services referred to in Article 64 of Bulgarian Independent Financial Audit Act were not provided.
- We confirm that we remained independent of the Company in conducting the audit.
- For the period for which we were engaged as statutory auditors, we have not provided any other services to the Company in addition to the statutory audit, which have not been disclosed in the management report or separate financial statements.

For Crowe Bulgaria Audit EOOD, Audit company, registration № 167

Gyulyay Rahman
Statutory Manager, Registered auditor responsible for the audit

ОДИТОРСКО ДРУЖЕСТВО
СОФИЯ
Рег. № 167
КРОУ БЪЛГАРИЯ ОДИТ ЕООД

10 September 2024
Sofia, Bulgaria

AKILES CORPORATION SE

DIRECTOR'S REPORT

Director's responsibilities

The Directors confirm that suitable accounting policies have been used and applied consistently and reasonable prudent judgements and estimates have been made in the preparation of the separate financial statements as of 31.12.2021.

The Directors also confirm that applicable accounting standards have been followed and that the separate financial statements have been prepared on the going concern basis.

The Directors are responsible for keeping proper accounting records, for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As of 31 December 2021 Managing Director is Jose Oscar Leiva Mendez.

By order of the Board of Directors,

Jose Oscar Leiva Mendez
Executive Director

Sofia, 09 September 2024

AKILES CORPORATION SE

SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December

	Note	2021 EUR'000	2020 EUR'000
Other income		488	-
Expenses for hired services		(15)	(138)
Depreciation and amortization	10,11	(3)	(45)
Employee benefit expenses	5	(332)	(523)
Impairment loss on loans and trade receivables and write-offs	6	(16,366)	(603)
Investments impairment	7	(3,762)	(302)
Other expenses		(195)	(579)
Loss from operating activities		**(20,185)**	**(2,190)**
Finance income		32	1,885
Finance cost		(1,629)	(5,516)
Net finance costs	8	(1,597)	(3,631)
Loss before income tax		**(21,782)**	**(5,821)**
Income tax expense	18	(226)	-
Loss for the period		**(22,008)**	**(5,821)**
Total comprehensive income for the period		**(22,008)**	**(5,821)**
Basic loss per share (in EUR)	15	**(0.96)**	**(0.23)**

On 15.04.2024 the Board of Directors of AKILES CORPORATION SE authorised these separate financial statements for issue.

Executive Director:
Jose Oscar Leiva Mendez

Prepared by:
Ivan Milev

According to Independent Auditor's report dated: 10.09.2024

For Crowe Bulgaria Audit EOOD, Audit company, registration № 167

Gyulyay Rahman, Statutory manager
Registered auditor responsible for the audit

ОДИТОРСКО ДРУЖЕСТВО СОФИЯ Рег. № 167 КРОУ БЪЛГАРИЯ ОДИТ ЕООД

SEPARATE STATEMENT OF FINANCIAL POSITION

	Note	31 December 2021 EUR'000 Restated	31 December 2020 EUR'000 Restated
ASSETS			
Non-current assets			
Investments in subsidiaries	9	22	3,784
Other investments	9	-	3
Property, plant and equipment	10	1	4
Intangible assets	11	3	3
Deferred tax asset	18	-	226
Total non-current assets		**26**	**4,020**
Current assets			
Loans provided	21.1	15	16,350
Trade and other receivables	12	40	149
Cash and cash equivalents	13	1	4
Total current assets		**56**	**16,503**
Total assets		**82**	**20,523**
EQUITY AND LIABILITIES			
Equity			
Share capital	14.1	27,368	27,368
Share premium		18,122	18,122
Treasury shares reserve	14.2	(4,412)	(4,412)
Accumulated loss		(69,761)	(47,694)
Total equity		**(28,683)**	**(6,616)**
Non-current liabilities			
Loans and borrowings	16	-	286
Total non-current liabilities		-	**286**
Current liabilities			
Loans and borrowings	16	24,006	22,197
Trade and other payables	17	4,759	4,656
Total current liabilities		**28,765**	**26,853**
Total liabilities		**28,765**	**27,139**
Total equity and liabilities		**82**	**20,523**

On 15.04.2024 the Board of Directors of AKILES CORPORATION SE authorised these separate financial statements for issue.

Executive Director:
Jose Oscar Leiva Mendez

Prepared by:
Ivan Milev

According to Independent Auditor's report dated: 10 09 2024

For Crowe Bulgaria Audit EOOD, Audit company, registration № 167

Gyulyay Rahman, Statutory manager
Registered auditor responsible for the audit

ОДИТОРСКО ДРУЖЕСТВО СОФИЯ Рег. № 167 КРОУ БЪЛГАРИЯ ОДИТ ЕООД

The notes set out on pages 6 – 35 are an integral part of these separate financial statements.

SEPARATE STATEMENT OF CHANGES IN EQUITY

	Share capital EUR'000	Share premium EUR'000	Treasury shares reserve EUR'000	Accumulated loss EUR'000	Total EUR'000
Balance at 1 January 2021 as previously reported	**27,368**	**18,122**	**(4,412)**	**(47,694)**	**(6,616)**
Impact of correction of errors	-	-	-	(59)	(59)
Restated balance at 1 January 2021	**27,368**	**18,122**	**(4,412)**	**(47,753)**	**(6,675)**
Comprehensive income					
Loss for the period	-	-	-	(22,008)	(22,008)
Total comprehensive income	-	-	-	**(22,008)**	**(22,008)**
Balance at 31 December 2021	**27,368**	**18,122**	**(4,412)**	**(69,761)**	**(28,683)**
Balance at 1 January 2020 as previously reported	**27,368**	**15,614**	-	**(41,700)**	**1,282**
Impact of correction of errors	-	-	-	(173)	(173)
Restated balance at 1 January 2020	**27,368**	**15,614**	-	**(41,873)**	**1,109**
Comprehensive income					
Loss for the period	-	-	-	(5,821)	(5,821)
Total comprehensive income	-	-	-	**(5,821)**	**(5,821)**
Transactions with owners of the Company					
Own shares acquired	-	(513)	(4,980)	-	(5,493)
Treasury shares sold	-	4,433	568	-	5,001
Share issue costs (See note 14.1)	-	(1,412)	-	-	(1,412)
Total transactions with owners of the Company	-	**2,508**	**(4,412)**	-	**(1,904)**
Balance at 31 December 2020	**27,368**	**18,122**	**(4,412)**	**(47,694)**	**(6,616)**

On 15.04.2024 the Board of Directors of AKILES CORPORATION SE authorised these separate financial statements for issue.

Executive Director:
Jose Oscar Leiva Mendez

Prepared by:
Ivan Milev

According to Independent Auditor's report dated: 10.09.2024

For Crowe Bulgaria Audit EOOD, Audit company, registration № 167

Gyulyay Rahman, Statutory manager
Registered auditor responsible for the audit

ОДИТОРСКО ДРУЖЕСТВО
СОФИЯ
Рег. № 167
КРОУ БЪЛГАРИЯ ОДИТ ЕООД

AKILES CORPORATION SE

SEPARATE STATEMENT OF CASH FLOWS

For the year ended 31 December

	Note	2021 EUR'000	2020 EUR'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the period before tax		**(21,782)**	**(5,821)**
Adjustment for:			
Depreciation and amortisation		3	45
Impairments and write-offs		20,128	905
Interest expense		1,510	1,394
Interest income		(32)	(836)
(Profit)/Loss on share lending		-	(331)
(Profit)/Loss on disposal of investments		-	(694)
Other financial costs		1	16
Equity investments at FVTPL - net change in fair value		-	4,106
Net exchange rate (gains)/losses		118	(24)
Cash flows from operations before working capital changes		(54)	(1,240)
Changes in working capital:			
Trade and other receivables		109	128
Trade and other payables		(60)	636
Cash used in operating activities		(5)	(476)
Other cash flow from operating activities:			
Interest paid		-	(13)
Other financial costs paid		(1)	(16)
Net cash flows from operating activities		**(6)**	**(505)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Loans provided to related parties		-	(566)
Loans provided to third parties		-	(9)
Proceeds from sale of investments		3	1,304
Net cash from investing activities		**3**	**729**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans from related parties		-	1
Repayment of loans from related parties		-	(32)
Repayment of bank loans		-	(224)
Proceeds from sale of own shares		-	55
Repurchase of own shares		-	(55)
Payment of lease liabilities		-	(16)
Net cash (used in)/from financing activities		**-**	**(271)**
Net change in cash and cash equivalents		(3)	(47)
Cash and cash equivalents at 1 January		4	51
Cash and cash equivalents at 31 December	13	**1**	**4**

On 15.04.2024 the Board of Directors of AKILES CORPORATION SE authorised these separate financial statements for issue.

