Registration number: 700539

ADS-TEC Energy PLC

Annual Report and Consolidated Financial Statements
for the financial year ended 31 December 2024

ADS-TEC Energy PLC

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ADS-TEC Energy PLC

Company Information

Directors	Dr. Kurt Lauk Mr. Thomas Speidel Mr. Joseph Brancato Dr. Sonja Harms Mr. Alwin Epple (Appointed 29 April 2024) Dr. Andreas Fabritius (Appointed 1 February 2024)
Company secretary	Bradwell Limited
Registered office	10 Earlsfort Terrace Dublin 2
Registered number	700539
Solicitors	Arthur Cox 10 Earlsfort Terrace Dublin 2 Ireland
Bankers	UBS Financial Services Inc 1285 Avenue of the Americas 19th Floor Nerw York NY 10019-0628 Deutsche Bank AG Frankfurt am Main Germany
Auditors	BDO Statutory Audit Firm Block 3, Miesian Plaza 50 - 58 Baggot Street Lower Dublin 2 Ireland D02 Y754

ADS-TEC Energy PLC

Directors' Report for the Financial Year Ended 31 December 2024

The directors present their report and the Consolidated Financial Statements for the year ended 31 December 2024 of ADS-TEC Energy PLC (the "Company") and its subsidiaries (together the "Group") for the financial year ended 31 December 2024

Incorporation
The company was incorporated on 26 July 2021 and commenced trading on 22 December 2021.

Results and dividends
The results of the financial year are set out on page 19. During the financial year the Group made a loss before taxation of EUR 97,467K (2023 - loss of Euro (EUR) 58,222K).

The directors do not recommend the payment of a dividend (2023 Nil)

Principal activity and business review
The Company, which is an Irish public limited company, was incorporated and is domiciled in Ireland. The Company was incorporated solely as a holding company for the purpose of effectuating the business combination and is the new listing company on the consummation of the business combination.

The Group provide intelligent and decentralised energy storage systems to municipalities, automotive original equipment manufacturer (OEM), charging operators, dealerships, fleets, residential areas, offices and industrial sites in Europe and North America. Its scalable systems are designed for use in private homes, public buildings, commercial enterprises, industrial and infrastructure solutions, and self-sufficient energy supply systems, with capacities up to the multi-megawatt range.

Directors' of the group
The directors, who held office at any time during the year, were as follows:

Dr. Kurt Lauk

Mr. Thomas Speidel

Mr. Joseph Brancato

Dr. Sonja Harms

Mr. Alwin Epple (Appointed 29 April 2024)

Dr. Andreas Fabritius (Appointed 1 February 2024)

Company secretary
The Company Secretary throughout the financial year was Bradwell Limited.

Business review

Fair review of the business

The Group provides intelligent and decentralised energy storage systems to municipalities, automotive OEMs, charging operators, dealerships, fleets, residential areas, offices and industrial sites in North America and Europe.

Impact from the risks related to the military action in Ukraine

The current invasion of Ukraine by Russia has escalated tensions among the United States, the North Atlantic Treaty Organization ("NATO") and Russia. The United States and other NATO member states, as well as non-member states, have announced new sanctions against Russia and certain Russian banks, enterprises and individuals. These and any future additional sanctions and any resulting conflict between Russia, the United States and NATO countries could have an adverse impact on our current operations and could restrict our ability to expand our operations and EV charger sites into other countries in the European Union in the future. Further, such invasion, ongoing military conflict, resulting sanctions and related countermeasures by NATO states, the United States and other countries lead to market disruptions, including significant volatility in commodity prices, credit and capital markets, as well as supply chain interruptions for equipment. In light of these events, we developed a plan designed to mitigate the impact of this conflict on our business, but it is unclear if it will successfully mitigate all disruptions, which could have an adverse impact on our operations and financial performance.

Our business, financial condition and results of operations could be adversely affected by disruptions in the global economy caused by the ongoing conflict between Israel and Hamas

In October 2023, Hamas conducted several terrorist attacks in Israel resulting in ongoing war across the country, forcing the closure of many businesses in Israel for several days. In addition, there continue to be hostilities between Israel and Hezbollah in Lebanon and Hamas in the Gaza Strip, both of which resulted in rockets being fired into Israel, causing casualties and disruption of economic activities. In early 2023, there were a number of changes proposed to the political system in Israel by the current government which, if implemented as planned, could lead to large-scale protests and additional uncertainty, negatively impacting the operating environment in Israel. Uprisings in various countries in the Middle East over the last few years have also affected the political stability of those countries and have led to a decline in the regional security situation.

Due to this, the global economy has been negatively impacted by the military conflict between Israel and Hamas. There could be an expansion of the countries involved, which could lead to significant detrimental effects to the global economy. Although we do not have significant customers or suppliers in the Middle East region, we do have customers and suppliers in surrounding regions which may be affected. Further, escalation of the Israel and Hamas conflict and geopolitical tensions related to such military conflict, including increased trade barriers or restrictions on global trade, could result in, among other things, cyber-attacks, supply disruptions, lower consumer demand, and changes to foreign exchange rates and financial markets, any of which may adversely affect our business, financial condition and results of operations. The effects of the ongoing conflict could heighten many of our known risks described in these "Risk Factors".

Technology Risk

The inability to protect and/or develop technology could inhibit the Group's success. The Group ensures all IT Policies and Procedures are reviewed and updated accordingly with ongoing training for all employees.

Financial instruments

The Group has exposure to the following risks arising from financial instruments:

- Credit risk,
- Liquidity risk,
- Market risk.

The Group's managing directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The managing directors are also responsible for developing and monitoring its risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group to set appropriate risk limits and controls and to monitor risks and adherence to limits. The Group aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's main financial liabilities include liabilities from warrants, trade payables, lease liabilities as well as shareholder loans. The primary purpose of these financial liabilities is to finance the Group's operations and provide guarantees to support its operations. The Group is mainly exposed to liquidity risk as well as credit risk. The market risk, mainly including currency risk, interest rate risk, and equity risk is assessed as not negligible. However, the Group does not have long term loans with variable interest rates. Furthermore, most of the business activities are concluded in the reporting currency Euro.

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 customers and contract assets.

The carrying amounts of financial assets and contract assets represent the Group's maximum credit exposure. The Group monitors its credit risk regularly.

Trade receivables and contract assets
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

For trade receivables and contract assets, the Group applies the "simplified approach" and measures and accounts the loss allowance for its trade receivables at an amount equal to the lifetime expected credit losses. As there is a heterogeneous portfolio of customers separate probabilities of default rated are determined for each significant customer. The determination of probability of default is done by an external service provider that acts as an independent credit rating agency.

A write-off of the trade receivables and contract assets of individual customers within the simplified approach is applied if one or more events take place that have an influence on the customer's credit rating. These events include payment delays, pending insolvency or concessions by the debtor due to payment difficulties. Trade receivables and contract assets are written off when there is no reasonable expectation of recovery.

Impairment (losses)/gains on financial assets recognised in profit or loss amounted to EUR (58)K in the financial year 2024 (2023: EUR 104K)).

Other financial assets
The Group considers the probability of default at the date of initial recognition of assets and the existence of a significant increase in the risk of default during all reporting periods. To assess whether the risk of default has increased significantly, the Group compares the risk of default on the asset at the reporting date with the risk of default at the initial recognition. Available, appropriate, and reliable forward-looking information is considered. Indicators such as internal and external credit ratings as well as actual and expected significant changes in the debtor's earnings situation are taken into account.

Cash and cash equivalents
Cash and cash equivalents are mainly cash at banks. The Group regularly monitors the corresponding bank's credit ratings. Due to the short investment period and the good credit rating of the banks the Group considers that its cash and cash equivalents have low credit risk. Consequently, no impairment was recognised on cash and cash equivalents.

Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group aims to maintain the level of its cash and cash equivalents at an amount more than expected cash outflows on financial liabilities.

Exposure to liquidity risk
The Group's policy is to maintain sufficient cash and cash equivalents at all times to meet current and future obligations as they fall due. The Group manages its liquidity by maintaining sufficient liquid assets.

Adverse developments in the capital markets could increase the Group's financing costs and limit its financial flexibility.

The Group's current financial position with a cash level of EUR 22,858 K as of 31 December 2024 (31 December 2023: EUR 29,162K) has declined slightly as compared to prior year. Unchanged to 2023, the Group is exposed to liquidity risks resulting from the short remaining term of the shareholder loans, delayed customer payments and if the Group cannot manage to generate cash from its current inventories or cannot obtain additional financing.

Market risk
Market risk is the risk that changes in market prices - e.g. foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The financial instruments affected by market risk essentially comprise financial assets and financial liabilities.

Foreign exchange risk
The Group operates internationally, and as a consequence is exposed to foreign exchange risk arising from various currency exposures. Management continually reviews and monitors the movements of exchange rates.

Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency.

The Group is exposed to currency risks arising from bank balances in foreign currencies, transactions in foreign currencies including shareholder loans in currencies other than the lender's functional currency, revenue generated or purchases for materials and services, and operating business activities in the US for ADSE US and Switzerland for ADSE CH.

The main exposure of currency risks arise with respect to bank balances amounting to EUR 2,663K (December 31, 2023: EUR 9,806K) which are denominated in United States Dollar (USD) and one tranche of the shareholder loans amounting to EUR 1,067K (December 31, 2023: 0) issued to ADSE GM. The USD bank balances are considered a natural hedge against currency risks from the payment obligation of the shareholder loans. Lesser currency risks arise from normal operations since 95% of revenues in 2024 (2023: 95%) are generated in EUR.

Directors' Report for the Financial Year Ended 31 December 2024

Sensitivity of the foreign currency risk
The sensitivity analysis approximately quantifies the risk that can occur within the framework of set assumptions if certain parameters are changed to a defined extent. Exchange rate risks exist for USD and Swiss franc (CHF).

The following disclosures describe the sensitivity of an increase or decrease in the USD against the EUR from the Group's perspective. Currency risks within the meaning of IFRS 7 arise from financial instruments that are denominated in a currency other than the functional currency and are of a monetary nature. Translation differences from the translation of financial statements of foreign Group companies into the Group currency are not taken into account. The sensitivity analysis was prepared for the main financial instrument (cash and cash equivalents) outstanding as at the balance sheet date of the Group.

If the EUR had appreciated or depreciated by 10.0% against the USD as at 31 December 2024 and 2023 respectively, the consolidated profit would change in the manner shown below:

	Variance	31 Dec 2024	OCI	Variance	31 Dec 2023
EUR/USD	+/- 10.00%	-339/+414	-	+/- 10.00%	-891/+1,090

If the EUR had appreciated or depreciated by 10.0% against the CHF as at 31 December 2024 and 2023 respectively, the consolidated profit would change in the manner shown below:

	Variance	31 Dec 2024	OCI	Variance	31 Dec 2023
EUR/CHF	+/-10.00%	-2/+2	-	+/-10.00%	-3/+3

Interest rate risk
Interest risk is the risk that changes of interest rates will affect interest expenses from loans or borrowings and interest income from cash and cash equivalents. As of December 31, 2024, loans and borrowings amounts to EUR 13,333K (December 31, 2023: EUR 13,908K) and consist of interest-bearing shareholder loans. However, all shareholder loans are based on fixed interest rates. Thus, no interest rate risks exist. Based on balances in bank accounts amounting to EUR 22,858K as of December 31, 2024 (EUR 29,162K as of December 31, 2023) and low market interest rates for short-term deposits, negligible interest rate risk arises with respect to interest income.

Equity risk
Equity risk is the risk that changes in stock markets - e.g. a falling price of ordinary shares and/or public warrants of the Group ("the Group's trading price"), receiving no dividends, receiving lower dividends than expected, or fluctuations in the equity markets - will affect the value of the Group's common shares and outstanding warrants. The volatility of the Group's trading price could potentially have significant impact on the valuation of warrant liabilities in the future and valuation of future share-based payments. As of December 31, 2024 equity risks arise with respect to warrant liabilities amounting to EUR 119,581K (December 31, 2023: EUR 21,626K).

Other market risks
The Group is not significantly exposed to other market risks.

Future developments
It is the intention of the directors to continue to develop the existing activities of the Group as the Group continues to grow and expand its product and client base.

Directors' Report for the Financial Year Ended 31 December 2024

Director' and secretary's interests in shares

	Ordinary shares			
Officer	**31 December 2023**	**Awarded**	**Sold**	**31 December 2024**
Mr. Thomas Speidel	17,656,819	62,574	-	17,719,393

Research and development
The Group engaged in Research and Development activities to the value of EUR8,971K (2023: EUR 2,832K) (Company: Nil, 2023: Nil) during the year.

Compliance statement
The Company does not meet the criteria laid out in Section 225 of the Companies Act 2014 and therefore has not prepared a Directors' Compliance Statement however the directors are aware of their responsibility to ensure the Company is compliant. There are appropriate controls in place which are subject to review by the Group Audit Committee.

Audit committee statement
The Audit Committee meets five times a year. It reviews the interim and annual financial statements, the effectiveness of the system of internal control (including the arrangement for the Company's employees to raise concerns in the confidence about financial inappropriateness) and recommends the appointment and removal of the external auditors. It monitors the adequacy of internal accounting practices and addresses all issues raised and recommendations made by the external auditors. The Audit Committee pre-approves all audit and non-audit services provided to the Company by its external auditors. The Audit Committee, on a case-by-case basis, may approve additional services not covered by pre-approval, as the need for such services arises. The Audit Committee reviews all services which are provided by the external auditor to review the independence and objectivity of the external auditor, taking into consideration relevant professional and regulatory requirements. The Audit Committee is comprised of three independent directors, Sonja Harms (Chair from 30 April 2024 to present), Andreas Fabritius (30 April 2024 to present) and Alwin Epple (30 April 2024 to present).

Going concern
The financial statements for the year ended 31 December 2024, have been prepared on a going concern basis which assumes that the Group will continue in operational existence for at least one year from the date of approval of these financial statements. At 31 December 2024, the Group has reported a loss for the year, after tax, of EUR 97,958K (Company Loss: EUR 73,922K).