Executive Director
Jose Oscar Leiva Mendez

Prepared by:
Ivan Milev

According to Independent Auditor's report dated: 10.09.2024

For Crowe Bulgaria Audit EOOD, Audit company, registration № 167

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СОФИЯ
Рег. № 167
КРОУ БЪЛГАРИЯ ОДИТ ЕООД

Gyulyay Rahman, Statutory manager
Registered auditor responsible for the audit

The notes set out on pages 6 – 35 are an integral part of these separate financial statements.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1. Incorporation and principal activities

Incorporation

Akiles Corporation SE (the Company) is a joint stock company registered in Sofia, Bulgaria with UIC: 202356513. It was incorporated on 7 January 2011. On 6 November 2019 the legal entity was renamed to Akiles Corporation SE and the share capital of the Company was increased from EUR 20,918 thousand to EUR 27,368 thousand through 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, which receivables from the Company originate from a Bond Conversion Agreement dated 10.07.2019 and are at the amount of EUR 1,850 thousand and which receivables the Company is obligated to pay by issuance and allotment in favour 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, 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 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 EUR 4,500 thousand and which receivables the Company is obligated to pay by issuance and allotment in favour 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, 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, 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 EUR 100 thousand and which receivables the Company is obligated to pay by issuance and allotment in favour of Stanislav Raynov Novakov 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.

On 3 April 2020 the Executive Director of Akiles Corporation terminated unilaterally and on the grounds of art. 306, para. 5 of the Bulgarian Commerce Act, due to continuous period of force-majeure and objective negative economic factors, the Shareholders Agreement which Akiles had signed with Stanislav Novakov for acquisition of 50% of the registered capital of HM Hotels JSC. As a result of this unilateral termination of the contractual relations with Stanislav Novakov, Akiles returned to him the ownership over 50% of the shares capital of HM Hotels JSC.

The Company's shares are registered for public trading on BME Growth (Madrin, Spain), however no trading is observed since November 2020 as the instruments are suspended from trading. The Company is considered a public interest entity.

Principal activities

The Company went through an insolvency procedure that as of the reporting date is terminated taking place between November 2020 until March 2022.

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 principal business activities and is preparing an in-kind contribution of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365. As a result the Company will focus on the production and sale of battery storage battery units. The in kind contribution is expected to be finalized in 2024 and is subject to the approval of the valuation to be prepared by nominated experts from the Bulgarian Trade Register and the Due Diligence report by the shareholders of Tesla Global SE and Akiles Corporation SE shareholders.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1. Basis of accounting

These separate financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU). The Board of Directors authorized the issuance of the separate financial statements on 15.04.2024. Along with this authorization, the Board has granted the Chief Executive Officer the authority to amend the financial statements based on audit findings prior to their final issuance. Additionally, the Chief Executive Officer is authorized to prepare the final version of the annual activity report.

2. Functional and presentation currency

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

3. Use of judgements and estimates

The preparation of the separate financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Although these estimates are based on Management's best knowledge of current events and actions, actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The significant judgements made by management in applying the Company's accounting policies and the key sources of uncertainty were the same as those described in the last annual financial statements, except for those disclosed in section B "Significant sources of estimation uncertainties".

A. Going concern basis of accounting

The separate financial statements of Akiles Corporation SE as at 31 December 2021 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 22,008 thousand mainly due to recognised impairments losses on investments and loans, as well as accrued interest expenses. The accumulated loss as at 31 December 2021 amounts to EUR 69,761 thousand. The equity as of 31 December 2021 is negative and amounts to EUR 28,683 thousand. Based on art. 252, para. 1, item 5 of the Bulgarian Commercial Act, when the net worth of a joint-stock company falls below the amount of the registered capital, such company is obligated within one year to convoke a general meeting and to take a decision for reduction of the capital, for transformation or termination. However, the Management of the Company is actively working to realize new capital increase in order to comply with the provisions of the law.

The Company went through an insolvency procedure that as of the reporting date is terminated taking place between November 2020 until March 2022.

The insolvency procedure was initiated by the Company itself acting as an insolvent debtor on 11th of November 2020 at the Sofia City Court. In December 2020 UBB filed another petition for opening of insolvency proceedings against the Company which suspended the initial one filed. In February 2021 a third petition for opening of insolvency procedure against the Company was filed by EF Facet Discretionary Portfolios, another creditor of the Company which was adjoined to the insolvency petition of UBB and thus a uniform legal process with two pretending creditors was in progress.

The Company has total liabilities in the amount of EUR 28,765 thousand consisting of:

- Bond emissions amounting to EUR 12,500 thousand and interest payments amounting to EUR 5,269 thousand in relation to its unsecured corporate bonds issued. The Company is in delay on covering those liabilities. The non-payment of these liabilities represents an event of default and the total amount of the bond liabilities of EUR 19 769 thousand are considered overdue.
- Other liabilities in the amount of EUR 8,996 thousand that are immediately payable.

These current conditions and events indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

4. Use of judgements and estimates (continued)

A. Going concern basis of accounting (continued)

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.

Based on out-of-court settlement agreement, reached between the Company and UBB on 16.02.2022, the legal procedure for opening of bankruptcy against Tesla Energy Storage SE was terminated with explicit ruling of the Sofia City Court 15.03.2022. Few days earlier also the insolvency procedure, opened by request of the Company itself as well as of EF Facet Discretionary Portfolios was terminated.

On 15.04.2024 an extraordinary General Meeting of the shareholders was held and the decisions taken were inscribed in the Bulgarian Trade Register on 24.04.2024. Among the most important decisions taken are the following:

- the name of the company is changed to Tesla Energy Storage SE
- the new Board of Directors will consist of Oscar Leiva Mendez, Juan Molins Monteys, Dusan Lichardus, Horia Grigorescu and Johannes Antonie Marius Marijnen
- Adoption of resolution for delegation to the Board of Directors of „AKILES CORPORATION" SE to accomplish increase of the Company's registered capital, on the grounds of art. 196 of the Commerce Act, by emitting new shares, up to a maximum nominal amount of € 450'000'000
- The capital of the Company will be increased predominantly by way of contribution in kind of all the shares from the capital of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365 subject to the approval of the shareholders of Tesla Global SE and Akiles Corporation SE.

As at 31 December 2023 liabilities amounting to EUR 6,554 thousand are agreed to be settled through debt conversion agreements. The creditors have agreed to convert these liabilities into newly emitted shares in 2024. All debt conversions are subject to accomplishment of capital increase of Akiles's capital and reverse takeover of the whole capital of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365, where the current shareholders of Tesla Global SE will subscribe newly emitted shares from the capital of Akiles. If the above reverse takeover is not completed, the debt conversion agreements shall not be deemed valid and liabilities amounting to EUR 6,554 thousand will become immediately due.

The future business activity of the Company is subject to the successful completion of in kind contribution of the shares of the capital of Tesla Global SE. This will enable the Company to focus on and further expand the key activity of Tesla Global SE which is the production and sale of battery storage units using the highest-quality liquid-cooled battery modules. The factory designing, engineering, and assembling the battery storage units is located in Slovakia and historically is known for its huge expertise in the field of energy. The company is initiating the construction of the first Gigafactory in Europe (Romania) for 4GW/year of Battery Energy Storage Solutions.

In view of the above directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and the Company will be able to secure financing necessary to repay the outstanding immediately payable liabilities and execute successfully the debt conversion agreements. For these reasons, the Company continues to adopt the going concern basis of accounting in preparing the consolidated financial statements.

B. Significant sources of estimation uncertainties

The military conflict between the Republic of Ukraine and the Russian Federation and in the Gaza Strip have a negative impact on the macro- and micro-economic plan of the EU and the middle East. The economic sanctions imposed between the EU member states, on one hand, and the Russian Federation, on the other, may have some adverse economic effects in the countries where the Company will operate.

Therefore, the overall impact on the Company's business activity and its financial performance will depend on future developments, which are highly uncertain and currently cannot be predicted. However, the Management has been actively working to minimize the negative impact, to seek additional financing and to follow the Company's business strategy. The management of Akiles will continue to monitor the development of the situation and the effect on all aspects of the Company's activities.

In view of this, the management believes in the Company's ability to continue as a going concern.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

4. Use of judgements and estimates (continued)

C. Loss of control over subsidiaries

The Company holds directly 50,43% of the equity interest in its subsidiary PetrolProm Bulgaria OOD and 50,43% indirectly of the equity interest in its subsidiary Silena Company EOOD. The management considers that effective control over these entities is not established despite owning a majority of the voting rights. This conclusion is drawn based on several significant factors which impair the ability to exercise control as defined under IFRS 10:

- Non-compliance with Shareholder Agreements: Akiles, a key shareholder, has failed to meet its financial obligations as stipulated in the Shareholders Agreement dated February 15, 2019. This non-compliance has notably weakened the parent company's influence over corporate decisions.
- Insolvency Proceedings: As of November 2020, Akiles has been subjected to insolvency proceedings, severely restricting the parent company's capability to inject further capital and thereby diminishing its effective influence over the subsidiaries' operational and financial policies.
- Communication Barriers: There has been a significant deterioration in communications pertaining to the management and strategic operations of the investees, further evidencing the lack of effective control.
- Absence of Control Power: The parent company does not possess the necessary power to govern the financial and operating policies of the investee entities to obtain benefits from their activities. The management is appointed by the suggestions of the other shareholder.
- Extraordinary Shareholders' Meeting: An extraordinary meeting held on June 1, 2021, led to a reassessment of the control status, resulting in the conclusion that the parent company Akiles no longer retains control over PetrolProm Bulgaria OOD and Silena Company EOOD as of this date.

The investments in PetrolProm Bulgaria OOD and Silena Company EOOD have been classified as financial assets at fair value through profit or loss in accordance with IFRS 9 in the separate financial statements for the year ending 31st December 2021. This reclassification reflects the loss of control as specified and substantiated by the outlined events and circumstances.

D. Fair value measurement

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. Employee benefit expenses

For the year ended 31 December	**2021 EUR'000**	**2020 EUR'000**
Wages and salaries	(313)	(492)
Social security contributions	(19)	(31)
	(332)	**(523)**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

5. Impairment loss on loans and trade receivables and write-offs

For the year ended 31 December	2021 EUR'000	2020 EUR'000
Impairment on loans provided to Karlovo Biomass EOOD	(6,351)	(538)
Impairment on loans provided to Biomass Distribution EOOD	(5,685)	(10)
Impairment on loans provided to Heat Biomass EOOD	(2,033)	(55)
Written-off loans provided to TNL Equipamentos Ambientais SL	(1,527)	-
Written-off loans provided to Nova Zagora Biomass EOOD	(298)	-
Written-off loans provided to Winttec World SL	(203)	-
Written-off loans provided to Eqtec Bulgaria EOOD	(98)	-
Written-off loans provided to PetrolProm Bulgaria EOOD	(60)	-
Written-off loans provided to Plovdiv Biomass EOOD	(37)	-
Written-off loans provided to Tvarditsa Biomass EOOD	(30)	-
Written-off loans provided to TNL World EOOD	(19)	-
Written-off loans provided to other parties	(25)	-
	(16,366)	**(603)**

6. Investments impairment

For the year ended 31 December	2021 EUR'000	2020 EUR'000
Written-off investment in PetrolProm Bulgaria EOOD	(540)	-
Written-off investment in TNL Equipamentos Ambientais SL	(250)	-
Written-off investment in Winttec World SL	(197)	-
Written-off investment in Winttec Greece IKE	(52)	-
Written-off investment in TNL World EOOD	(1)	-
Impairment of investment in Tvarditsa Biomass EOOD	(1,841)	(204)
Impairment of investment in Plovdiv Biomass EOOD	(880)	(98)
Impairment of investment in Biomass Distribution EOOD	(1)	-
	(3,762)	**(302)**

7. Finance income and costs

For the year ended 31 December		2021 EUR'000	2020 EUR'000
Interest income	(a)	32	836
Profit on sale of investments	(b)	-	694
Profit on revaluation of shares lent, net	(c)	-	331
Net FX gains		-	24
Finance income		**32**	**1,885**
Equity investments at FVTPL - net change in fair value	(d)	-	(4,106)
Interest expense		(1,510)	(1,394)
Net FX losses		(118)	-
Bank expenses		(1)	(16)
Finance costs		**(1,629)**	**(5,516)**
Net finance expense recognized in profit or loss		**(1,597)**	**(3,631)**

(a) Interest income relates to loans granted to the subsidiaries of the Company or its employees.

(b) The profit/loss on sale of investments relates to sales of shares held in Eqtec plc. As at 31 December 2021 Akiles holds no shares in Eqtec plc (31.12.2020: 95,698 shares). Eqtec plc's shares are quoted on AIM of the London Stock Exchange market and their market price as at 31 December 2020 is 1.670 GBX/share.

(c) Profit/Loss on revaluation of shares lent from Elektra relates to the share lending agreements signed between the parties where Elektra has effectively lent 5,488,000 shares (31.12.2020: 5,488,000 shares) to Akiles which were either sold by Akiles or used for the purpose of repayment of its loan liabilities. The liability to Elektra is measured based on the number of shares effectively lent and with reference to the market price of the shares at MAB as at 31 December 2021 – 0.113 EUR per share (31 December 2020 – 0.113 EUR per share).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

8. Finance income and costs (continued)

(d) Equity investments at FVTPL - net change in fair value – in 2020 the Company accounts for other equity investments at fair value through profit and loss. Those include investments in Eqtec plc, Interavers OOD and HM Hotels JSC.

9. Investments

	31.12.2021 EUR'000	31.12.2020 EUR'000
Balance at 1 January	3,787	9,297
New investments	-	-
Investments disposals	(3)	(1,100)
Impairments and/or revaluations of investments to fair value	(2,722)	(4,410)
Written-off of investments	(1,040)	-
Balance at the end of the period	**22**	**3,787**
Investments in subsidiaries	22	3,784
Other investments	-	3
Total investments	**22**	**3,787**

On 6 November 2019 Akiles Corporation SE acquired 50% of Interavers OOD and 50% HM Hotels JSC, companies running hotels located on the Black Sea coast where the acquisition was performed through in-kind contributions and allocation of newly emitted shares of Akiles Corporation to the previous owners of Interavers OOD and HM Hotels JSC for the amounts of EUR 4,500 thousand and EUR 100 thousand. These investments were shown as other investments as control was not obtained as at 31 December 2019.

On 3 April 2020 the Executive Director of Akiles Corporation terminated unilaterally and on the grounds of art. 306, para. 5 of the Bulgarian Commerce Act, due to continuous period of force-majeure and objective negative economic factors, the Shareholders Agreement dated 3 April 2019 which Akiles signed with Stanislav Novakov for the acquisition of 50% of the registered capital of HM Hotels JSC. As a result of this termination the 50% of the share capital of HM Hotels JSC were returned to their previous owner, Stanislav Novakov, while Akiles obtained ownership over 99,700 of its own shares.

On 6 July 2020 a settlement agreement was signed between Akiles Corporation and Omar Omarovich with regards to the 50% participation in the capital Interavers OOD, obtained by Akiles in 2019. Due to the continuous period of force-majeure and objective negative economic factors, the Shareholders Agreement dated 29 March 2019 which Akiles signed with Omar Omarovich for the acquisition of 50% of the registered capital of Interavers OOD was to be considered terminated. As a result of this termination on 6 July 2020, 50% of the share capital of Interavers OOD, were returned to their previous owner, Omar Omarovich, while Akiles obtained ownership over 4,500,000 own shares.

During 2019 the shareholding of Akiles Corporation in Eqtec PLC has decreased from 37.48% to 11.44% and Akiles Corporation SE lost its significant influence over Eqtec PLC and the latter was no longer considered an associated company. As at 31 December 2021 Akiles holds no shares in Eqtec plc (31.12.2020: 95,698 shares). The remaining participation as at 31 December 2020 was valued with reference to the market price at AIM on the London Stock Exchange (see Note 8 (b)).