Management assessed the Group's ability to continue as a going concern and evaluated whether there are certain conditions and events, considered in the aggregate, that raise substantial doubt about the Group's ability to continue as a going concern using all information available about the future, focusing on the twelve-month period after the issuance date of the financial statements. Historically, the Group has funded its operations primarily through capital raises and with loans from shareholders. Since the inception the Group has incurred recurring losses and negative cash flows from operations including net losses of EUR 97,958K for the financial year 2024, (2023: EUR 55,081K). The Group has increased its inventory stock from EUR 39,119K as of December 31, 2023 to EUR 63,666K as of December 31, 2024. As of December 31, 2024, the Group has further purchase obligations of EUR 9,966K for the financial year 2024, that decreased significantly compared to the financial year 2023 (EUR 85,094K).

The Group has improved the cash flow from operating activities from EUR (20,660K) for the financial year 2023 to EUR (16,287K) for the financial year 2024 and aims to further improve its cash flow and operating result. To support this positive development The Group plans to intensify sales efforts across Europe and the US and reduce working material capital. In addition, The Group will continue to invest in the development, redesign and cost optimization programs of current and new products as well as further productivity increases in operations and expand its business model into a full-service provider model, enabling multi-revenue streams including ultra-fast charging, energy trading and advertising.

Management of The Group agreed to issue (i) senior secured convertible notes in the aggregate original principal amount of USD 53,763K and (ii) warrants to purchase up to an aggregate of 1,116,072 ordinary shares, nominal value of $0.0001 per share. Following the agreements, The Group will receive up to an amount of USD 50,000K in gross proceeds, to be provided in two installments. The Group has received the first installment of USD 15,000K - net of fees and expenses an amount of USD 12,719K on May 1, 2025. The remaining USD 30,000K will become available upon The Group's achievement of agreed-upon milestones, including the satisfaction of certain equity conditions and the construction of at least fifty new charging stations. USD 20,000K were released to the Group at the beginning of July after achievement of the first milestones.

The notes have an original issue discount of 7% and will bear interest of 2% per annum. The Group has to make monthly payments payable at The Group's election in cash or Ordinary Shares through the maturity date of May 1, 2028 subject to certain agreed conditions.

The Warrants have an exercise price of USD 16.88 per share, subject to certain adjustments, and expire on the five-year anniversary of the initial issuance date.

As of December 31, 2024, the Group had outstanding shareholder loans in a nominal amount of USD 23,000K. The shareholder loans have been partially repaid in an amount of USD 15,577K until May 5, 2025. The remainder was initially due to be paid back on August 31, 2025. The shareholders except for one have agreed to extend the repayment until August 31, 2026 and make any undrawn and repaid amounts available as a credit line. One tranche in a nominal amount of USD 3,000K remains due on August 31, 2025. Therefore, The Group currently has an open credit line in an amount of USD 25,577K until August 31,2026.

For future growth and expansion in other geographical areas such as the U.S. management targets to raise additional equity and debt if required. The Management and its advisers are constantly monitoring the relevant equity and debt capital markets which are important to The Group.

There can be no assurance that The Group will be successful in achieving its operational and strategic plans, that any additional financing will be available in a timely manner or on acceptable terms.

Directors' Report for the Financial Year Ended 31 December 2024

The Group's management deems a successful business development and an improvement of cash flow generation and operating result to be very likely. In addition, the financial resources have significantly improved compared to the previous year as a result of the recent issue of convertible notes and the extended credit line. Nevertheless, based on its recurring losses from operations since inception, The Group has concluded that there is still substantial doubt about its ability to continue as a going concern as cash flows generated by its operating activities may deviate significantly from the company's forecast and securing additional financing is uncertain. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Accordingly, the financial statements have been prepared on a basis that assumes The Group will continue as a going concern and which contemplates the realization of assets and satisfaction of liabilities and commitments in the ordinary course of business.

Events after year end

On March 27, 2025, ads-tec Energy Austria GmbH ("ADSE Austria") was founded as a wholly owned subsidiary of The Group. ADSE Austria is focused on the distribution of products and services in the areas of services in the fields of energy management, energy storage, e-mobility, and renewable energies.

Up to the date of this report, ADSE US repaid tranches of the 2023 shareholder loans and shareholder loan plus with a total nominal amount of USD 15,577K and accrued interest of USD 1,528K. On April 30, 2025, certain of the loans with a total nominal amount of USD 30,000K were amended and restated to extend the maturity date from August 31, 2025 to Augst 31, 2026.

On May 1, 2025, The Group entered into a Securities Purchase Agreement with certain institutional investors, pursuant to which The Group agreed to issue (i) senior secured convertible notes in the aggregate original principal amount of USD 53,763K and (ii) warrants to purchase up to an aggregate of 1,116,072 ordinary shares, nominal value of USD 0.0001 per share. The 2025 Convert Notes, 2025 Convert Warrants and Ordinary Shares issuable upon conversion of the 2025 Convert Notes and the exercise of the 2025 Convert Warrants were issued pursuant to The Group's effective shelf registration statement on Form F-3 (File No. 333-284850) and the related base prospectus included in the Registration Statement, as supplemented by a prospectus supplement filed on May 1, 2025.

Accounting records

The measures taken by the directors to ensure compliance with the requirements of section 281 to 285 of the Companies Act 2014 (the "Act") with regard to keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The Company's accounting records are maintained at the Company's registered office at 10 Earlsfort Terrace, Dublin 2.

Statement of relevant audit information

So far as each of the directors in office at the date of approval of the financial statements is aware:

- there is no relevant audit information of which the group's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the group's auditors are aware of that information.

Auditors

The auditors, BDO, Statutory Audit Firm, continue in office in accordance with Section 383(2) of the Companies Act 2014.

Approved by the Board on 14 August 2025 and signed on its behalf by:

Directors' Report for the Financial Year Ended 31 December 2024

Signiert von:	DocuSigned by:
Dr. Kurt Lauk	Thomas Speidel
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....	....
Dr. Kurt Lauk	Mr. Thomas Speidel
Director	Director

ADS-TEC Energy PLC

Directors' Responsibility Statement

The directors are responsible for preparing the directors' report and the financial statements in accordance with the Companies Act 2014 and the applicable regulations. Irish Group law requires the directors to prepare financial statements for each financial period. Under the law, the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("relevant financial reporting framework"). Under Group law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group as at the financial period end date and of the profit or loss of the Group for the financial period and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for ensuring that the Group keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Group, enable at any time the assets, liabilities, financial position and profit or loss of the Group to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board on 14 August 2025 and signed on its behalf by:

Signiert von:	DocuSigned by:
Dr. Kurt Lauk	Thomas Speidel
………181BA0786D81479…………	………E4C29524E1694C9…………
Dr. Kurt Lauk	Mr. Thomas Speidel
Director	Director

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADS-TEC Energy PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of ADS-TEC Energy PLC ('the Company') and its consolidated undertakings ('the Group') for the year ended 31 December 2024, which comprise the consolidated statement of comprehensive income, consolidated statement of financial position and Company statement of financial position, as at year ended 31 December 2024, the consolidated statement of changes in equity, Company statement of changes in equity, consolidated statement of cash flows and Company statement of cash flows for the year ended 31 December 2024 and notes to the financial statements, including the summary of significant accounting policies set out in note 3. The financial reporting framework that has been applied in their preparation is Companies Act 2014 and International Financial Reporting Standards ('IFRS') as adopted by the European Union.

In our opinion:

- the Group financial statements give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2024 and of its loss and cash flow for the year then ended;
- the Company statement of financial position gives a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2024;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2014; and
- the Group financial statements and Company financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority ('IAASA'), and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

In forming our opinion, which is not modified, we draw attention to disclosures made in the directors' report and Note 1 in the financial statements, which indicates that the Group has suffered recurring losses and negative cash flows from operations since its inception that raise substantial doubt about its ability to continue as a going concern. As stated in the directors report and Note 1, these events and conditions, along with other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern.

In auditing the financial statements, we have concluded that the director's use of going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the director's assessment of the entity's ability to continue to adopt the going concern basis of accounting included the funding of the Group going forward will be based on positive operating cash flow and the ability to raise equity and debt if required for future growth and expansion in other geographical areas such as the United States. There is significant uncertainty as to its ability to do so. As stated in note 1, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Our evaluation of the directors' assessment of the Group's ability to continue as a going concern included:

- We considered the Directors' assessment of potential risks and uncertainties associated with the Group's operations and ability to secure funding. We considered the consistency of the Directors' assessment of the Group's and the Company's ability to generate positive cashflows from operating activities and meet future inventory purchase obligations. We formed our own assessment of risks and uncertainties based on our understanding of the business.

- We inspected the Directors' sensitivity analysis performed, assessed the appropriateness of the assumptions made to determine whether the Group requires further funding by considering if the Group is unable to generate positive operating cashflows in a timely manner during the 12 months from the date of this report and considered whether such scenarios were reasonably possible.

- We assessed the base case cash flow forecasts and challenged the key assumptions by comparing the inputs to empirical data and external information where possible. In doing so, we considered the consistency of the forecast against factors such as historical operating expenditure and the Group's and the Company's operating strategy.

- We also obtained and inspected the shareholder loan agreements.

- We also obtained and inspected the senior secured convertible notes.

- We inspected and considered the adequacy of the disclosure within the financial statements relating to the Directors' assessment of the going concern basis of preparation.

Given the conditions and uncertainties noted above we considered going concern to be a key audit matter.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined below, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Identifying risks

Our procedures to identify the risks of irregularities, including fraud included, amongst other matters:

- Obtaining an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates and considered the risk of fraud and non-compliance with applicable laws and regulations. In doing so, we focused on those laws and regulations that had a significant effect on the financial statements or that had a fundamental effect on the operations of the Company which included but were not limited to Company Law, Tax legislation and Environmental Health & Safety Laws and Regulations.

- We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions.
- We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statement.
- Enquiring of management and those charged with governance, including obtaining and reviewing supporting documentation, concerning the Group's and the Company's policies and procedures relating to:

    - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance.

    - Detecting and responding to the risk of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and

    - Challenging assumptions made by the management in their significant accounting estimates.

- Assessing the susceptibility of the Group's and Company's financial statements to material misstatement, including how fraud might occur by making inquiries of Management and the Audit Committee during the planning and execution phases of our audit to understand where they considered there to be susceptibility to fraud, considering the risk of management override of controls and relevant controls established to address risks identified to prevent or detect fraud.

Audit response to risks identified

Our procedures to respond to risks identified included, amongst other matters:

- inspecting the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance;
- testing of revenue recognition, including the testing for existence, cut-off and the testing of journal entries specifically related to revenue (as a response to the fraud risk raised in respect of improper revenue recognition);
- inspecting of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations and
- . Identifying and testing journal entries, with particular focus on those entries most susceptible to fraud, such as entries made at unusual times, entries with limited supporting documentation, or entries involving complex or subjective estimates. This also includes, reviewing and testing significant or unusual transactions that may be outside the normal course of business, to evaluate whether they have been appropriately authorized, recorded, and disclosed, and to assess whether such transactions could be indicative of attempts to manipulate financial results or conceal misappropriation of assets.
-

We have also communicated relevant identified laws, regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud), including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have not determined there to be there to be any other key audit matter other than the matter described in the material uncertainty related to going concern section above.

Our application of materiality

We define materiality as the magnitude of misstatement, including omissions, in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of a reasonably knowledgeable person taken on the basis of the financial statements. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality and performance materiality for the financial statements as a whole as follows:

For the purpose of our audit, we used overall materiality of €1,100,000, which represents approximately 1% of the Group revenue in the year.

Performance materiality for the financial statements as a whole was set at €825,000.

Materiality for the Company was set at €330,000 and for each significant component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between €123,000 and €743,000.

We applied these thresholds, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial statements as a whole.

We chose revenue as the benchmark because, in our view, we consider it to be the appropriate basis given the fact that it is the primary indicator of the Groups scale and operational activity.

We selected 1% based on our professional judgment and the perceived level of risk, noting that it is also within the range of commonly accepted income benchmarks.

We have reported unadjusted errors noted as part of our audit process above a clearly trivial level of 5% of materiality €55,000 to Those Charged with Governance.

An overview of the scope of our audit

The scope of our audit was influenced by our application of materiality. As a result, our audit approach was developed by obtaining an understanding of the Group’s and the Company’s activities, the key functions undertaken on behalf of the board and the overall control environment. Based on this understanding we assessed those aspects of the Group’s and Company’s financial statements which were most likely to give rise to a material misstatement. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud. A full scope audit was performed on each of the entities within the Group. BDO Ireland performed the audit of the Company with the assistance of the component auditors while component auditors performed full scope audits of the subsidiaries, ads-tec Holding GmbH and ads-tec Energy, Inc.

Other information

The directors are responsible for the other information. Other information comprises information included in the annual report, other than the financial statements and the auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report is consistent with the financial statements; and
- the directors' report has been prepared in accordance with the Companies Act 2014.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion, the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the Group and the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made.

We have nothing to report in these regards.

Respective responsibilities

Responsibilities of directors and those charged with governance for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on IAASA's website at: https://iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Teresa Morahan

Teresa Morahan
for and on behalf of
BDO Dublin
Statutory Audit Firm
Block 3, Miesian Plaza
50-58 Baggot Street Lower
Dublin 2, D02 Y754
Ireland
Date : **18/08/2025**

ADS-TEC Energy PLC

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2024

	Note	2024 €'000	2023 €'000
Revenue	4	110,013	107,384
Cost of sales	5	(90,585)	(110,270)
Gross profit/(loss)		19,428	(2,886)
Research and development expenses	8	(8,971)	(2,832)
Selling and general administrative expenses	9	(31,588)	(27,823)
Impairment gains/(losses) on trade receivables and contract assets		(58)	104
Other income	10	14,530	667
Other expenses	11	(1,949)	(11,755)
Operating result		(8,608)	(44,525)
Finance income		24	190
Finance expenses		(88,883)	(13,887)
Net finance costs	12	(88,859)	(13,697)
Loss before tax		(97,467)	(58,222)
Corporation tax	13	(491)	3,141
Loss for the year		(97,958)	(55,081)
Foreign operations - foreign currency translation differences		937	61
Other comprehensive income for the period, net of tax		937	61
Total comprehensive income for the period		**(97,021)**	**(55,020)**
Total comprehensive income attributable to:			
Shareholders of the parent		(97,021)	(55,020)
Non-controlling interests		-	-
Earnings per share	**Note**		
Diluted	14	2	1
Basic	14	2	1

The above results were derived from continuing operations.

The group has no recognised gains or losses for the period other than the results above.

The notes on pages 29 to 96 form an integral part of these financial statements.

ADS-TEC Energy PLC

Consolidated Statement of Financial Position
as at 31 December 2024

	Note	2024 €'000	2023 €'000
Assets			
Non-current assets			
Intangible assets	16	20,529	25,041
Right of use assets	17	3,273	3,286
Property, plant and equipment	18	6,195	6,391
Other investments (non-current)	19	179	179
Income tax assets		-	102
Trade and other receivables (non-current)	22	12	4
Total non-current assets		30,188	35,003
Current assets			
Inventories	21	63,666	39,119
Trade and other receivables (current)	22	15,032	21,224
Cash and cash equivalents		22,858	29,162
Contract assets	22	40	-
Other accrued items	23	13,447	-
Total current assets		115,043	89,505
Total assets		**145,231**	**124,508**
Equity and liabilities			
Equity			
Called-up share capital presented as equity	28	5	4
Share premium	28	29,115	9,551
Capital reserves	28	216,183	215,456
Retained earnings	28	(289,156)	(191,198)
Other equity	28	1,043	106
Total equity attributable to owners of the company		(42,810)	33,919
Non-current liabilities			
Lease liabilities (non-current)		2,336	2,580
Warrant liabilities (non-current)	24	119,581	21,626
Trade and other payables (non-current)	25	209	169
Contract liabilities (non-current)	25	265	65
Other provisions (non-current)	26	2,132	4,513
Deferred tax liabilities		1,670	1,189
Total non-current liabilities		126,193	30,142

ADS-TEC Energy PLC

Consolidated Statement of Financial Position
as at 31 December 2024

	Note	2024 €'000	2023 €'000
Current liabilities			
Lease liabilities (current)		1,144	853
Loans and borrowings (current)	27	13,333	13,908
Income tax liability		13	-
Trade and other payables (current)	25	34,963	22,020
Contract liabilities (current)	25	6,809	7,454
Other provisions (current)	26	5,586	16,212
Total current liabilities		61,848	60,447
Total liabilities		188,041	90,589
Total equity and liabilities		**145,231**	**124,508**

Approved by the Board on 14 August 2025 and signed on its behalf by:

Signiert von: Dr. Kurt Lauk 181BA0786D81479...	DocuSigned by: Thomas Speidel E4C29524E1694C9...
Dr. Kurt Lauk Director	Mr. Thomas Speidel Director

ADS-TEC Energy PLC

Company Statement of Financial Position as at 31 December 2024

	Note	2024 €'000	2023 €'000
Assets			
Non-current assets			
Amounts due from subsidiary undertakings	22	49,229	35,221
Investment in subsidiaries	20	105,650	102,809
Other receivables	22	38,319	6,533
Total non-current assets		193,198	144,563
Current assets			
Trade receivables	22	82	9
Amounts due from subsidiary undertakings	22	7,990	4,255
Other receivables non-financial	22	291	392
Cash and cash equivalents		1,209	9,277
Total current assets		9,572	13,933
Total assets		**202,770**	**158,496**
Equity and liabilities			
Equity			
Called-up share capital presented as equity	28	5	4
Share premium	28	29,115	9,551
Capital reserves	28	205,987	205,261
Retained earnings	28	(155,440)	(81,519)
Other equity	28	(22)	(22)
Total equity		79,645	133,275
Non-current liabilities			
Warrant liabilities	24	119,581	21,626
Deferred tax liability		2,156	2,156
Total non-current liabilities		121,737	23,782
Current liabilities			
Trade and other payables	25	281	305
Accrued liabilities	25	996	986
Amounts due to subsidiary undertakings	25	111	148
		1,388	1,439
Total liabilities		123,125	25,221
Total equity and liabilities		**202,770**	**158,496**

ADS-TEC Energy PLC

Company Statement of Financial Position
as at 31 December 2024

Approved by the Board on 14 August 2025 and signed on its behalf by:

Signiert von: Dr. Kurt Lauk	DocuSigned by: Thomas Speidel
181BA0786D81479...	E4C29524E1694C9...
Dr. Kurt Lauk	Mr. Thomas Speidel
Director	Director

ADS-TEC Energy PLC

Consolidated Statement of Changes in Equity for the Financial Year Ended 31 December 2024

	Share capital €'000	Share premium €'000	Capital reserves €'000	Retained earnings €'000	Currency translation reserve €'000	Total equity €'000
Balance as of 1 January 2023	4	293	216,522	(136,117)	45	80,747
Result for the year	-	-	-	(55,081)	-	(55,081)
Other comprehensive income	-	-	-	-	61	61
Total comprehensive income	4	293	216,522	(191,198)	106	25,727
Executive compensation	-	-	(1)	-	-	(1)
Capital Reorganisation	-	9,258	-	-	-	9,258
Share based payment transactions	-	-	(1,065)	-	-	(1,065)
Balance as of 31 December 2023	**4**	**9,551**	**215,456**	**(191,198)**	**106**	**33,919**

	Share capital €'000	Share premium €'000	Capital reserves €'000	Retained earnings €'000	Other equity €'000	Total equity €'000
Balance as of 1 January 2024	4	9,551	215,457	(191,198)	106	33,920
Result for the year	-	-	-	(97,958)	-	(97,958)
Other comprehensive income	-	-	-	-	937	937
Total comprehensive income	4	9,551	215,457	(289,156)	1,043	(63,101)
New share capital subscribed	1	-	-	-	-	1
Exercise of warrants and stock options	-	19,564	-	-	-	19,564
Share based payment transactions	-	-	726	-	-	726
Balance as of 31 December 2024	**5**	**29,115**	**216,183**	**(289,156)**	**1,043**	**(42,810)**

ADS-TEC Energy PLC

Company Statement of Changes in Equity for the Financial Year Ended 31 December 2024

	Share capital €'000	Share premium €'000	Capital reserves €'000	Retained earnings €'000	Currency translation reserve €'000	Total €'000
Balance as of 1 January 2023	4	293	206,326	(67,245)	(22)	139,356
Result for the year	-	-	-	(14,274)	-	(14,274)
Total comprehensive income	4	293	206,326	(81,519)	(22)	125,082
Share premium	-	9,258	-	-	-	9,258
Capital reorganisation	-	-	(1,065)	-	-	(1,065)
Balance as of 31 December 2023	**4**	**9,551**	**205,261**	**(81,519)**	**(22)**	**133,275**

	Share capital €'000	Share premium €'000	Capital reserves €'000	Retained earnings €'000	Currency translation reserve €'000	Total €'000
Balance as of 1 January 2024	4	9,551	205,261	(81,519)	(22)	133,275
Loss for the year	-	-	-	(73,921)	-	(73,921)
Total comprehensive income	4	9,551	205,261	(155,440)	(22)	59,354
New share capital subscribed	1	-	-	-	-	1
Share premium	-	19,564	-	-	-	19,564
Share based payment transactions	-	-	726	-	-	726
Balance as of 31 December 2024	**5**	**29,115**	**205,987**	**(155,440)**	**(22)**	**79,645**

ADS-TEC Energy PLC

Consolidated Statement of Cash Flows
for the Financial Year Ended 31 December 2024

	Note	2024 €'000	2023 €'000
Cash flows from operating activities			
Loss for the year		(97,958)	(55,081)
Depreciation and amortisation	6	6,699	4,850
Finance income excluding foreign currency gains	12	(24)	(187)
Finance expense excluding foreign currency losses	12	82,222	13,887
Non-cash effective foreign currency losses/(gains)	12	6,352	(35)
Share based payments	31	3,866	1,451
Loss on disposal of property, plant, and equipment		2	5
Change in trade receivables not attributable to investing or financing activities	22	7,052	(1,616)
Change in inventories	21	(24,359)	13,475
Change in trade payables	25	12,929	6,117
Change in contract assets	22	(40)	6
Change in contract liabilities	25	(462)	(16,185)
Change in other investments and other assets	19	101	3,190
Change in other provisions	26	(13,063)	11,928
Change in other liabilities	25	(116)	692
Income tax expenses/(benefits)	13	491	(3,141)
Interest received	12	24	187
Income taxes paid		(3)	(203)
Cash generated from operations		(16,287)	(20,660)
Purchase of property, plant and equipment	18	(958)	(2,297)
Investments in intangible assets, including internally generated intangible assets	16	(445)	(7,623)
Proceeds from sale of property, plant and equipment	18	107	-
Cash flows from investing activities		(1,296)	(9,920)
Proceeds from shareholders	28	13,966	12,033
Proceeds from issuance of shares and other equity securities	28	776	6,741
Proceeds from issuance of warrants presented as financial liabilities		-	8,592
Proceeds from exercise of warrants		9,260	-
Repayment of loans and borrowings	27	(11,225)	(703)
Repayment of lease liabilities	17	(996)	(912)
Interest paid	12	(1,183)	(259)
Cash flow from financing activities		10,598	25,492
		-	-
Net decrease in cash and cash equivalents		(6,985)	(5,088)
Cash and cash equivalents at 1 January 2024		29,162	34,441

ADS-TEC Energy PLC

Consolidated Statement of Cash Flows
for the Financial Year Ended 31 December 2024

	Note	2024 €'000	2023 €'000
FX effects		681	(191)
Cash and cash equivalents at 31 December 2024		**22,858**	**29,162**

ADS-TEC Energy PLC

Company Statement of Cash Flows
for the Financial Year Ended 31 December 2024

	Note	2024 €'000	2023 €'000
Cash flows from operating activities			
Loss for the year		(73,921)	(14,274)
Finance income excluding foreign currency gains	12	97,958	19,188
Non-cash effective foreign currency (gains) / losses	12	(2,823)	1,396
Capital reserves		727	(1,065)
Intra-group loan accrued interest not paid		(3,300)	(2,876)
Change in trade receivables	22	(73)	(8)
Change in prepaid expenses	22	107	130
Change in trade payables	25	(30)	(2)
Change in accrued liabilities	25	(68)	714
Change in payroll liabilities	25	75	(52)
Change in intergroup balances	25	(37)	(113)
Cash generated from operations		18,615	3,038
Cash flows from financing activities			
Loans advanced to subsidiaries		(11,763)	(3,959)
Share-based payments to subsidiaries		(2,841)	(1,461)
Warrants related to shareholder loans		(31,922)	(6,531)
Share premium	28	19,564	9,258
Net cash flows from financing activities		(26,962)	(2,693)
Net (decrease)/increase in cash and cash equivalents		(8,347)	345
Cash and cash equivalents at 1 January 2024		9,277	9,110
Effect of exchange rate fluctuations on cash held		279	(178)
Cash and cash equivalents at 31 December 2024		**1,209**	**9,277**

1 General information

ADS-TEC Energy PLC (the "Company") and its subsidiaries (the "Group") provide intelligent and decentralised energy storage systems to municipalities, automotive OEMs, charging operators, dealerships, fleets, residential areas, offices and industrial sites in North America and Europe. Its scalable systems are designed for use in private homes, public buildings, commercial enterprises, industrial and infrastructure solutions, and self-sufficient energy supply systems, with capacities up to the multi-megawatt range.

The Company's registered address is 10 Earlsfort Terrace, Dublin 2. The Company is a public limited Group incorporated in Ireland on 26 July 2021 which commenced trading on 22 December 2021 following the merger of a business combination between the Group, European Sustainable Growth Acquisition Corp (EUSG), EUSG II Corporation (EUSG II) and ads-tec Energy GmbH (ADSE GM) (see the business combination note below). The Company's ordinary shares are listed on the NASDAQ Stock Market LLC under the ticker symbol "ADSE".

These financial statements have been prepared for the year 1 January 2024 to 31 December 2024.

Group information

The consolidated financial statements of the Group include:

Details of the subsidiaries as at 31 December 2024 are as follows:

Group companies	City-Country	Shareholding Direct or indirect 2024	2023
ADS-TEC Energy PLC	Dublin Ireland	0%	0%
ads-tec Energy GmbH	Nürtingen Germany	100%	100%
ads-tec Energy, Inc	Sarasota USA	100%	100%
ads-tec Energy Service GmbH	Nürtingen Germany	100%	100%
ads-tec Energy Schweiz GmbH	Zurich Switzerland	100%	100%

1 General information (continued)

Ads-tec Energy, Inc. (ADSE US) was founded on 1 October 2021, and is a wholly owned subsidiary of ADSE GM. ADSE US focuses on the sale and distribution of products in North America.

Ads-tec Energy Service GmbH (ADSE Service) was founded on 19 January 2023, and is a wholly owned subsidiary of ADSE GM. ADSE Service is focused on providing global service in connection with products and services in the fields of energy management, energy storage, e-mobility, and renewable energies.

Ads-tec Energy Schweiz GmbH (ADSE CH) was founded on 25 April 2023, and is a wholly owned subsidiary of ADSE GM. The purpose of ADSE CH is to provide consulting and other services to ADSE group entities.