Since in the beginning of 2021 Winttec World S.L. and TNL Equipamientos Ambientales S.L. were declared in a state of bankruptcy by the Court in Barcelona and subsequently dissolved, the investments in these subsidiaries were written-off. The Company also wrote off its investment in TNL World EOOD due to the suspension of their business activities. The investment in PetrolProm Bulgaria OOD has been written-off in 2021 as the Company considers the control is lost (see Note 4C). Akiles Corporation SE continues to own 50.43% of the registered capital of PetrolProm Bulgaria OOD acquired for the price of EUR 540 thousand.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

9. Investments (continued)

An Extraordinary General Meeting of Petrolprom Bulgaria OOD was held on 18.06.2021 and from this date the Company does not exercise control over its management as per IFRS 10. The investment in PetrolProm Bulgaria OOD is reclassified as other investment with nil carrying value.

The investments in subsidiaries as at 31 December 2021 and 31 December 2020 are presented below:

Subsidiaries	Country of incorpo-ration	% ownership 31.12.2021	Investment amount in EUR '000 31.12.2021	% ownership 31.12.2020	Investment amount in EUR '000 31.12.2020
Heat Biomass EOOD	Bulgaria	100%	-	100%	-
Karlovo Biomass EOOD	Bulgaria	100%	-	100%	-
Tvarditsa Biomass EOOD	Bulgaria	100%	-	100%	1,841
Nova Zagora Biomass EOOD	Bulgaria	100%	-	100%	-
Plovdiv Biomass EOOD	Bulgaria	100%	-	100%	880
United Biomass EOOD	Bulgaria	100%	-	100%	-
Energotec-Eco AD	Bulgaria	100%	22	100%	22
Biomass Distribution EOOD	Bulgaria	100%	-	100%	1
Syngas Italy SRL	Italy	0%	-	100%	-
Eqtec Bulgaria EOOD	Bulgaria	100%	-	100%	-
TNL Equipamentos Ambientais SL	Spain	0%	-	80%	250
Winttec World SL	Spain	0%	-	100%	197
TNL World EOOD	Bulgaria	0%	-	100%	1
Winttec Greece IKE	Greece	100%	-	100%	52
PetrolProm Bulgaria EOOD	Bulgaria	-	-	50.43%	540
Total investments in subsidiaries			**22**		**3,784**
Other investments					
PetrolProm Bulgaria EOOD	Bulgaria	50.43%	-	-	-
Total other investments			-		-

Other investments at fair value through profit and loss	Country of incorpo-ration	% ownership 31.12.2021	Investment amount in EUR '000 31.12.2021	% ownership 31.12.2020	Investment amount in EUR '000 31.12.2020
Eqtec PLC	Ireland	0%	-	Less than 1%	3
Total			-		**3**

All shares from the investment in Karlovo Biomass OOD are pledged in favor 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 Akiles Corporation SE as a joint debtor for the amount of EUR 5,600 thousand. As at 31 December 2021 the principal to be repaid by Karlovo Biomass OOD to United Bulgarian Bank AD amounts to EUR 3,696 thousand (31 December 2020: EUR 3,696 thousand). Akiles Corporation had stopped paying the instalments due and on 26.02.2020. The Management plans to dispose of its investment in Karlovo Biomass OOD and settle the bank liability.

As at 31 December 2021 the Company performed a test for impairment of its investment in subsidiaries and impairment amounting to EUR 2,722 thousand has been recognized in relation to the investments in Tvarditsa Biomass EOOD, Plovdiv Biomass EOOD and Biomass Distribution EOOD (31.12.2020: EUR 302 thousand in relation to the investments in Tvarditsa Biomass EOOD and Plovdiv Biomass EOOD).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

10. Property, plant and equipment

	ROU office	Computers and equipment	Vehicles	Total
	EUR'000	EUR'000	EUR'000	EUR'000
Cost				
Balance at 1 January 2020	**124**	**27**	**2**	**153**
Additions	-	1	-	1
Disposals	(124)	-	-	(124)
Balance at 31 December 2020	**-**	**28**	**2**	**30**
Balance at 31 December 2021	**-**	**28**	**2**	**30**
Depreciation				
Balance at 1 January 2020	41	20	2	63
Charge for the period	41	4	-	45
Disposals	(82)	-	-	(82)
Balance at 31 December 2020	**-**	**24**	**2**	**26**
Charge for the period	-	3	-	3
Balance at 31 December 2021	**-**	**27**	**2**	**29**
Carrying amounts				
At 1 January 2020	83	7	-	90
At 31 December 2020	**-**	**4**	**-**	**4**
At 31 December 2021	**-**	**1**	**-**	**1**

11. Intangible assets

	Software EUR'000	Other EUR'000	Total EUR'000
Cost			
Balance at 1 January 2020	1	8	9
Balance at 31 December 2020	**1**	**8**	**9**
Balance at 31 December 2021	**1**	**8**	**9**
Amortisation			
Balance at 1 January 2020	1	5	6
Charge for the period	-	-	-
Balance at 31 December 2020	**1**	**5**	**6**
Charge for the period	-	-	-
Balance at 31 December 2021	**1**	**5**	**6**
Carrying amounts			
At 1 January 2020	-	3	3
At 31 December 2020	-	3	3
At 31 December 2021	**-**	**3**	**3**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

12. Trade and other receivables

	Note	31.12.2021 EUR'000	31.12.2020 EUR'000
Trade and other receivables from related parties	22.4	40	42
Prepaid amounts to suppliers		-	10
Receivables from employees		-	18
Refundable VAT		-	33
Other receivables		-	46
		40	**149**

13. Cash and cash equivalents

	31.12.2021 EUR'000	31.12.2020 EUR'000
Cash at bank	1	4
Cash in hand	-	-
Cash and cash equivalents	**1**	**4**

	31.12.2021 EUR'000	31.12.2020 EUR'000
Cash and cash equivalents are denominated in following currencies:		
GBP	-	2
USD	-	1
EUR	1	1
	1	**4**

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 2021 and 2020 the Company has issued 27,367,811 ordinary shares with a nominal value of EUR 1 (BGN 1.96) each.

A capital increase for EUR 6,450 thousand was made on 6 November 2019 when the newly subscribed capital was allocated as follows:

- EUR 4,500 thousand being an in-kind contribution of a 50% holding in Interavers OOD;
- EUR 100 thousand being an in-kind contribution of a 50% holding in HM Hotels JSC;
- EUR 1,850 thousand through conversion of the debt to EF FACET DISCRETIONARY PORTFOLIOS under bond emission.

Akiles and FACET have agreed the conversion price of the debt into new shares will be EUR 1 per share. In case where the average of the VWAP of the 10 last trading days prior to the admission for trading of the new shares on BME Growth is lower than EUR 1 nominal value, Akiles undertakes to settle the difference. The newly emitted shares were admitted for trading on 12 June 2020 resulting in an additional share issue cost and a liability of Akiles towards FACET. On 7 October 2020 an additional agreement was signed with FACET whereby the parties agree that the outstanding liability of EUR 1 457 thousand (GBP 1 266 thousand) towards FACET will be settled against newly emitted shares of the capital of the Company. The Company has not fulfilled its obligations and in 2024 a new debt-conversion agreement is signed with the bondholder FACET.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

14. Capital and capital reserves (continued)

14.2. Treasury shares reserve

The Company's share premium reserve includes the cost of treasury shares held by the Company.

As at 31 December 2021 and 2020 the Company held 4,411,560 own shares with nominal value EUR 1 at total amount of EUR 4,412 thousand.

15. Loss per share

Basic loss per share

The calculation of basic loss per share at 31 December 2021 is based on the loss attributable to ordinary shareholders of EUR 22,008 thousand (31 December 2020: loss of EUR 5,821 thousand), and a weighted average number of ordinary shares outstanding of 22,956 thousand (31 December 2020: 21,191 thousand), calculated as follows:

(i) Loss attributable to ordinary shareholders (basic)

In thousands of EUR	**31.12.2021**	**31.12.2020**
Loss for the period	(22,008)	(5,821)
Loss attributable to ordinary shareholders	(22,008)	(5,821)

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

In thousands of shares	**31.12.2021**	**31.12.2020**
Issued ordinary shares at 1 January	27,368	27,368
Effect from repurchased own shares	(4,412)	(2,177)
Weighted average number of ordinary shares at 31 December	22,956	25,191
Loss per share (EUR)	(0.96)	(0.23)

Diluted loss per share

The Company does not have dilutive potential ordinary shares in the form of bonds, convertible into shares of Akiles Corporation SE or share options.