Ads-tec Energy GmbH (ADSE GM) is making use of the exemption rule of § 264 para 3 HGB (German Commercial Code) with regard to the preparation of notes, preparation of a management report and the audit and disclosure of the annual financial statements and management report for the financial year from 1 January 2024 to 31 December 2024. Further, in accordance with § 291 para 2 HGB, ADSE GM has exercised its right to refrain from preparing its own consolidated financial statements and group management report. ADSE GM is included in the consolidated financial statements and group management report of ADS-TEC Energy PLC, based in Dublin, Ireland. The exempting consolidated financial statements were prepared in accordance with the provisions of IFRS as adopted by the European Union and are published in the Federal Gazette in Germany. Deviations to HGB mainly result from the application of IAS 12, IAS 38, IFRS 2, IFRS 9, IFRS 15 and IFRS 16.

	Ordinary shares	**Percentage 2024**	**Ordinary shares**	**Percentage 2023**
Treasury shares	80,247	0.15%	57,734	0.11%
ads-tec Holding GmbH	17,620,882	33.60%	17,620,882	34.79%
Bosch Thermotechnik GmbH	8,062,451	15.37%	8,062,451	15.92%
Robert Bosch GmbH	2,400,000	4.58%	2,400,000	4.74%
Svelland Global Trading Master Fund	-	0.00%	1,666,667	3.29%
Others	24,279,183	46.30%	20,834,758	41.15%
	52,442,763		**50,642,492**	

Entities with significant influence over ADS-TEC Energy PLC (ADSE Holdco)
As of 31 December 2024, ads-tec Holding GmbH (ADSH) owns 33.65% (31 December 2023: 34.79%) of the ordinary shares in ADSE Holdco and thus has significant influence over the Group.

1 General information (continued)

Material uncertainty regarding the ability to continue as a going concern
The financial statements for the year ended 31 December 2024, have been prepared on a going concern basis which assumes that the Group will continue in operational existence for at least one year from the date of approval of these financial statements. At 31 December 2024, the Group has reported a loss, after tax, for the year of €97,958K (2023: €55,081K) . (Company Loss:€73,921 K (2023: €14,274K)

Management assessed the Group's ability to continue as a going concern and evaluated whether there are certain conditions and events, considered in the aggregate, that raise substantial doubt about the Group's ability to continue as a going concern using all information available about the future, focusing on the twelve-month period after the issuance date of the financial statements. Historically, the Group has funded its operations primarily through capital raises and with loans from shareholders. Since inception the Group has incurred recurring losses and negative cash flows from operations including net losses of €97,958K for the year ended 31 December 2024 and €55,081K for the year ended 31 December 2023. The Group has increased its inventory stock from €39,119K as of 31 December 2023 to €63,666K as of 31 December 2024. As of 31 December 2024, the Group has further purchase obligations of EUR 9,966 for the financial year 2024, that decreased significantly compared to 2023 (EUR 85,094K).

The Group has improved the cash flow from operating activities from EUR (20,659K) for the financial year 2023 to EUR (16,285K) for the financial year 2024 and aims to further improve its cash flow and operating result. To support this positive development The Group plans to intensify sales efforts across Europe and the US and reduce working material capital. In addition, The Group will continue to invest in the development, redesign and cost optimization programs of current and new products as well as further productivity increases in operations and expand its business model into a full-service provider model, enabling multi-revenue streams including ultra-fast charging, energy trading and advertising.

Management of The Group agreed to issue (i) senior secured convertible notes in the aggregate original principal amount of USD 53,763K and (ii) warrants to purchase up to an aggregate of 1,116,072 ordinary shares, nominal value of $0.0001 per share. Following the agreements, The Group will receive up to an amount of USD 50,000K in gross proceeds, to be provided in two instalments. The Group has received the first instalment of USD 15,000K - net of fees and expenses an amount of USD 12,719K - on May 1, 2025. The remaining USD 3,000K will become available upon The Group's achievement of agreed-upon milestones, including the satisfaction of certain equity conditions and the construction of at least fifty new charging stations.

1 General information (continued)

The notes have an original issue discount of 7% and will bear interest of 2% per annum. The Group has to make monthly payments payable at The Group's election in cash or Ordinary Shares through the maturity date of May 1, 2028 subject to certain agreed conditions.

The Warrants have an exercise price of USD 16.88 per share, subject to certain adjustments, and expire on the five-year anniversary of the initial issuance date.

As of December 31, 2024, The Group had outstanding shareholder loans in a nominal amount of USD 23,000K. The shareholder loans have been partially repaid in an amount of USD 15,577K until May 5, 2025. The remainder was initially due to be paid back on August 31, 2025. The shareholders except for one have agreed to extend the repayment until August 31, 2026 and make any undrawn and repaid amounts available as a credit line. One tranche in a nominal amount of USD 3,000K remains due on August 31, 2025. Therefore, The Group currently has an open credit line in an amount of USD 25,577K until August 31,2026.

For future growth and expansion in other geographical areas such as the U.S. management targets to raise additional equity and debt if required. The Management and its advisers are constantly monitoring the relevant equity and debt capital markets which are important to The Group.

There can be no assurance that The Group will be successful in achieving its operational and strategic plans, that any additional financing will be available in a timely manner or on acceptable terms.

The Group's management deems a successful business development and an improvement of cash flow generation and operating result to be very likely. In addition, the financial resources have significantly improved compared to the previous year as a result of the recent issue of convertible notes and the extended credit line. Nevertheless, based on its recurring losses from operations since inception, The Group has concluded that there is still substantial doubt about its ability to continue as a going concern as cash flows generated by its operating activities may deviate significantly from The Group's forecast and securing additional financing is uncertain. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Accordingly, the financial statements have been prepared on a basis that assumes The Group will continue as a going concern and which contemplates the realization of assets and satisfaction of liabilities and commitments in the ordinary course of business.

Accounting estimates and management judgements

The Group makes certain estimates and assumptions regarding the future including the assessment that the Group will continue as a going concern. Estimates and judgments are evaluated on an ongoing basis based on historical experience and other factors, including expectations of future events that are believed to be reasonable considering different scenarios. In the future, actual results may differ from these estimates and assumptions. Revisions of estimates are reported prospectively if and when knowledge improves. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- **Revenue from contracts with customers**

Contracts where the Group provides services to customers, and which are realised over time usually require an estimate regarding future costs to be incurred until completion of the contract. The resulting margin is thus estimated by management based on historical data and current forecasting and reviewed at least annually.

- **Useful lives of depreciable assets**

1 General information (continued)

The expected useful lives for intangible assets, right-of-use assets, and items of property, plant, and equipment and the associated amortization or depreciation expenses are determined based on the expectations and assessments of management. If the actual useful life is less than the expected useful life, the amount of depreciation or amortisation is adjusted accordingly. As part of the determination of impairment losses on fixed assets, estimates relating to the reason, timing, and amount of the impairments are also made. Useful lives are reassessed on a regular basis. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software, IT equipment, and internally generated intangible assets.

- **Impairment of non-financial assets**

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Other non-financial assets are tested for impairment when there are indications that the carrying amounts may not be recoverable.

- **Inventories**

Management estimates the net realizable values of inventories, considering the most reliable evidence available at the reporting date. As part of this process, assumptions must be made regarding excess and / or obsolete materials. Estimates must be made regarding the forecast product demand, which may be subject to significant changes. These estimates are based on the past development of the Group’s turnover and on management’s expectation of the future development which is derived from order backlog, discussions with potential clients and market studies regarding the overall development of the market for the Group’s products. Also refer to “Provisions for onerous contracts” below.

- **Allowances for expected credit losses (ECL) of trade receivables and contract assets**

Management determines the expected credit losses (ECL) as a probability-weighted estimate of credit losses over the expected life of the trade receivables and contract assets (simplified approach). The most common-used calculation formula for ECL according to IFRS 9 which is applied in accordance with our accounting policy is:

ECL = EAD * PD * LGD

[Expected Credit Losses = Exposure at Default (gross value) * Probability of Default * Loss Given Default]

Exposure at Default is the amount outstanding. Probability of default (PD) rates are determined by an external service provider, which is a credit insurance group.

Management estimates loss given default (LGD) rates. The Group uses a LGD rate of 40% as a management evaluation.

- **Provisions**

Provisions are recognised for various circumstances as part of ordinary operating activities. The amount of the anticipated cash outflows is determined based on assumptions and estimates for each specific circumstance and reflects the most probable settlement amount of the present obligation at the reporting date. These assumptions may be subject to changes, which lead to a deviation in future periods.

- **Provisions for onerous contracts**

1 General information (continued)

The Group recognized a provision for an onerous contract under which the fixed purchase obligation for inventories exceeds the expected cash inflow from the sale of corresponding products. The amount recognized as a provision is based on management assumptions and estimates on future sale of products. These estimates of expected cash inflows are sensitive to changes in circumstances and the Group's past experience regarding future sales may not be representative of actual sales in the future.

In the current financial year, the Group has concluded new service contracts with terms of up to 10 years which oblige the Group to maintain spare parts over that term. Management has subsequently reassessed the provision for onerous contracts recognized in financial year 2023 and the recoverability of spare parts purchased under such contracts. As a result of this reassessment, EUR 8,614K of the provision for onerous contracts was reversed and EUR 2,369K were utilized. The reversal is driven by the reassessment of the estimated need for spare parts over a term of 10 years based on historical consumption of spare parts. In addition, in the year 2024 The Group investigated and identified measures to retrofit parts so that they can be used as parts in the operating business and no impairment is necessary.

- **Shareholder loans**

Each disbursed tranche of the shareholder loans constitutes a financial liability and includes an embedded prepayment option, which is required to be separated from its host. The fair value of the option represents the possible gain of refinancing on more favourable terms. As of the issue date, management estimates the fair values of the prepayment options were close to zero. Due to the insignificance of the resulting fair values, the prepayment options were not recognised.

- **Recoverability of deferred tax assets**

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, tax loss carry-forwards and tax credits can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning opportunities.

The Group assesses the recoverability of deferred tax assets at each balance sheet date based on planned taxable income in future fiscal years; if it is assumed that future tax benefits cannot be utilized, no deferred tax assets are recognized.

1 General information (continued)

- **Share-based payments**

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. Management has grouped the beneficiaries into homogeneous groups based on their level of hierarchy to derive exit rates based on past and expected future fluctuations resulting in expected exit rates of 0-10% for all periods presented. The assumptions and models used for estimating the fair value of equity settled share-based payments are disclosed in note 31.

- **Development costs**

The Group capitalizes costs for product development projects. Initial capitalization of costs is based on management's judgement that technical and economic feasibility is confirmed, usually when a project has reached a defined milestone according to an established project management plan. In determining the amounts to be capitalized, management makes assumptions regarding the expected future cash generation of the product and when cash flows are expected to be generated. At December 31, 2024, the carrying amount of capitalized development costs was EUR 20,333K (December 31, 2023: EUR 24,793K).

2 Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations approved by the International Accounting Standards Board (IASB) as adopted by the European Union (EU) and in accordance with section 321 of the Companies Act 2014.

The Group was incorporated and domiciled in Ireland. These consolidated financial statements cover the financial year ended 31 December 2024 . Information in the financial statements for the comparison period is represented by the consolidated financial statements of the Group. The accounting policies applied in these consolidated financial statements are the same as those applied in the comparative period as at and for the period ended 31 December 2023. Other accounting standards issued by the IASB that are not yet applied or that become effective in the future are not expected to have any material impact on the consolidated financial statements.

3 Accounting policies

Basis of preparation

The consolidated financial statements of Group have been prepared in accordance and in conformity with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU). The term IFRS also includes all valid International Accounting Standards (IAS) as well as the interpretations of the International Financial Reporting Interpretation Committee (IFRIC). These consolidated financial statements cover the financial year from 1 January, 2024 to 31 December, 2024 (comparison period: financial year from 1 January, 2023, to 31 December, 2023). The accounting policies applied in these consolidated financial statements are the same as those applied in the comparison periods.

3 Accounting policies (continued)

The consolidated financial statements have been prepared under the historical cost accounting rules as modified by the measurement at fair value of available for sale financial assets under the historical cost accounting rules. The preparation of financial statements which comply with the provisions of IFRS as adopted by the European Union (EU) requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, as well as income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Principles of presentation

The reporting period is a 12-month period. The consolidated financial statements are presented in Euro, which is the Group's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

Presentation in the consolidated financial statements differentiate between current and non-current assets and liabilities. Assets and liabilities are generally classified as current if they are expected to be realised or settled within one year. Deferred tax assets and liabilities are generally presented as non-current items. The consolidated statement of comprehensive income is presented using the cost-of-sales method.

The Group has prepared the consolidated financial statements on a going concern basis, which assumes that the Group will be able to discharge its liabilities. Management has a reasonable expectation that Group has and will have adequate resources to continue in operational existence for the foreseeable future.

The Group operates its business based on its two operating segments (Europe and North America).

The consolidated financial statements were authorised by management on 14 August 2025.

Principles of measurement

The consolidated financial statements have been prepared on the historical-cost basis unless otherwise indicated.

A corresponding explanation is provided in the context of the respective accounting policies.

Principles of consolidation

The consolidated financial statements comprise the statements of ADSE Holdco, and those of its subsidiaries as at 31 December 2024. Subsidiaries are entities controlled by ADSE Holdco. An entity is controlled if ADSE Holdco is exposed to variable returns from its involvement within the entity and has entitlements to these. Control also exists if the parent company has the ability to affect the returns through its power over the entity. In assessing control, potential voting rights that currently are exercisable are considered. The annual financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Internal Group profits and losses, expenses, and revenues as well as receivables and liabilities are eliminated.

Under section 304 of the Companies Act 2014 the Group is exempt from the requirement to present its own profit and loss account.

In the holding undertaking financial statements, investments in subsidiaries are carried at cost less impairment.

3 Accounting policies (continued)

New accounting standards and interpretations

The Group applied all the effective standards and interpretations issued by the IASB and the IFRIC for preparation of the consolidated financial statements if their application was required for annual periods beginning on or after 1 January 2024. However, not all are expected to impact the Group as they are either not relevant to the Group's activities or require accounting which is inconsistent with the Group's current accounting policies.

New accounting standards and amendments to standards or interpretations effective as of 1 January 2024:

Standard	Name	Effective date
IFRS 16	Amendments to IFRS 16 – Leases: Liability in a sale and leaseback	Jan. 01, 2024
IAS 1	Amendments to IAS 1: Presentation of financial statements: Classification of liabilities as current or non-current	Jan. 01, 2024
IAS 1	Amendments to IAS 1: Presentation of financial statements: Non-current liabilities with covenants	Jan. 01, 2024
IFRS 7 & IAS 7	Amendments to IAS 7 - Statement of Cash Flows and IFRS 7 - Financial Instruments: Supplier finance arrangements	Jan. 01, 2024

The standards and amendments to standards and interpretations below have been published by the IASB but are not mandatorily effective for annual periods beginning on or after January 01, 2024 and therefore have not been early adopted in these consolidated financial statements by the Group.

Standard	Name	Effective date
IAS 21	Amendments to IAS 21: Lack of exchangeability	Jan. 01, 2025
IFRS 9 & IFRS 7	Amendments to IFRS 9 and IFRS 7 - Financial Instruments: Classification and measurement of financial instruments	Jan. 01, 2026
IFRS 9 & IFRS 7	Amendments to IFRS 9 and IFRS 7 - Financial Instruments: Contracts referencing nature-dependent electricity	Jan. 01, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	Jan. 01, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	Jan. 01, 2027

On 9 April 2024, the IASB published IFRS 18 - Presentation and Disclosure in Financial Statements which is effective for periods beginning on or after 1 January 2027. The Group is currently analyzing the impact expected from the initial application of IFRS 18. Other accounting standards issued by the IASB that are not yet applied or that become effective in the future are not expected to have a material impact on the consolidated financial statements.

3 Accounting policies (continued)

Turnover recognition
The Group develops, produces, and distributes battery storage and charging solutions for different areas of applications. The Group is already generating revenues from its products in the field of highly efficient battery storage solutions and ultra-high power rapid charging systems. The product portfolio ranges from the field “residential” which includes small storage solutions, to the field “industrial” including power ranges up to multiple MW/MWh, as well as to the field “charging” which provides charging solutions for the expansion of the eMobility infrastructure at power-limited network points. Additionally, the Group provides its customers with software solutions regarding intelligent controlling and monitoring of battery storage solutions. Other revenues include for example separately acquirable service contracts or maintenance services.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. If a contract with a customer contains more than one performance obligation the transaction price is allocated to each performance obligation on a relative-stand-alone selling price basis. The Group has generally concluded that it acts as the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

In the contracts with customers, the Group usually promises to fulfil one performance obligation, the delivery of a promised good. In some cases, there can also be contracts with either a series of separate performance obligations (serial delivery of products) or two promises in a contract (development services and delivery of products) that are combined into one performance obligation.

According to IFRS 15, the Group recognises revenue when it transfers the control of a good or service to a customer. The decision if control is transferred at a point in time or over a period of time requires discretionary decisions. Revenue from the delivery of products is recognised at a point in time. Revenue from development activities in combination with the delivery of products is recognised over time over the term of the contract.

Most revenue from contracts with customers recognised by the Group is made within the revenue stream “Charging”. This revenue stream mainly includes the production and delivery of ChargeBox (CBX) and ChargePost (CPT). Revenue for the CBX and CPT is recognised once the product is transferred to the customer. For the year ended 31 December 2024, revenue for the CBX also includes development cost contributions made by the customer. These cost contributions are recognised in accordance with the delivery of the CBX.

Further information on the nature and timing of the settlement of performance obligations arising from con-tracts with customers, including significant terms and conditions of payment, and the related revenue recognition principles are described in note 4.

A significant number of contracts are negotiated on a bill and hold basis. In such arrangements revenue is recognised even though the Group still has physical possession only if:

- the arrangement is substantive (i.e. requested by the customer),
- the finished goods have been identified separately as belonging to the customer,
- the product is ready for physical transfer to the customer, and
- the Group does not have the ability to use the product to direct it to another customer.

3 Accounting policies (continued)

Separately acquired intangible Assets
Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

An intangible asset shall be derecognised on disposal or when no further economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the income statement when the asset is derecognised. This is recognised under other income or other expenses.

Subsequent expenditure is capitalised 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 goodwill and brands, is recognised in profit or loss as incurred.

Internally generated intangible assets
In developing highly efficient battery storage solutions and high-power-charging systems for electric vehicles, the Group is incurring significant research and development costs.

Expenditure on research activities is recognised in profit or loss as incurred.

An internally generated intangible asset arising from development (this is essentially the case for software applications) is recognised if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible 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.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised. This is recognised under other income or other expenses.

3 Accounting policies (continued)

The Group has carried out successful research and development projects from which a work result in the form of a tangible or intangible asset has arisen. The management of the Group recognises an interest for the supply of ultra-high charging stations in limited-power distribution grids. The self-developed technology for ultra-high charging has already reached market maturity and is actively marketed. Consequently, the Group has capitalised development costs regarding the technology in its CBX. The product resulting from the development performance is considerably more space-saving compared to conventional products of this type and is future-proof in the field of electromobility due to its compatibility with high-voltage areas.

The Group continues to pursue the consistent development of products in the field of highly efficient battery storage solutions and ultra-high power rapid charging systems. The Group aims to be a pioneer in its business field through the research and development activities. The costs for the development of specific products will be capitalised when the criteria for the recognition as an intangible asset are fulfilled.

The estimated useful lives for current and comparative periods are as follows:

Asset Class	**Useful life in years**
Software	3
ChargeBox (CBX)	7
ChargePost (CPT)	7

Leases

The Group as a lessee
At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. None of the leasing contracts started before the date of transition. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus, if applicable, any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

3 Accounting policies (continued)

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

The Group determines its incremental borrowing rate by obtaining interest rates from external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension, or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

The estimated useful lives of right-of-use assets for property and vehicles for current and comparative periods are as follows:

Asset Class	**Useful life in years**
Property (Right-of-use assets)	1- 10
Vehicles (Right-of-use assets)	1 -4

3 Accounting policies (continued)

Property, plant and equipment
Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant, and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. All other expenditure for property, plant and equipment is recognised immediately as an expense.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Asset Class	**Useful life in years**
Vehicles	6
Other equipment, operating and office equipment	3-14
Technical equipment and machinery	20

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

Property, plant, and equipment is derecognised upon disposal or when no future economic benefits are expected from the continued use of the asset. The gain or loss arising from the sale or retirement of a property, plant and equipment is determined as the difference between the proceeds from the sale and the carrying amount of the asset and is recognised in profit or loss under the other income or other expenses.

Inventories
Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost principle. In the case of manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity.

The subsequent valuation of cost of raw materials and supplies within the Group is assigned using the weighted average cost method. In order to ensure an appropriate measurement of inventories, the Group performs a continuous evaluation of the lifecycle of inventories, i.e. whether inventories have not been sold or used for a long period of time and are not be expected to be sold in the future. For the determination of the net realisable value of inventories, we determine a write-off percentage based on historical and forecasted usage and sales. Based on our continuous observation of inventory trends, a write-off for obsolete inventory is applied.

3 Accounting policies (continued)

Contract assets and contract liabilities
A contract asset represents the right to compensation in return for goods or development services that the Group has transferred to a customer. In addition, this right depends on something other than the expiry of a certain period. If the right to remuneration is unconditional, a receivable is recognised. A contract asset occurs, for example, if the Group has already incurred an expense for development for a customer within the development and production of goods, but the customer’s payment plan has not yet covered this expense.

The contract balance may change during the contract term between contract asset and contract liability depending on whether the Group or the customer is behind with performance.

Due to the fact that the Group develops and produces goods for its customers it is possible that either a contract asset, a receivable or a contract liability arises, depending on whether the Group has an obligation to provide services to a customer for which it has already received payments or for which payment is due or vice versa. A contract liability represents the obligation to deliver services or to provide development and production of goods to a customer for which the Group has already received remuneration or for which payment is due according to the agreed payment plan. Also included in contract liabilities are performance obligations regarding extended warranties.

Cash and cash equivalents
Cash and bank balances in the statement of financial position comprises cash on hand and cash at banks including restricted cash.

Financial instruments

Financial assets

Recognition and initial measurement
Trade receivables are initially recognised when they are originated. 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 or minus, for an item not at fair value through profit or loss (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.

Classification, subsequent measurement, impairment and derecognition

On initial recognition, a financial asset is classified as measured at: amortised cost (FAAC); at fair value through other comprehensive income (FVOCI - debt investment or FVOCI - equity investment); or at fair value through profit or loss (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.

Financial assets at amortised cost are subsequently measured using the effective interest rate 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.

3 Accounting policies (continued)

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 recognises loss allowances for expected credit losses (ECLs) on:

- financial assets measured at amortised cost, and
- contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs for trade receivables and contract assets (simplified approach), while for all other financial assets measured at amortized cost the general approach is applied.

The Group considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

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.

Impairment losses for financial assets measured at amortised cost are recognised in an impairment account (loss allowance). Loss allowances are deducted from the gross carrying amount of the assets. Changes in the carrying amount of the loss allowance are recognised in profit or loss.

Financial liabilities

Recognition and initial measurement
Financial liabilities not at fair value through profit or loss (FVTPL) are initially measured at fair value plus or minus transaction costs that are directly attributable to its acquisition or issue.

Classification, subsequent measurement, impairment and derecognition
Financial liabilities are classified as measured at amortised cost (FLAC) 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. They 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.

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.

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.

3 Accounting policies (continued)

Investments
Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Taxes

Income taxes
Income taxes are comprised of current and deferred tax based on the appropriate tax rates. Current and deferred taxes are recognised in profit or loss except to the extent that they directly relate to items recorded in equity or other comprehensive income. Income tax receivables and payables recorded comprise the status of amounts to be received, respectively to be paid in the future.

Current tax
Current tax comprises the expected tax payables or receivables on the taxable income for the period and any adjustment to the tax payables or receivables in respect of previous years. The amount of current tax payables or receivables is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. During the ordinary course of the business, there are transactions and calculations for which the ultimate tax determination is uncertain. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. This assessment relies on estimated and assumptions and may involve a series of complex judgments about future events.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred taxes
Deferred taxes are 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 taxes are 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, associates, and joint arrangements to the extent that the entity is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

3 Accounting policies (continued)

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, future taxable profits are considered, based on the business plans the entity.

Deferred tax assets are reviewed at each reporting date and are reduced if it is no longer probable that the related tax benefit will be realised. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be utilised.

Deferred taxes are measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the Group has a legally enforceable right to offset current tax assets against current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the same taxable entity.

Share based payments

The Group's management members of the board of directors and employees as well as others providing similar services to the group receive remuneration in the form of share-based payments, which are equity-settled transactions. The Group's equity-settled option plans are described in detail in note 31 and include restricted stock units (RSU) and non-qualified stock options (NQSO).

The costs of equity-settled transactions are determined by the fair value at grant date, using an appropriate valuation model. Share-based expenses for the respective vesting periods are recognised in general and administrative expenses, reflecting a corresponding increase in equity.

Provisions

A provision is a liability of uncertain timing or amount. Provisions are recognised if the Group has a present obligation to a third party based on a past event, an outflow of resources to settle the obligation is probable and the amount of the obligation can be reliably estimated. Provisions are discounted if the effect is material.

Provisions where the outflow of resources is likely to occur within the next year are classified as current, and all other provisions as non-current.

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 the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Provisions for warranties

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

3 Accounting policies (continued)

Provisions for onerous contracts
If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e. the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net costs of exiting from the contract, which is the lower of the costs of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e. both incremental costs and an allocation of costs directly related to contract activities).

Impairment of assets
At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGU).

Typically, the CGUs are represented by the segments and the impairment test is performed at the level of this CGU. The Group manages its operations based on two operating segments, which are based on the regions Europe and North America, that also form the CGUs of the Group.

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

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

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

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

With regard to capitalized development projects, management of the Group has assessed that the related products are still in an early stage and market penetration was not achieved yet. For the future, continuing growth in revenue and profitability are expected. Therefore, impairments and any triggering events did not occur in the reporting period.

3 Accounting policies (continued)

Foreign currency transactions
The consolidated financial statements are presented in Euro, which is the functional and presentation currency of the Group. Assets and liabilities of foreign operations are translated into Euro at the rate of exchange prevailing at the reporting date. The consolidated statement of comprehensive income is translated at average exchange rates.

The currency translation differences are recognised in other comprehensive loss. Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates, at the date the transaction first qualifies for recognition. The Group used the following exchange rates to convert the financial statements ADSE US respectively ADSE CH:

	December 31, 2024	
	Spot rate	**Average rate**
Euro per US-Dollar	1.0389	1.0824

	December 31, 2023	
	Spot rate	**Average rate**
Euro per US-Dollar	1.1050	1.0813

The Group used the following exchange rates to convert the financial statements of ADSE CH:

	December 31, 2024	
	Spot rate	**Average rate**
Euro per CHF	0.9412	0.9526

	December 31, 2023	
	Spot rate	**Average rate**
Euro per CHF	0.9260	-

	Apr. 25 - Dec. 31, 2023	
	Spot rate	**Average rate**
Euro per CHF	-	0.9631

	April 25, 2023	
	Spot rate	**Average rate**
Euro per CHF	0.9797	-

3 Accounting policies (continued)

Spot rates as of December 31, 2024 and 2023, are used to translate the balance sheet of ADSE CH. Average rate from January 01, - December 31, 2024 is used to translate the expenses incurred by ADSE CH. Spot rate of April 25, 2023, is used to translate the balance sheet of ADSE CH on the date of its incorporation. Average rate from April 25, - December 31, 2023 is used to translate the expenses incurred by ADSE CH.

Spot rates as of December 31, 2024 and 2023 are used to translate the balance sheet of AD-SE US. Average rates from January 01, - December 31, 2024 and 2023 are used to translate the expenses incurred by ADSE US.

Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit for the period attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the reporting period.