On 18 March 2019 and in regards to the SSF signed between Akiles Corporation SE and GEM Global Yield Fund in October 2018, Akiles Corporation 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 Akiles Corporation 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 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	Note	31.12.2021	31.12.2020 Restated
Non-current liabilities			
Bank loans	(c)	-	286
		-	**286**
Current liabilities			
Unsecured corporate bonds issues	(a)	19,769	18,543
Loans payable to related parties	22.3	948	917
Overdraft		47	46
Bank loans	(c)	368	75
Finance lease liabilities		-	2
Loans payable to third parties	(b)	2,874	2,614
		24,006	**22,197**
		24,006	**22,483**

(a) Corporate bonds issue

In thousands of EUR	
Carrying amount of liability at 1 January 2020	**17,206**
Accrued interest	1,081
Net FX loss on GBP bonds during the period	(12)
Other movements	268
Carrying amount of liability at 31 December 2020	**18,543**
Accrued interest	1,211
Net FX loss on GBP bonds during the period	15
Carrying amount of liability at 31 December 2021	**19,769**

As at 31 December 2021 interest payments for the total amount of EUR 5,269 thousand, which fell due in 2018, 2019, 2020 and 2021 and the repayment of the principles of the first four bond emissions for the amount of EUR 12,500 thousand which were due on 18 June 2020, 22 December 2020 and 20 April 2021 respectively have not been paid and are considered overdue.

The bondholders have negotiated disposal of their receivables with principle in the amount of EUR 10,500 to a third party. The transaction is subject to conditions precedent including resumption of trading of the Company's shares on the BME Growth market with a long stop date 21st July 2024. The overdue payments are subject to renegotiations which is conditional upon the intended transaction for share capital increase from Tesla Group SA. At present an investment fund specialized in debt restructuring is currently negotiating with the two principal bondholders and expects the settlement agreement to be reached in the foreseeable future again subject to resumption of trading of the Company's shares on the BME Growth market and the completion of the transaction for share capital increase from Tesla Global SA.

The overdue payments are subject to renegotiations which is conditional upon the intended transaction for share capital increase from Tesla Group SA.

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 was 18 June 2020 and maturity dates of the coupon payments were as follows: 18 June 2016, 18 June 2017, 18 June 2018, 18 June 2019 and 18 June 2020.

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 was 22 December 2020 and maturity dates of the coupon payments were as follows:

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

16. Loans and borrowings (continued)

(a) Corporate bonds issue (continued)

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 was 20 April 2021 and maturity dates of the coupon payments were as follows: 20 April 2017, 20 April 2018, 20 April 2019, 20 April 2020 and 20 April 2021.

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 was 20 April 2021 and maturity dates of the coupon payments were as follows: 20 April 2017, 20 April 2018, 20 April 2019, 20 April 2020 and 20 April 2021.

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 are as follows: 2 June 2018, 2 June 2019, 2 June 2020, 2 June 2021 and 2 June 2022.

The initial placement of bond emissions 2-5 was done through the Luxembourg Stock Exchange. As at 31 December 2021 and 2020 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.

(b) Loans payable to third parties

As at 31 December 2021 the Company was granted credit funding by third parties under the following agreements:

- EUR 1,050 thousand received on 28 February 2018. The interest rate on the loan is 5% and the loan is repayable 1 year after its receipt. The accumulated interest and other accrued expenses amount to EUR 632 thousand.
- EUR 1,000 thousand received on 26 March 2018. The interest rate on the loan is 5% and the loan is repayable 1 year after its receipt. The accumulated interest and other accrued expenses amount to EUR 192 thousand.

The outstanding loan balances related to both contracts have not been repaid as at the date of these financial statements and are considered overdue.

During 2020 the Company obtained funding for the amount of EUR 200,000 which was to be repaid with 80,000,000 shares of Eqtec plc and 350,000 own shares of Akiles. The amount was fully covered in the first half of 2020.

Non-cash transactions

During the presented reporting periods, the Company entered into the following non-cash financing activities which are not reflected in the consolidated statement of cash flows:

On 3 April 2020 the Executive Director of Akiles Corporation terminated unilaterally and on the grounds of art. 306, para. 5 of the Bulgarian Commerce Act, due to continuous period of force-majeure and objective negative economic factors, the Shareholders Agreement dated 3 April 2019 which Akiles signed with Stanislav Novakov for the acquisition of 50% of the registered capital of HM Hotels JSC. As a result of this termination the 50% of the shares of HM Hotels JSC were returned to their previous owner, Stanislav Novakov, while Akiles obtained ownership over 99,700 of its own shares in 2020.

On 6 July 2020 a settlement agreement was signed between Akiles Corporation and Omar Omarovich with regards to the 50% participation in the capital Interavers OOD, obtained by Akiles in 2019. Due to the continuous period of force-majeure and objective negative economic factors, the Shareholders Agreement dated 29 March 2019 which Akiles signed with Omar Omarovich for the acquisition of 50% of the registered capital of Interavers OOD was to be considered terminated. As a result of this termination on 6 July 2020, 50% of the shares of Interavers OOD, were returned to their previous owner, Omar Omarovich, while Akiles obtained ownership over 4,500,000 own shares in 2020.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

16. Loans and borrowings (continued)

(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 was 2.14% (subject to change) and the loan was repayable 3 years after its receipt. The loan was repaid throughout the year of 2019 by virtue of part of the shares used as collateral. In July 2019 the Company was granted a further funding of 200,000 GBP where the interest rate was 2.0675%. The amount was repaid in the first half of 2020.

On 10 December 2019 a new loan of EUR 357 thousand was granted by BBVA. The funds were used for repayment the overdue liabilities (principal and interest) under prior two loan agreements. The facility is payable on demand and the negotiated interest rate comes to 2.00%. Under the provision of the loan the bank may consider the loan fully due and demand immediate repayment if the borrower enters into a legal insolvency procedure. As of 31 December 2021 the Company has reclassified the liability as current. In 2023 BBVA disposed of its receivables to a new creditor - PROMONTORIA POSEIDON DAC, engaged with financial services. A settlement agreement with the new creditor is expected to be concluded in 2024.

17. Trade and other payables

	Note	31.12.2021 EUR'000	31.12.2020 EUR'000
Payables to related parties	22.2	1,043	1,397
Payables to suppliers		3,059	2,914
Payables to employees		442	261
Tax and contributions liabilities		134	84
Other payables		81	-
		4,759	**4,656**

The payables to suppliers includes the liability towards the seller of the shares of Petrolprom Bulgaria OOD which will be settled through a transfer of 540,000 shares at nominal value EUR 1 each share from the capital of Akiles Corporation SE.

Payables to suppliers and to employees amounting to EUR 2,060 thousand and EUR 417 thousand respectively have been agreed to be settled through debt conversion agreements to convert these liabilities into newly emitted shares in 2024. All debt conversions are subject to accomplishment of capital increase of Akiles's capital and reverse takeover of the whole capital of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365, where the current shareholders of Tesla Global SE will subscribe newly emitted shares from the capital of Akiles. If the above reverse takeover is not completed, this agreement shall not be deemed valid.

18. Taxation

Under the current provisions of Bulgarian Corporate Income Tax Act, the Company may use its accumulated loss with restriction of five years in the time period to reduce the income tax it would otherwise have to pay on future taxable income. The Company has not recognized deferred tax assets in relation to accumulated tax losses because of the uncertainty that it would recognize future taxable income.

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

19. Taxation (continued)

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
In thousands of EUR	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Tax loss carry-forwards	-	(226)	-	-	-	(226)
Tax (assets) / liabilities	**-**	**(226)**	**-**	**-**	**-**	**(226)**

18.Taxation (continued)

Movement in deferred tax balances

In thousands of EUR	Balance 1 January 2020	Recognized in profit or loss	Balance 31 December 2020	Recognized in profit or loss	Balance 31 December 2021
Tax loss carry-forwards	226	-	226	(226)	-
	226	**-**	**226**	**(226)**	**-**

19.Financial instruments

Financial risk management

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

- credit risk
- liquidity risk
- market risk

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

Risk management framework

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

(a) Credit risk

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

The carrying amount of Company's financial assets represents the maximum exposure to credit risk.