Restricted stock units and non-qualified stock options have been included in the calculation of diluted weighted average number of shares outstanding. These restricted stock units and non-qualified stock options could potentially dilute basic earnings per share in the future.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of a liability reflects its non-performance risk.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities,
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, and
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

3 Accounting policies (continued)

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Share capital
Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Government grants
Government grants related to internally generated assets reduce the carrying amount of the corresponding asset. The grant is then recognised in the statement of profit or loss over the useful life of the corresponding asset by way of a reduced amortization charge.

Government grants that compensate the Group for expenses incurred are recognised in the statement of profit or loss as other income on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes available

Reclassifications
The Group made certain reclassifications between the separate components of functional costs to improve the view on how management views and operates the business. These reclassifications had no effect on reported income (loss), comprehensive income (loss), cash flows, or shareholders' equity as previously reported.

4 Revenue from contracts with customers

The Group develops, produces, and distributes battery storage solutions for different areas of applications ("multi-use-case"). The product portfolio ranges from the field "residential" which includes small storage solutions, to the field "industrial" including power ranges up to multiple MW/MWh, as well as to the field "charging" which provides charging solutions for the expansion of the eMobility infrastructure at power-limited network points. Additionally, the Group provides its customers with software solutions regarding intelligent controlling and monitoring of battery storage solutions. Other revenues include for example separately acquirable service contracts or maintenance services.

76.1 % of revenues are generated in Germany (2023: 72.1%). The following table presents the revenue from contracts with customers disaggregated by geographical region based on the customer's country of domicile.

Revenue is measured based on the consideration specified in the contract with a customer. The group generally recognises revenue when it transfers control over a good to a customer.

4 Revenue from contracts with customers (continued)

Revenue by region	Year ended 31 December 2024 €'000	Year ended 31 December 2023 €'000
Germany	83,662	77,449
Ireland	11,577	8,050
USA	5,623	4,971
Greece	2,503	-
Netherlands	2,395	4,770
Austria	1,310	1,389
France	1,205	6
Switzerland	422	1,462
Belgium	394	18
Sweden	392	8,688
Spain	144	143
Rest of World	386	438
	110,013	**107,384**

The following table presents the revenue from contracts with customers disaggregated by major products:

	Year ended 31 December 2024 €'000	Year ended 31 December 2023 €'000
Charging	102,533	89,324
Commercial and industrial	1,677	15,788
Service	5,603	2,004
Residential	-	41
Other	200	227
	110,013	**107,384**

Charging revenues for all years presented were recognized at a point in time. Commercial and industrial revenues of EUR 1,677K (2023: EUR 15,788K) were recognized point in time while commercial and industrial revenues of EUR - (2023: EUR 1,602K) were recognized over time.

The following table provides information on contract assets and contract liabilities from contracts with customers:

4 Revenue from contracts with customers (continued)

	Year ended 31 December 2024 €'000	Year ended 31 December 2023 €'000
Receivables, which are included in 'Trade and other receivables'	9,900	15,282
Contract assets	40	-
Contract liabilities	7,074	7,519

The contract assets primarily relate to the Group's rights to consideration for development activities partially completed but not billed at the reporting date. Revenues for these development activities are realized over time. Because there are cases where there has not been an advanced consideration by the customer or the already recognised revenue in the period exceeds the advanced consideration by the customer the Group recognises a contract asset. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group delivers the product ordered.

Contract liabilities mainly relate to advanced consideration received from customers prior to the delivery of products and may include separate performance obligations for extended warranties. The Group develops and produces specific solutions for its customers which causes the orders to have a certain delivery time. Contract liabilities will be recognised as revenue when the contract ends at the latest, which is generally expected to occur within one year. However, the contract balance may change between contract asset and contract liability depending on the relationship between the Group's performance and the customer's payment.

The increase in cash received excluding amounts recognised at the beginning of the period and revenue recognised that was included in the contract liability balance at the beginning of the period amount to:

	Year ended 31 December 2024 €'000	Year ended 31 December 2023 €'000
Revenue recognised that was included in the contract liability balance at the beginning of the period	446	17,997
Increases due to cash received, excluding amounts recognised at the beginning of the period	432	1,795

There are no incremental costs to obtain or fulfil a contract with a customer, which would have to be recognised as an asset. Furthermore, contracts with customers do not contain a significant financing component.

As of the reporting date, revenue from contracts with customers in an amount of EUR 37,225K is recognised at a point in time under bill-and-hold arrangements (31 December 2023: EUR 7,262K).

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in the contract with a customer. The Group generally recognizes revenue when it transfers control over a good to a customer.

The following 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:

4 Revenue from contracts with customers (continued)

Charging

The production of charging products may also include the customer-specific development of the goods for the customer because there is a high dependency between the development and the production performance. These are seen as one single performance obligation according to IFRS 15. Invoices are issued according to contractual terms and are usually payable within 30 days.

Revenue recognition under IFRS 15

Revenue (and associated costs) for the sale of charging products is typically recognized at a point in time. Some contracts are also recognized over time (e.g., customer-specific products with no alternative use). For those contracts recognized over time, progress of completion is based on either delivery of goods to the customer's premises or on the input-based cost-to-cost method. Advances received are included in contract liabilities.

Commercial and industrial

Customers obtain control of the product when the goods are delivered to the customer's premises. Invoices are generated and revenue is recognized at that point in time. Invoices are usually payable within 30 days.

Revenue recognition under IFRS 15

Revenue is typically recognized when the product has been delivered to the customer's premises at a point in time. Some contracts are also recognized over time (e.g., customer-specific products with no alternative use). For those contracts recognized over time, progress of completion is based on either delivery of goods to the customer's premises or on the input-based cost-to-cost method. Advances received are included in contract liabilities.

Residential

Customers obtain control of the small storage solution products when the goods are delivered to the customer's premises. Invoices are generated and revenue is recognized at that point in time. Invoices are usually payable within 30 days.

Revenue recognition under IFRS 15

Revenue is recognized when the product has been delivered to the customer's premises at a point in time.

Service and others

Service and other include service obligations such as repair and maintenance and replacement parts. Invoices for these services are usually payable within 30 days. Invoices for replacement parts are is-sued at the point in time of the delivery of the good and usually payable within 30 days. The invoices for software solutions are issued when the license is ordered by the customer and are usually payable within 30 days.

Revenue recognition under IFRS 15

Revenue for software solutions is recognized at a point in time The Group gives its customer a right-of-use according to IFRS 15.B56. One-time revenues from replacement parts are also recognized at the point in time of the provided service. Revenue for repair and maintenance are recognized as the services are provided. The stage of completion for determining the amount of revenue to recognize is assessed based on the work performed.

5 Cost of goods sold

Cost of goods sold include the following:

5 Cost of goods sold (continued)

	Year ended 31 December 2024 €'000	Year ended 31 December 2023 €'000
Cost of materials	72,567	95,007
Personnel expenses	10,714	9,623
Depreciation and amortisation	5,711	4,082
Other expenses	1,593	1,558
	90,585	**110,270**

The decrease in cost of materials is due to an improvement in the material cost ratio compared to revenue which was achieved by higher selling prices on average and a reduction of material purchase prices. In addition, a provision for onerous contracts from the previous year was utilized and fewer valuation allowances within inventory were necessary as spare parts for long term service contracts have to be kept in stock and are considered to be of value. The increase in personnel expenses results from additional employees hired within the financial year. The increase in the depreciation and amortization within the costs of goods sold is the result of the capitalisation and amortisation of internally generated intangible assets, right-of-use assets as well as items of property, plant and equipment.

During the financial year 2024, the Group recognised write-downs of inventories in an amount of EUR 689K (2023: EUR 8,093K) as an expense in the cost of sales in the statement of profit or loss.

As of 31 December 2024, personnel expenses include expenses for share-based payments of EUR 538K (2023: EUR 147K).

6 Operating loss

Operating loss is stated after charging:

	Year ended 31 December 2024 €'000	Year ended 31 December 2023 €'000
BDO Ireland (Audit fees)	76	180
BDO Germany (Audit fees)	1,066	923
Depreciation and amortisation	6,699	4,850
	7,841	**5,953**

7 Employment benefit expense

The aggregate payroll costs (including Directors' remuneration) were as follows:

7 Employment benefit expense (continued)

	Year ended 31 December 2024 €'000	Year ended 31 December 2023 €'000
Employee benefits expense	28,915	20,949
	28,915	**20,949**

Details of the Group's share-based payments are included in note 29 and additional information on key management personnel compensation is included in note 37.

8 Research and development expenses

	Year ended 31 December 2024 €'000	Year ended 31 December 2023 €'000
Personnel expenses	6,694	1,083
Material expenses	66	153
Depreciation and amortisation	317	247
External development service provider	1,335	607
Other expenses	559	742
	8,971	**2,832**

In 2024, personnel expenses include expenses for share-based payments of EUR 222K (2023: EUR 49K).

In the financial year 2024, the Group has capitalised development costs in the amount of EUR 343K (2023: EUR 5,404K). Amortisation of capitalised development costs, presented as cost of goods sold, amounts to EUR 4,111K (2023: EUR 2,463K).

The Group has applied for and has received various government grants in 2024 and previous years. In the financial year 2024, such government grants amount to EUR 692K (2023: EUR 2,030K). As of the reporting date, a total of EUR 3,082K (2023: EUR 2,390K) of the grants had not yet been paid to the Group. This amount is recognised as a receivable.

The government grant applied for in the financial year 2024 and 2023 relate to development expenses that were capitalized in accordance with IAS 38 and were thus deducted from the carrying amount of the asset in an amount of EUR 692K.

9 Selling, general and administrative expenses

Selling, general and administrative expenses include the following:

9 Selling, general and administrative expenses (continued)

	Year ended 31 December 2024 €'000	Year ended 31 December 2023 €'000
Personnel expenses	11,507	10,243
Legal and consulting fees	5,114	4,984
Administration fee	3,466	2,741
Marketing costs	1,222	1,554
Insurance expenses	2,839	1,774
Depreciation and amortisation	671	522
Other expenses	6,769	6,005
	31,588	**27,823**

In 2024, personnel expenses include expenses for stock compensation of EUR 3,330K (2023: EUR 1,365K).

Other expenses primarily consist of expenses for general warranties, travel costs and outbound freight.

10 Other operating income

Other operating income includes the following:

	2024 €'000	2023 €'000
Income from subsequent payments	64	39
Income from reversal of provisions	12,350	101
Income from compensation	6	120
Other	788	268
Exchange rate gains	1,322	139
	14,530	**667**

In the financial year 2024, the Group reversed a provision for an onerous contract in the amount of EUR 8,614K. Further, provisions for warranty in the amount of EUR 3,719K were released following a detailed technical analysis and new insights regarding the estimated costs to fulfil the warranty obligations. Income from compensation relates to financial compensation received from insurance companies and other parties from non-recurring events.

11 Other operating expense

Other operating expense includes the following:

11 Other operating expense (continued)

	2024 €'000	2023 €'000
Exchange rate losses	1,436	1,200
Provision for onerous contracts	162	10,973
Warranties	23	(461)
Other expenses	328	43
	1,949	**11,755**

In the financial year 2024, the Group recognised a provision for an onerous contract in the amount of EUR 162K (2023: EUR 10,973). This prior year provision related to a contract under which the fixed purchase obligation for inventories exceeded the expected income from the sale of corresponding products. In 2024, no such effects occurred.

Exchange rate losses are based on the changes of the EUR/USD exchange rate in the course of the financial year 2024.

12 Finance result

The finance income and finance costs recognised in profit or loss are as follows:

	2024 €'000	2023 €'000
Finance income	24	190
Finance expenses	(88,883)	(13,887)
	(88,859)	**(13,697)**

In 2024, finance expense from remeasurement of warrant liabilities in the amount of EUR 62,170K (2023: 10,859K) results from the remeasurement of the fair value of public and private warrant liabilities, warrant liabilities from shareholder loans and warrant liabilities from capital increases.

In 2024, interest expenses from shareholder loans amount to EUR 16,106K (2023: EUR 2,784K). Loss from extinguishment of loan relates to warrants that were issued as partial consideration for the extension of a shareholder loan.

13 Income tax (expenses)/ benefits

The tax benefit / (expenses) include current and deferred taxes. Current taxes and deferred taxes are reported in profit or loss, except for the extent to which they are reported directly in equity or in the other operating income.

13 Income tax (expenses)/ benefits (continued)

	2024 €'000	2023 €'000
Current period	(16)	88
	(16)	88
Origination and reversal of temporary differences	(946)	4,378
Recognition of previously unrecognised (derecognition of previously recognised) tax losses	471	(1,325)
Deferred tax (income)/expense	(475)	3,053
	(491)	**3,141**

Reconciliation of the effective tax rate

The effective tax rate of 29,83% combines a corporate tax rate of 15%, a solidarity surcharge thereon of 5.5% and a trade tax rate of 14,01%.

	2024 €'000	2023 €'000
Loss before tax from continuing operations	(97,467)	(58,222)
Tax using the Group's domestic tax rate	29,074	17,161
Increase (decrease) from effect of foreign tax rates	(4,974)	(1,348)
Increase (decrease) from effect of expenses not deductible in determining taxable profit (tax loss)	(287)	(585)
Decrease from effect of non-taxable income	207	1,291
Increase/(decrease) from effects of true up on deferred taxes on losses	700	(18)
Other tax effects for reconciliation between accounting profit and tax expense (income)	360	362
Deferred tax credit from unrecognised temporary difference from a prior period	(2,728)	(10,594)
Increase from effects of permanent differences	(22,843)	(3,130)
Increase from effect of adjustment for long accounting periods	-	2
Total tax (credit)/charge	**(491)**	**3,141**

13 Income tax (expenses)/ benefits (continued)

Unrecognised deferred tax assets
Deferred tax assets have not been recognised for tax loss carry forwards:

	€'000	€'000
Tax loss carry forwards	-	128,587
	-	**128,587**

The tax loss carried forward has no date of expiry. Deferred tax assets and liabilities are offset according to the requirements of IAS 12.74. The movement of all deferred tax positions is recognised in the P&L as no deferred taxes exist which are related to transaction in equity or OCI.