Trade receivables and loans provided

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. As of the date of these separate financial statements all receivables are from related parties, subsidiaries of Akiles Corporation SE. The timing of collection of the receivables is therefore dependent on the successful realization of each investment project. The trade receivables over 365 days old and have been fully impaired.

Since in the beginning of 2021 Winttec World S.L. and TNL Equipamientos Ambientales S.L. were declared in a state of bankruptcy by the Court in Barcelona and subsequently dissolved. The business activities of PetrolProm Bulgaria OOD, TNL World EOOD and Winttec Greece IKE have been analyzed and as a result, all trade receivables are considered non-recoverable and have been fully impaired. The loans granted to all these companies have also been written-off.

19. Financial instruments (continued)

(a) Credit risk (continued)

The management is in the process of negotiating the sale of the power plants of Heat Biomass EOOD and Karlovo Biomass EOOD. An impairment loss on the loans' receivable from Karlovo Biomass EOOD, Biomass Distribution EOOD and Heat Biomass has been recognised during the comparison periods.

The maximum exposure to credit risk for trade receivables and loans provided at the reporting date was as follows:

	Note	31.12.2021 EUR'000	31.12.2020 EUR'000
Loans provided to related parties	22.1	15	16,350
Trade receivables from related parties	22.4	2	4
		17	**16,354**

Expected credit loss assessment

The Company has a small number of customers and debtors which are related parties.

The Company has analysed its historical trend of payments of all its related parties. Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD account for a significant share of the receivables (trade and loan) of Akiles Corporation SE. The quoted entities have been subsidiaries of Akiles Corporation SE since 2014. Significant impairment losses have been recognised in respect of the trade and loan receivables from those entities.

The following table presents an analysis of the credit quality of debtors under loans provided at amortised cost. It indicates whether assets measured at amortised cost were subject to a 12-month ECL or lifetime ECL allowance and, in the latter case, whether they were credit impaired.

EUR'000	**2021** Amortized cost			**2020** Amortized cost		
Category	12M ECL	Lifetime ECL - Not credit impaired	Lifetime ECL - credit impaired	12M ECL	Lifetime ECL - Not credit impaired	Lifetime ECL - credit impaired
Entities without activity	-	-	14	-	-	581
Entites subject to disposal	-	-	23,441	-	-	23,441
Entities with dissolved activity	-	-	-	-	-	1,727
Gross carrying amount	-	-	**23,455**	-	-	**25,749**
Impairment loss	-	-	(23,440)	-	-	(9,399)
Amortized cost	-	-	15	-	-	16,350
Carrying amount	-	-	**15**	-	-	**16,350**

An impairment allowance of EUR 23,440 thousand (2022: EUR 9,399 thousand) in respect of loans provided held at amortised cost with a low credit rating was recognised because of significant financial difficulties being experienced by the debtors. The Group has no collateral in respect of these receivables.

The balance of the impairment as at 31 December 2021 and 2020 relates to impaired loans due by Karlovo Biomass EOOD, Heat Biomass EOOD, Nova Zagora Biomass EOOD and Biomass Distribution EOOD, as follows:

	31.12.2021 EUR'000	31.12.2020 EUR'000
Impaired loans provided to Karlovo Biomass EOOD	13,825	7,475
Impaired loans provided to Heat Biomass EOOD	3,378	1,344
Impaired loans provided to Nova Zagora Biomass EOOD	-	28
Impaired loans provided to Biomass Distribution EOOD	6,237	552
	23,440	**9,399**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

19. Financial instruments (continued)

(a) Credit risk (continued)

Impairment

Impairment losses on financial assets recognised in profit or loss were, as follows:

Recognised in profit or loss	**2021**	**2020**
	EUR'000	**EUR'000**
Impairment loss on loans provided to related parties	14,069	603
Reversal of impairment loss on loans provided to related parties	(28)	-
Written-off principals and interests on loans provided	2,325	-
	16,366	**603**

Cash and cash equivalents

The Company held cash and cash equivalents of EUR 1 thousand at 31 December 2021 (31 December 2020: EUR 4 thousand). The cash and cash equivalents are held with a bank, which is rated BBB based on Fitch Ratings Inc.

The estimated impairment on cash and cash equivalents was calculated based on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The Company estimated that the application of IFRS 9's impairment requirements at 31 December 2021 and 2020 does not have a material effect on the financial statements of the Company.

(b) Liquidity risk

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

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements as at 31 December 2021:

In thousands of EUR	**Note**	**Carrying amount**	**Contractual cash flows**	**1 year or less**	**1-2 years**	**2-5 years**
Non-derivative financial liabilities						
Corporate bonds issued	16	19,769	19,769	19,769	-	-
Bank loans and overdrafts	16	415	415	415	-	-
Loans payable to related parties	22.3	948	948	948	-	-
Loans payable to third parties	16	2,874	2,874	2,874	-	-
Trade payables to related parties	22.2	700	700	700	-	-
Trade payables to third parties	17	3,059	3,059	3,059	-	-
		27,765	**27,765**	**27,765**	-	-

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

19. Financial Instruments (continued)

(b) Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements as at 31 December 2020:

In thousands of EUR	Note	Carrying Amount	Contractual cash flows	1 year or less	1-2 years	2-5 years
Non-derivative financial liabilities						
Corporate bonds issued	16	18,543	18,543	18,543	-	-
Bank loans and overdrafts	16	407	407	121	286	-
Loans payable to related parties	22.2	917	917	917	-	-
Loans payable to third parties	16	2,614	2,614	2,614	-	-
Trade payables to related parties	22.2	1,161	1,161	1,161	-	-
Trade payables to third parties	17	2,914	2,914	2,914	-	-
Finance lease liabilities	16	2	2	2	-	-
		26,558	**26,558**	**26,272**	**286**	**-**

Market risk

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

Currency risk

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than BGN. The majority of the Company's transactions are denominated in EUR and the BGN is pegged to the EUR. Some transactions, including one of the bonds emissions (see note 16) are denominated in GBP.

Interest rate risk

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

20. Capital management

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

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

21. Fair value of financial assets and liabilities

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

22. Related party transactions and balances

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

Related parties are as follows:

Related party	**Relationship**
Elektra Holding AD	Parent of Akiles Corporation SE
Heat Biomass EOOD	subsidiary, 100% owned by Akiles Corporation SE
Karlovo Biomass EOOD	subsidiary, 100% owned by Akiles Corporation SE
Plovdiv Biomass EOOD	subsidiary, 100% owned by Akiles Corporation SE
Tvarditsa Biomass EOOD	subsidiary, 100% owned by Akiles Corporation SE
Tvarditsa PV EOOD	subsidiary, 100% owned by Tvarditsa Biomass EOOD
United Biomass EOOD	subsidiary, 100% owned by Akiles Corporation SE
Nova Zagora Biomass EOOD	subsidiary, 100% owned by Akiles Corporation SE
Biomass Distribution EOOD	subsidiary, 100% owned by Akiles Corporation SE

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

22. Related party transactions and balances (continued)

Related party	Relationship
Eqtec Bulgaria EOOD	subsidiary, 100% owned by Akiles Corporation SE
Energotec Eco AD	subsidiary, 100% owned and controlled by Akiles Corporation SE
Brila EOOD	subsidiary, 100% owned by Plovdiv Biomass EOOD
PetrolProm Bulgaria OOD	subsidiary, 50.43% owned by Akiles Corporation SE, controlled till June 2021
Winttec World SL, Spain (former Addom SL)	subsidiary, 100% owned and controlled by Akiles Corporation till March 2021
TNL SL, Spain	subsidiary, 80% owned and controlled by Akiles Corporation SE till March 2021
Winttec Greece IKE, Greece	subsidiary, 100% owned by Akiles Corporation SE
Epsion Resorts AD	Under common control, controlled by Elektra Holding AD
Levi Capital EOOD	Under common control, controlled by Elektra Holding AD
Luxur PV EOOD	Under common control, controlled by Elektra Holding AD
Bul PV EOOD	Under common control, controlled by Elektra Holding AD
Bul Biomass EOOD	Under common control, controlled by Elektra Holding AD
Smolyan Biomass EOOD	Under common control, controlled by Elektra Holding AD
Titan Power OOD	Under common control, controlled by Elektra Holding AD
Eco El Invest OOD	Under common control, controlled by Elektra Holding AD

Directors

The Executive Director of Akiles Corporation SE is Jose Oscar Leiva Mendez.

Non-executive Directors of Akiles Corporation SE as if 31 December 2021 and 2020 are Carlos Cuervo Arango Martinez, Juan Molins Monteys and Onofre Servera Andreu.

The remuneration accrued in favor of the key management personnel for 2021 amounts to EUR 108 thousand (2020: EUR 218 thousand).

22.1 Loans provided to related parties

	31.12.2021 EUR'000	31.12.2020 EUR'000
Karlovo Biomass EOOD		
- principal	-	3,688
- interest	-	2,663
Biomass Distribution EOOD		
- principal	-	4,637
- interest	-	1,049
Heat Biomass EOOD		
- principal	-	1,404
- interest	-	629
TNL SL		
- principal	-	1,301
- interest	-	216
Wintec World SL		
- principal	-	189
- interest	-	12
Eqtec Bulgaria EOOD		
- principal	-	86
- interest	-	9
Nova Zagora EOOD		
- principal	-	279
- interest	-	7
Plovdiv Biomass EOOD		
- principal	-	28
- interest	-	8
Tvarditsa Biomass EOOD		
- principal	-	23
- interest	-	6

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

	31.12.2021 EUR'000	31.12.2020 EUR'000
TNL World EOOD		
- principal	-	16
- interest	-	3
Eqtec Iberia		
- interest	-	4
PetrolProm Bulgaria OOD		
- principal	-	55
- interest	-	4
	-	**16,316**

22. Related party transactions and balances (continued)

22.1 Loans provided to related parties (continued)

As at 31 December 2021 the Company reports loans provided to employees and other third parties amounting to EUR 15 thousand (31 December 2020: EUR 34 thousand).

In 2021 impairment loss amounting to EUR 14,069 thousand has been recognised in regards to the loans receivable from related parties (2020: EUR 603 thousand). In 2021 the Company has also write-off loans receivables from related parties at the total amount of EUR 2,297.

22.2 Trade and other payables to related parties

	31.12.2021 EUR'000	31.12.2020 EUR'000
Jose Oscar Leiva Mendez	163	147
Carlos Cuervo Arango Martinez	60	30
Juan Molins Monteys	60	30
Onofre Servera Andreu	60	30
Eqtec Iberia	10	10
Eqtec PLC	70	70
TNL SGPS	-	460
Elektra Holding AD	620	620
	1,043	**1,397**

The amount of EUR 343 thousand represent payables to key management personnel (31.12.2020: EUR 237 thousand).

The amount of EUR 620 thousand payable to Elektra Holding AD (31.12.2020: EUR 620 thousand) is related to share lending agreements signed between the parties where Elektra has effectively lent 5,488,000 shares (31.12.2020: 5,488,000 shares) to Akiles which were either sold by Akiles or used for the purpose of repayment of its loan liabilities. The liability to Elektra is measured based on the number of shares effectively lent and with reference to the market price of the shares at BME Growth as at 31 December 2021 – 0.113 EUR per share (31 December 2020 – 0.113 EUR per share). Nevertheless, according to the signed share lending agreements 5 488 000 should be transferred back to Elektra Holding AD.

Since in the beginning of 2021 TNL Equipamientos Ambientales S.L. was declared in a state of bankruptcy by the Court in Barcelona, the investment in this subsidiary was written-off. Trade payables to TNL SGPS amounting to EUR 460 thousand are considered non-payable and have also been written-off due to expiration of limitation period.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

23. Related party transactions and balances (continued)

22.3 Loans received from related parties

	31.12.2021 EUR'000	31.12.2020 EUR'000
Elektra Holding AD	720	697
Close family members of the management	210	202
Biomass Distribution EOOD	-	1
Energotec Eco AD	18	17
	948	**917**

22.4 Trade and other receivables from related parties

	31.12.2021 EUR'000	31.12.2020 EUR'000
Jose Oscar Leiva Mendez	38	38
United Biomass EOOD	-	3
Brila EOOD	2	1
	40	**42**

22. Commitments and contingent liabilities

Akiles Corporation 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 31 December 2021 the outstanding liability to this loan is EUR 4,594 thousand (31 December 2020: EUR 4,259 thousand). As at 31 December 2021 the outstanding principal to this loan is EUR 3,696 thousand (31 December 2020: EUR 3,696 thousand). Akiles Corporation had stopped paying the instalments due and on 26.02.2020.

The Company has no other commitments or contingent liabilities as of 31 December 2021 and 2020.

23. Events after the reporting period

The Company went through an insolvency procedure that as of the reporting date is terminated taking place between November 2020 until March 2022.

It was initiated by the Company itself acting as an insolvent debtor on 11th of November 2020 at the Sofia City Court. In December 2020 UBB filed another petition for opening of insolvency proceedings against the Company which suspended the initial one filed. In February 2021 a third petition for opening of insolvency procedure against the Company was filed by EF Facet Discretionary Portfolios, another creditor of the Company which was adjoined to the insolvency petition of UBB and thus a uniform legal process with two pretending creditors was in progress.

Based on out-of-court settlement agreement, reached between the Company and UBB on 16.02.2022, the legal procedure for opening of bankruptcy against Akiles Corporation SE was terminated with explicit ruling of the Sofia City Court 15.03.2022. Few days earlier also the insolvency procedure, opened by request of the Company itself as well as of EF Facet Discretionary Portfolios was terminated.

On 17.02.2023, pursuant to a Contract for Assignment of Receivables (cession), ATZ Project EOOD acquired all receivables of United Bulgarian Bank AD from the Company's subsidiary Karlovo Biomass EOOD (Akiles Corporation SE as co-debtor Heat Biomass EOOD and Biomass Distribution EOOD as adjoining co-debtors) arising from the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016. The value of the receivables in relation to the Bank loan agreement and the additional annexes thereto amounts to EUR 5,019,687. The assigned claim has passed from United Bulgarian Bank AD to the new creditor along with its privileges, securities and other accessories, including accrued interest.

Pursuant to Preliminary Agreement for sale of the Company's shares, as well as sale of receivables dated 07.04.2023, Akiles has transferred to a third party (indicated by the new creditor under the Cession contract dated 17.02.2023), the Company's shares from the capital of Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

24.Events after the reporting period (continued)

According to the Preliminary Agreement dated 07.04.2023, the new creditor, as the holder of the receivables under the Cession contract dated 17.02.2023, fully releases Akiles Corporation SE from its obligations to pay monetary amounts as a co-debtor under the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016, as a counter performance related to the transfer of the Company's shares from the capital of Karlovo Biomass EOOD, Heat Biomass EOOD and Biomass Distribution EOOD and in connection with the reciprocal obligation to transfer all the receivables to Akiles towards these subsidiaries.

On 13.04.2023, through a Contract for Assignment of Receivables (Cession), ATZ Project EOOD sold to new party Energowind EOOD all receivables from Karlovo Biomass EOOD (as the principal debtor) and Akiles Corporation SE, Heat Biomass EOOD and Biomass Distribution EOOD (as co-debtors) arising from the Credit Agreement dated 02.06.2014 and Supplementary Agreement dated 01.09.2016.

On 29.06.2023 Energowind EOOD, in its capacity as the ultimate assignee and current holder of the receivables mentioned above, has agreed to cancel all the obligations of Akiles Corporation SE as a co-debtor amounting to EUR 5,019,687 against these receivables. As a result Akiles Corporation SE does not have any liability regarding UBB debt after this transaction.

On 15.04.2024 an extraordinary General Meeting of the shareholders was held and the decisions taken were inscribed in the Bulgarian Trade Register on 24.04.2024. Among the most important decisions taken are the following:

- the name of the company is changed to Tesla Energy Storage SE
- the new Board of Directors will consist of Oscar Leiva Mendez, Juan Molins Monteys, Dusan Lichardus, Horia Grigorescu and Johannes Antonie Marius Martjnen
- Adoption of resolution for delegation to the Board of Directors of „AKILES CORPORATION" SE to accomplish increase of the Company's registered capital, on the grounds of art. 196 of the Commerce Act, by emitting new shares, up to a maximum nominal amount of € 450'000'000
- The capital of the Company will be increased predominantly by way of contribution in kind of all the shares from the capital of Tesla Global SE, a company duly registered and existing under the laws of Czech Republic, with identification and VAT number: CZ17120365 subject to the approval of the shareholders of Tesla Global SE and Akiles Corporation SE.