Deferred tax balances developed as follows:

	Deferred Tax Asset €'000	Deferred Tax Liability €'000	Total 2024 €''000	Deferred Tax Asset €'000	Deferred Tax Liability €'000	Total 2023 €'000
Intangible assets	-	(6,060)	(6,060)	-	(7,308)	(7,308)
Right of use assets	-	(928)	(928)	-	(953)	(953)
Inventories	329	-	329	506	(1,539)	(1,033)
Contract assets	-	(12)	(12)	-	-	-
Trade and other receivables	90	-	90	41	(5)	36
Financial liabilities	650	-	650	-	-	-
Lease liabilities	987	-	987	996	-	996
Trade and other payables	110	-	110	-	(7)	(7)
Contract liabilities	144	-	144	1,425	-	1,425
Other provisions	48	(28)	20	3,234	(114)	3,120
Tax loss carry-forwards	3,006	-	3,006	2,535	-	2,535
Netting	(5,358)	5,358	-	(8,735)	8,735	-
	6	**(1,670)**	**(1,664)**	**2**	**(1,191)**	**(1,189)**

Deferred tax assets and liabilities are offset according to the requirements of IAS 12.74.

The movement of all deferred tax positions is recognised in the P&L as no deferred taxes exist which are related to transaction in equity or OCI.

14 Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit for the period attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the reporting period. The Group is a public limited Group, which allots shares of the entity to its shareholders.

Earnings per share (basic) and earnings per share (diluted) are calculated based on the earnings attributable to the Group's shareholders. For the periods included in these financial statements the Group was loss-making in all periods. Restricted stock units and non-qualified stock options have been included in the calculation of diluted weighted average number of shares outstanding. These restricted stock units and non-qualified stock options could potentially dilute basic earnings per share in the future.

The loss attributable to the shareholders of the Group (basic and diluted) amount to EUR 97,958 (2023: EUR 55,081K). The weighted average number of interests in circulation amounts to 51,224 (basic) (2023: 48,919) and 57,724 (diluted) (2023: 49,208).

	2024	**2023**
Profit/loss for the period (attributable to shareholders of the parent) (EUR)	(97,958)	(55,081)
Weighted average number of ordinary shares outstanding (in '000 units) (basic)	51,224	48,919
Weighted average number of ordinary shares outstanding (in '000 units) (diluted)	57,724	49,208
Diluted	(2)	(1)
Basic	(2)	(1)

15 Impairment of non-financial assets

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

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGU).

Typically, the CGUs are represented by the segments and the impairment test is performed at the level of this CGU. The Group manages its operations based on two operating segments, which are based on the regions Europe and North America, that also form the CGUs of the Group.

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

15 Impairment of non-financial assets (continued)

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

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

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

With regard to capitalised development projects, management of the Group has assessed that the related products are still in an early stage and market penetration was not achieved yet. For the future, continuing growth in revenue and profitability are expected. Therefore, impairments and any triggering events did not occur in the reporting period.

16 Intangible assets

Cost	**Internally generated assets €'000**	**Software €'000**	**Total €'000**
As of 1 Jan 2023	27,274	449	27,723
Additions	5,404	189	5,593
As of 31 Dec 2023	32,678	638	33,316
Additions	344	101	445
Disposals	(692)	-	(692)
	(348)	101	(247)
As of 31 Dec 2024	**32,330**	**739**	**33,069**
Amortisation			
As of 1 Jan 2023	(5,387)	(277)	(5,664)
Depreciation charge	(2,463)	(148)	(2,611)
As of 31 Dec 2023	(7,850)	(425)	(8,275)
Depreciation charge	(4,111)	(153)	(4,264)
As of 31 Dec 2024	**(11,961)**	**(578)**	**(12,539)**
Carrying amount			
As of 31 Dec 2023	24,828	213	25,041
As of 31 Dec 2024	**20,369**	**161**	**20,530**

16 Intangible assets (continued)

The internally generated intangible assets primarily relate to the capitalised costs of the Group's development of pioneering technologies, for which the Group intends to enable itself on the market as a provider of advanced system solutions in the fields of energy storage, battery technology and electromobility. The intangible assets are amortised according to their useful life and the amortisation is presented in costs of goods sold.

Intangible assets that are material to the Group's consolidated financial statements include development activities relating to the development of ChargeBox (CBX), a customer specific ChargeBox (DC-CBX) and ChargePost (CPT). Development activities for CBX and DC-CBX were capitalized in the financial years 2020, 2019 and 2018 and have a remaining useful life of four years. As of the reporting date, the carrying amount of CBX amounts to EUR 2,636K (31 December 2022: EUR 3,608K) and of DC-CBX amount to EUR 3,465K (31 December 2022: EUR 4,743K). As of the reporting date, the carrying amount of CPT amounts to EUR 12,159 (31 December 2022: EUR 14,186K).

17 Leases

As of 31 December 2024, the Group leases two warehouse properties and one real estate property in Germany, one warehouse and one real estate property in the United States of America as well as 34 vehicles. The remaining lease terms run from 1 year up to 4 years. The Group has the option to purchase one of the assets at the end of the contract term.

Some property leases contain an extension option. If the Group intends to use the option, this was already considered in the lease term of the lease agreement.

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate ranging from 3.78% to 9.56%. For the calculation of the incremental borrowing rates, European triple A bonds were used as the basis and adjusted for a risk premium corresponding to the external borrowing rates (credit spread).

The development of right-of-use assets is shown below:

	Property €'000	**Vehicles €'000**	**Total €'000**
Right-of-use assets			
As of 1 Jan 2023	3,095	271	3,366
Depreciation charge for year	(816)	(133)	(949)
Additions	700	169	869
As of 31 Dec 2023	2,979	307	3,286
Depreciation charge for year	(848)	(208)	(1,056)
Additions	551	484	1,035
Effects of movements in exchange rates	3	5	8
As of 31 Dec 2024	**2,685**	**588**	**3,273**

For leases with short-term contracts of up to one year and low-value assets, the Group has elected not to recognise right-of-use-assets and lease liabilities.

There are no material expenses relating to variable lease payments in the measurement of lease liabilities.

The Group did not enter into any sublease agreements.

In 2024, a total cash outflow for leases in the amount of EUR 1,193K (2023: EUR 1,065K) was recognized.

The amounts recognized in profit or loss except for amortization are shown below:

	2024	2023
Amounts recognised in profit or loss		
Interest on lease liabilities	156	153
Expenses relating to short-term leases	339	119
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	26	22
Amounts recognised in the statement of cash flows		
Total cash outflow of leases	1,193	1,065

18 Property, plant and equipment

Cost	Property, plant and equipment €'000	Construction in progress and advance payments €'000	Total €'000
As of 1 Jan 2023	7,660	526	8,186
Additions	2,154	143	2,297
Disposals	(58)	-	(58)
Reclassification	498	(498)	-
As of 31 Dec 2023	10,254	171	10,425
Additions	1,200	80	1,280
Disposals	(342)	-	(342)
Reclassification	172	(172)	-
Effects of movements in exchange rates	13	-	13
	1,043	(92)	951
As of 31 Dec 2024	**11,297**	**79**	**11,376**
Amortisation			
As of 1 Jan 2023	(2,797)	-	(2,797)
Depreciation charge	(1,291)	-	(1,291)
Disposals	54	-	54
As of 31 Dec 2023	(4,034)	-	(4,034)

18 Property, plant and equipment (continued)

Cost	Property, plant and equipment €'000	Construction in progress and advance payments €'000	Total €'000
Depreciation charge	(1,379)	-	(1,379)
Disposals	233	-	233
Effects of movements in exchange rates	(1)	-	(1)
	(1,147)	-	(1,147)
As of 31 Dec 2024	**(5,181)**	**-**	**(5,181)**
Carrying amount			
As of 31 Dec 2023	6,220	171	6,391
As of 31 Dec 2024	**6,116**	**79**	**6,195**

19 Other investments

	2024 Group €'000	2024 Company €'000	2023 Group €'000	2023 Company €'000
Other investments	179	-	179	-
	179	**-**	**179**	**-**

Other assets include a deposit for a rental building amounting to EUR 137K (2023: EUR 137K) and a cash deposit at the Swiss tax office amounting to EUR 37K (2023: EUR 37K).

20 Investments in subsidiaries

	2024 Group €'000	2024 Company €'000	2023 Group €'000	2023 Company €'000
Paid in capital to ADSE GmbH	-	55,867	-	55,867
Share based payments to subsidiaries	-	6,526	-	3,685
Converting Shareholder Loans to non-cash contribution ADSE GmbH	-	43,257	-	43,257
	-	**105,650**	**-**	**102,809**

21 Inventories

	2024 Group €'000	2024 Company €'000	2023 Group €'000	2023 Company €'000
Raw materials	53,010	-	30,995	-
Work in progress	9,402	-	7,003	-
Finished goods	15,246	-	15,010	-
	77,658	-	53,008	-
Write-downs raw materials	(13,003)	-	(11,563)	-
Write-downs work in progress	(808)	-	(626)	-
Write-downs finished goods	(181)	-	(1,700)	-
	(13,992)	-	(13,889)	-
	63,666	**-**	**39,119**	**-**

During the financial year 2024, the Group recognised write-downs of inventories in an amount of EUR 689K (2023: EUR 8,093K) as an expense in the cost of sales in the statement of profit or loss.

22 Trade and other receivables and contract assets

Trade and other receivables include the following:

	Group		Company	
	2024 €'000	**2023 €'000**	**2024 €'000**	**2023 €'000**
Trade receivables	9,854	15,278	82	9
Other receivables financial	3,364	2,443	-	-
Other receivables non-financial	308	166	291	392
Prepaid expenses	780	2,651	-	-
Deferred contract costs	624	686	-	-
Other receivables	154	4	38,319	6,533
Amounts due from subsidiary undertaking current	-	-	7,990	4,255
Amounts due from subsidiary undertaking non-current	-	-	49,229	35,221
	15,084	**21,228**	**95,911**	**46,410**

22 Trade and other receivables and contract assets (continued)

	Group		Company	
	2024	**2023**	**2024**	**2023**
Current	**€'000**	**€'000**	**€'000**	**€'000**
Long term	12	4	87,548	41,754
Short term	15,072	21,224	8,363	4,656
	15,084	**21,228**	**95,911**	**46,410**

As of the reporting date, other receivables financial mainly include receivables from government grants.

Details of non-current trade and other receivables

23 Other accrued items

Other accrued items include the following:

	Group		Company	
	2024	**2023**	**2024**	**2023**
Current	**€'000**	**€'000**	**€'000**	**€'000**
Day one loss	12,392	-	-	-
Other accrued items related to lender warrants	1,055	-	-	-
	13,447	**-**	**-**	**-**

The Group concluded shareholder loan agreements with various lenders on 18 August 2023, which were amended and restated on 26 August 2024. In addition, three further agreements were concluded on 26 August 2024. Pursuant to the loan agreements, ADSE US and ADSE GM have agreed to issue lender warrants which will be issued by ADSE Holdco as Irish guarantor to the respective lenders and subscribed by ADSE US resp. ADSE GM. At initial recognition, the warrants had a higher fair value than the shareholder loans, which generated a day one loss. As this day one loss is based on unobservable inputs, it needs to be deferred and recognized until maturity to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the liability. At year end, a deferred day one loss of EUR 12,392K remains on the balance sheet.

The market prices for those warrants are not observable as these are not actively traded. In consequence, the fair value at initial recognition was determined by applying a Black-scholes option pricing model with the following inputs corroborated with observable market data (Level 2 - Fair value hierarchy under IFRS 13):

23 Other accrued items (continued)

		3 September 2024	
	Reference	Second shareholder loan	Second shareholder loan plus
Spot price	1	USD 13.16	USD 13.16
Strike price	2	USD 6.20	USD 6.20
Expected term (years)	3	2	2
Risk free rate	4	4.73%	4.73%
Dividend yield	5	0.00%	0.00%
Annual volatility	6	64.48%	64.48%
Number of warrants outstanding		2,500,001	4,800,002
Fair value per warrant		USD 8.22	USD 8.22

1. Equal to the observed price of the class A common shares
2. Warrant strike price
3. Calculated as the time period between the end of the reporting period and the warrants expiration date (26/08/2026)
4. Interpolated 1.9-year constant maturity US treasury rates
5. Assumed dividend yield of 0%
6. Implied volatility observed through the public warrants traded price

Other accrued items related to lender warrants refer to warrants for which the exercise conditions were not met as of 31 December 2024 since the related shareholder loans were not drawn. They are recognized with their fair value on the issue date as determined above weighted with a drawdown probability for the shareholder loan of 5% based on management assessment and the future cash planning of the Group. If the drawdown probability changes, this may have a material effect on these accrued items. A drawdown probability of +/- 5% would have resulted in other accrued items of EUR 2,110K / EUR 0 as of 31 December 2024. Other accrued items will be set off from the loan nominal value when the loan is drawn.

24 Warrant liabilities

As of the reporting date, warrant liabilities include the following:

	2024 No. of warrants issued	2024 €'000	2023 No. of warrants issued	2023 €'000
Public warrants	11,542,415	39,997	7,187,486	5,243
Private warrants	119,866	734	4,475,000	3,280
Warrants relating to shareholder loans	10,480,003	78,850	3,216,667	11,114
Warrants relating to capital increases	-	-	1,339,285	1,989
	22,142,284	**119,581**	**16,218,438**	**21,626**

24 Warrant liabilities (continued)

Public and private warrants

As of December 31, 2024, public and private warrant liabilities amounting to EUR 40,731K (December 31, 2023: EUR 8,523K) relate to 11,542,415 public warrants and 119,866 private warrants including 100,000 lender warrants issued. In comparison to December 31, 2023, 205 public warrants were exercised. 4,355,134 warrants were moved from private warrants to public warrants as they are being held in broker accounts and are thus considered public warrants.