The future business activity of the Company is subject to the successful completion of in kind contribution of the shares of the capital of Tesla Global SE. This will enable the Company to focus on and further expand the key activity of Tesla Global SE which is the production and sale of battery storage units using the highest-quality liquid-cooled battery modules. The factory designing, engineering, and assembling the battery storage units is located in Slovakia and historically is known for its huge expertise in the field of energy. The company is initiating the construction of the first Gigafactory in Europe (Romania) for 4GW/year of Battery Energy Storage Solutions.

In 2024, following the resolution of the extraordinary General Meeting to convert Group's payables in the amount of EUR 11,4 mln. into shares through an in-kind contribution, the Company signed debt conversion agreements with all creditors. The conversions are subject to the successful completion of the in-kind contribution of the shares of Tesla Global SE. The most significant payables subject to the conversion are as follows:

- An agreement dated 11 April 2024 whereby EF FACET BALANCED DISCRETIONARY PORTFOLIO FUND agrees to exchange its payable amounting to EUR 546 thousand against 546,459 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.
- An agreement dated 11 April 2024 whereby EF FACET CAUTIOUS DISCRETIONARY PORTFOLIO FUND agrees to exchange its payable amounting to EUR 911 thousand against 910 766 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.
- An agreement dated 10 April 2024 whereby BTC DOCE S.à.r.l agrees to exchange its payable amounting to EUR 1 680 thousand against 1 680 000 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.
- An agreement dated 14 April 2024 whereby Arrizabal Elkartea SL agrees to exchange its payable amounting to EUR 419 thousand against 419 147 newly emitted Ordinary dematerialized shares ("the Exchanged shares) from the capital increase of "AKILES CORPORATION" SE.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

24.Events after the reporting period (continued)

After the reporting date Tesla Global SE acquired shares of the parent Company and as a result as of the date of the above-mentioned Ordinary Shareholders meeting owns 2 338 461 shares which represents 8,54% from the total issued shares issued less treasury own shares and 9,6% from the total shares issued. Thus, the shareholding of Tesla Global SE exceeds the shareholding of the parent company Elektra Holding AD. Tesla Global SE presented during the last Ordinary Shareholders Meeting and the decisions stated above have been voted by them.

On 05 June 2024 an agreement was signed with Tsvetomir Toshev Yordanov, according to which the liability to the seller related to the shares acquired in Petrolprom Bulgaria OOD will no longer be settled through the transfer of 540,000 shares, but through monetary payment of 540 000 euro payable within 8 months as of signing of this agreement - until 05 February 2025.

On 06 June 2024 the Group signed Sales purchase agreement for disposal of 50.43% of the share capital of PetrolProm Bulgaria OOD. The transfer of ownership was registered under the company's file in the Bulgarian Trade Registry on 13 June 2024.

On 06 June 2024 the Group reached an agreement with PROMONTORIA POSEIDON DAC for settlement of the remaining debt in 12 monthly instalments of EUR 24 thousand, starting from July 2024 to June 2025.

On 16 July 2024 following an ordinary General Meeting of the shareholders held on 25 June 2024 the scope of activity of the Company had changed in the Trade Registry to include Production and assembly of battery energy storage systems ("BESS"), including component manufacturing and end product assembly and other services related to BESS projects.

There are no other significant events, adjusting or non-adjusting, which have a bearing on the understanding of the separate financial statements of the Company.

24. Basis of measurement

The financial statements have been prepared on the historical cost basis. These financial statements are separate financial statements of the Company.

The Company also prepared consolidated financial statements in accordance with IFRS as adopted by EU. The consolidated financial statements can be obtained from Akiles Corporation SE at their registered office in Sofia, blvd. Vitosha 68, fl. 1.

Users of these separate financial statements of the parent company should read them together with the consolidated financial statements of the Company and its subsidiaries as at and for the period ended 31 December 2021 in order to obtain a proper understanding of the financial position, the financial performance and the cash flows of the Company and its subsidiaries.

25. Significant accounting policies

Accounting policies

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

Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

26. Significant accounting policies (continued)

Finance income and finance costs

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

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

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

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

Tax

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

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

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

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

26. Significant accounting policies (continued)

Tax (continued)

In determining the amount of current and deferred tax the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New

information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Property, plant and equipment

Property, plant and equipment are initially measured at cost. After initial recognition, property, plant and equipment is carried at cost less accumulated depreciation and any accumulated impairment losses.

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

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

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

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

Depreciation

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

Computers	2 years
Vehicles	6 years

Land is not depreciated.

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

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

Subsequent costs

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

26. Significant accounting policies (continued)

Property, plant and equipment (continued)

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

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less accumulated amortization and accumulated impairment losses.

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

Amortization

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

Other intangible assets	7 years

Investments in subsidiaries and associates

Investments in subsidiaries and associates are stated at cost less impairment, which is recognized as an expense in the period in which the impairment is identified. Subsidiaries are entities controlled by the Company. The Company 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

26. Significant accounting policies (continued)

Financial instruments (continued)

(ii) Classification and subsequent measurement financial assets (continued)

Financial assets - Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual per amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

26. Significant accounting policies (continued)

Financial instruments (continued)

(ii) Classification and subsequent measurement financial assets (continued)

Financial assets - Subsequent measurement and gains and losses

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss, except for derivatives designated as hedging instruments for which hedge accounting is applied.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

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

(iii) Derecognition financial assets and financial liabilities

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(i) Non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

26. Significant accounting policies (continued)

Financial instruments (continued)

Impairment (continued)

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

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

(ii) Financial assets

The Company recognises loss allowances for ECLs on its financial assets measured at amortised cost.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due. The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 365 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.
Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 365 days past due;

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

26. Significant accounting policies (continued)

Financial instruments (continued)

Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Employee benefits

(i) Defined contribution plans

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

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

(ii) Defined benefit plan

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

The calculation is performed based on the projected unit credit method.

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

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

(iii) Short-term employee benefits

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

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

Provisions

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

Share capital

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

Treasury shares reserve

The Company has selected to present treasury shares within equity as a separate line item *Treasury shares reserve.*

Non-current liabilities

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

26. New standards and interpretations not yet adopted

New standards, effective from 1 January 2021

The Company has adopted the following new standards, amendments and interpretations to IFRS, issued by the International Accounting Standards Board (IASB) which are mandatory for application from the annual period beginning on 1 January 2021, but have no material effect on the Company`s financial result and financial position:

- IFRS 4 Insurance Contracts - Postponement of IFRS 9 effective from 1 January 2021, adopted by the EU.
- IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Reform of the Reference Interest Rate - Phase 2, effective from 1 January 2021, adopted by the EU.
- IFRS 16 Leasing: Reduction of Covid-19 Leases from 30 June 2021, effective from 1 April 2021, adopted by the EU.

Standards, amendments and interpretations that are not yet effective and have not been adopted early by the Company

As of the date of approval for the issuance of these financial statements, new standards, amendments and interpretations have been issued but are not yet effective or not adopted by the EU for annual periods beginning on 1 January 2021 and have not been adopted early by the Company. Management expects all standards and amendments to be adopted in the Company's accounting policy for the first period beginning after the date of their adoption.

The changes relate to the following standards:

- Amendments to IFRS 3 Business Combinations, IAS 16 Property, Plant and Equipment, IAS 37 Provisions, Contingent Liabilities and Contingent Assets, effective from 1 January 2022.
- Annual improvements 2018-2020 in force from 1 January 2022, adopted by the EU.
- Amendments to IFRS 17 Insurance Contracts, effective from 1 January 2023, adopted by the EU
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statements 2: Disclosure of Accounting Policies, effective from 1 January 2023, adopted by the EU
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates, effective from 1 January 2023, adopted by the EU
- Amendments to IAS 12 Income Taxes: Deferred Taxes Relating to Assets and Liabilities Arising from Single Transactions, effective from 1 January 2023, adopted by the EU
- Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information, effective from 1 January 2023, adopted by the EU
- Amendments to IFRS 14 Regulatory Deferral Accounts, effective from 1 January 2016, not yet adopted by the EU
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current and Non-current, effective from 1 January 2024, not yet adopted by the EU
- Amendments to IFRS 16 Leases: Leaseback obligation on sale and leaseback, effective from 1 January 2024, adopted by the EU
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements, effective from 1 January 2024, not yet adopted by the EU
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability, effective from 1 January 2025, not yet adopted by the EU