6,250,000 public warrants were issued as part of the EUSG (European Sustainable Growth Acquisition Corp) units in the initial public offering to the public shareholders on January 26, 2021. Each EUSG unit contained one share and one-half warrant. Additional 937,486 warrants were issued as part of the over-allotment to the underwriters.

4,475,000 private warrants were issued by EUSG to EUSG Sponsor and the underwriters. Lender warrants were issued in lieu of a repayment of a promissory note and are accounted for as private warrants.

Each warrant gives the holder the right to acquire one ordinary share in the Company at an exercise price of USD 11.50 per share, subject to adjustment. Both public and private warrants may be exercised until December 22, 2026.

Until expiration, and if the Company’s share price equals or exceeds USD 18.00 for any 20 trading days within a 30-trading day period, the Company may elect to redeem public warrants at a price of USD 0.01 per warrant. Private warrants are not redeemable by the Company, they may be exercised for cash or on a cashless basis at the holder’s option as long as they are held by the initial holders or their affiliates.

On the merger of EUSG with EUSG II and ultimately with ADSE Holdco in 2021, each EUSG public and private warrant was converted into one ADSE Holdco public and private placement warrant respectively under the same terms as EUSG warrants. Upon the merger it was assessed that the EUSG public and private warrants were assumed as a liability as part of the acquisition. Therefore, the Company’s warrants issued to replace EUSG warrants are accounted as a liability at fair value through profit and loss.

Public warrants are measured at fair value through profit or loss with reference to their quoted market price on NASDAQ (Level 1 - Fair value hierarchy under IFRS 13).

The market prices for private warrants are not observable as these are not actively traded. Their fair value is determined by applying a Black-Scholes option pricing model with the following inputs corroborated with observable market data (Level 2 - Fair value hierarchy under IFRS 13):

	Reference	31 December 2024	31 December 2023
Spot price	1	USD 15.51	USD 7.15
Strike price	2	USD 11.50	USD 11.50
Expected term (years)	3	1.98	2.98
Risk free rate	4	2.78%	4.01%
Dividend yield	5	0.00%	0.00%
Annual volatility	6	55.41%	33.78%
Fair value per private warrant		USD 6.37	USD 0.81

24 Warrant liabilities (continued)

1. Equal to the observed price of the class A common shares
2. Warrant strike price
3. Calculated as the time period between the end of the reporting period and the warrants expiration date (December 22, 2026)
4. Interpolated 1.98-year (December 31, 2023: 2.98) constant maturity US treasury rates
5. Assumed dividend yield of 0%
6. Implied volatility observed through the public warrants traded price

Warrants relating to shareholder loans

In 2023, two shareholder loans for the financing of working capital and general corporate purposes were granted by several shareholders to ADSE US. In conjunction with the loans, ADSE Holdco issued a total of 3,216,667 warrants.

In 2024, several (drawn and undrawn) tranches of the second shareholder loans 2023 were extended and additional shareholder loans (second shareholder loan plus) granted to ADSE US. An additional number of 7,300,003 warrants was issued together with these shareholder loans.

As of December 31, 2024, the fair value of these warrants amounts to EUR 78,849K (December 31, 2023: EUR 11,114K) and is shown as a liability. The fair value of warrants related to an undrawn tranche of the second shareholder loan plus is weighted with the probability of drawing that tranche.

1,716,667 warrants with an exercise price of USD 3.00 were issued to the lenders of the first share-holder loan, whereas 1,500,000 warrants with an exercise price of USD 6.20 were issued to the lenders of the second shareholder loan. In 2024, an additional number of 2,500,001 was issued to the lenders of the second shareholder loan while an additional number of 4,800,002 warrants were issued to the lenders of the second shareholder loan plus - all with an exercise price of USD 6.20. 36,667 of the warrants with exercise price of USD 3.00 were exercised in 2024. Each warrant gives the holder the right to acquire one ordinary share in the Group. The holder has the right to exercise the warrants after the first anniversary of the issue date of the respective loan until the second anniversary of the issue date. The warrants can be exercised in full or in parts.

The market prices for those warrants are not observable as these are not actively traded. In consequence, the fair value is determined by applying a Black-scholes option pricing model with the following inputs corroborated with observable market data (Level 2 - Fair value hierarchy under IFRS 13):

24 Warrant liabilities (continued)

		31 December 2024		
	Reference	First Shareholder loan	Second shareholder loan	Second shareholder loan plus
Spot price	1	USD 15.51	USD 15.51	USD 15.51
Strike price	2	USD 3.00	USD 6.20	USD 6.20
Expected term (years)	3	0.34	1.63	1.63
Risk free rate	4	2.88%	3.45%	3.45%
Dividend yield	5	0.00%	0.00%	0.00%
Annual volatility	6	46.15%	46.58%	46.58%
Number of warrants outstanding		1,680,000	4,000,001	4,000,002
Fair value per warrant		USD 12.54	USD 9.71	USD 9.71

		31 December 2023	
	Reference	First Shareholder loan	Second shareholder loan
Spot price	1	USD 7.15	USD 7.15
Strike price	2	USD 3.00	USD 6.20
Expected term (years)	3	1.34	1.63
Risk free rate	4	4.60%	4.44%
Dividend yield	5	0.00%	0.00%
Annual volatility	6	70.00%	70.00%
Number of warrants outstanding		1,716,667	1,500,000
Fair value per warrant		USD 4.55	USD 2.98

1. Equal to the observed price of the class A common shares
2. Contractual strike price
3. Calculated as the time period between the end of the reporting period and the warrants expiration date (First shareholder loan: May 05, 2025, second shareholder loan: August 18, 2025, in 2024 amended to August 26, 2026, second shareholder loan plus: August 26, 2026)
4. Interpolated 0.34-year (first shareholder loan; 2023: 1.34-year / 0.63-year (second share-holder loan; 2023: 1.63-year constant maturity US treasury rates /1.63-year (second share-holder loan plus)
5. Assumed dividend yield of 0%
6. Volatility calculated as the rounded average of different indicators: implied volatility of public warrants, historical volatility of ADSE stock, volatility of the guideline public companies

24 Warrant liabilities (continued)

Warrants relating to capital increases

On December 28, 2023, ADSE Holdco issued 1,666,667 ordinary shares at a par value of USD 0.0001 resulting in an increase of the share capital of USD 167. In conjunction with the capital increase, ADSE Holdco issued 714,285 warrants with a term of 6 months at an exercise price of USD 7.00 and 625,000 warrants with a term of 12 months at an exercise price of USD 8.00. Each warrant gives the holder the right to acquire one ordinary share in the Group.

The warrants were exercised on June 7, 2024 and November 11, 2024. The market prices for those warrants are not observable as these are not actively traded. In consequence, the prior year fair value was determined by applying a Black-scholes option pricing model with the following inputs corroborated with observable market data (Level 2 - Fair value hierarchy under IFRS 13):

		31 December 2023	
	Reference	**6-month warrants**	**12-month warrants**
Spot price	1	USD 7.15	USD 7.15
Strike price	2	USD 7.00	USD 8.00
Expected term (years)	3	0.49	0.99
Risk free rate	4	5.26%	4.80%
Dividend yield	5	0.00%	0.00%
Annual volatility	6	70.00%	70.00%
Number of warrants outstanding		714,285	625,000
Fair value per warrant		USD 1.52	USD 1.78

1. Equal to the observed price of the class A common shares
2. Contractual strike price
3. Calculated as the time period between the end of the reporting period and the warrants expiration date (6-month warrants: June 28, 2024, 12-month warrants: December 28, 2024)
4. Interpolated 0.49-year (6-month warrants) / 0.99-year (12-months warrants) constant maturity US treasury rates
5. Assumed dividend yield of 0%
6. Volatility calculated as the rounded average of different indicators: implied volatility of public warrants, historical volatility of ADSE stock, volatility of the guideline public companies

25 Trade and other payables

Trade and other payables include the following:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	€'000	**€'000**	**€'000**	**€'000**
Trade payables	29,300	12,880	281	305
Trade payables due to related parties	2,601	2,300	111	148
Accrued expenses	1,292	2,670	996	986
Other payables	1,979	4,339	-	-
Contract liabilities	7,074	7,519	-	-
	42,246	**29,708**	**1,388**	**1,439**

Trade payables mainly consist of trade accounts payable and accruals for outstanding invoices split between long term and short term as per table below:

	Group		Company	
	2024	**2023**	**2024**	**2023**
Current	**€'000**	**€'000**	**€'000**	**€'000**
Long term	474	234	-	-
Short term	41,772	29,474	1,388	1,439
	42,246	**29,708**	**1,388**	**1,439**

26 Provisions

The development of provisions is shown below:

26 Provisions (continued)

Group

	Warranties €'000	Onerous contracts €'000	Archiving costs €'000	Miscellaneous provisions €'000	Total €'000
At 1 January 2024	9,105	10,984	12	624	20,725
Added	6,624	162	1	12	6,799
Unwind of discount	43	-	-	13	56
Utilised	(5,128)	(2,369)	-	(14)	(7,511)
Reversal	(3,719)	(8,616)	-	(16)	(12,351)
At 31 December 2024	6,925	161	13	619	7,718
Current	5,425	161	-	-	5,586
Non-current	1,500	-	13	619	2,132
Total	6,925	161	13	619	7,718

	Warranties €'000	Onerous contracts €'000	Archiving costs €'000	Miscellaneous provisions €'000	Total €'000
At 1 January 2023	8,245	11	16	503	8,775
Added	6,434	10,973	-	197	17,604
Unwind of discount	16	-	-	7	23
Utilised	(5,576)	-	-	(10)	(5,586)
Reversal	(14)	-	(4)	(73)	(91)
At 31 December 2023	9,105	10,984	12	624	20,725
Current	5,228	10,984	-	-	16,212
Non-current	3,877	-	12	624	4,513
Total	9,105	10,984	12	624	20,725

There are no pension commitments or similar obligations.

The Group provides warranties for general repairs of defects that existed at the time of sale, as required by law. Provisions related to these assurance-type warranties are recognized when the product is sold, or the service is provided to the customer. Initial recognition is based on historical experience. The estimate of warranty-related costs is revised annually. In general warranty provisions cover the expected warranty claims from the customers.

If the Group has a contract that is onerous, the present obligation under the contract is recognized and measured as a provision. However, before a separate provision for an onerous contract is established. The Group recognizes any impairment loss that has occurred on assets dedicated to that contract. As of the reporting date, provisions for onerous contracts amount to EUR 162K (December 31, 2023: EUR 10,983K). In the financial year 2023, the Group recognized a provision for an onerous contract in the amount of EUR 10,973K. This provision related to contract under which the fixed purchase obligation for inventories exceeds the expected income from the sale of corresponding products. The provision was partially utilized and an amount of EUR 8,614K was reversed.

27 Loans and borrowings

As of the reporting date, loans and borrowings of EUR 13,333K (December 31, 2023: EUR 13,908K) include shareholder loans with a book value of EUR 11,971K and interest payable of EUR 1,362 (2023: book value of EUR 13,045K and interest payable of EUR 863K).

As of December 31, 2024, the amount relates to various tranches of shareholder loans with a total nominal amount of USD 23,000K, maturity date of August 31, 2025 and fixed interest rate of 10% p.a. payable upon repayment of the shareholder loans. This amount includes undrawn amounts from 2023 shareholder loans with nominal amount of USD 7,500K and one tranche with nominal amount of USD 7,500K that was already drawn as of December 31, 2023. Both were extended until August 31, 2025. The amount further includes additional shareholder loans with nominal amount of USD 8,000K (shareholder loan plus). Together with the drawdown of the shareholder loans, 7,300,003 warrants with an exercise price of USD 6.20 were issued in 2024. The fair value of these warrants at the drawdown dates of the shareholder loans exceeded the nominal value of the loans resulting in a disagio of the loans in the amount of EUR 13,981K and day one losses of EUR 16,669K. Both are amortized together with transaction cost using the effective interest rate method.

As of December 31, 2023, the amount related to two shareholder loans with nominal amounts of USD 12,875K and USD 15,000K, maturity dates of February 29, 2024, June 30, 2024 and July 31, 2024 and fixed interest of 10% p.a. payable upon repayment of the shareholder loans. Together with the shareholder loans, 3,216,677 warrants with exercise prices of USD 3.00 and USD 6.20 were issued resulting in a disagio of the loans in an amount of EUR 4,693K as of December 31, 2023. Transaction cost are being discounted from the loan as well. Both are amortized using the effective interest rate method.

In 2024, a portion of the two shareholder loans with nominal amount of USD 12,100K (EUR 11,225K) was paid back together with interest.

As collateral for the second shareholder loan 2023, ADSE US pledged all of its current assets, which among others include its inventories and cash and cash equivalents. As collateral for the shareholder loan plus, ADSE US and ADSE GM pledged all of their current assets, which among others include their inventories and cash and cash equivalents to the lenders of the respective tranches.

28 Equity

The changes in the various components of equity from January 01, 2023 through December 31, 2024 are shown in the Group's statements of changes in equity.

On December 28, 2023, ADSE Holdco issued 1,666,667 ordinary shares at a par value of USD 0.0001 resulting in an increase of the share capital of USD 167. These shares were acquired by a new investor for USD 6.00 per share. Together with the shares, 1,339,285 warrants with an exercise price of USD 7 and USD 8 were issued. The split of the total transaction price led to an increase in equity of USD 7,802K (EUR 7,009K) and the recognition of a warrant liability of USD 2,198K (EUR 1,989K). Transaction costs incurred in context of the transaction in the amount of USD 283K (EUR 268K) are deducted from equity, resulting in a net increase in equity of EUR 6,741K.

28 Equity (continued)

In 2024, the warrants were exercised. In addition, 36,872 public warrants and warrants related to shareholder loans were exercised leading to a total increase of share capital of USD 138 (EUR 128) and an increase in capital reserves of USD 16,932K (EUR 15,835K). Transaction costs incurred in the context of the exercise of warrants in the amount of USD 200K (EUR 188K) are deducted from equity.

Further increases in equity in 2024 result from the exercise of vested NQSO and the issue of RSU from the stock compensation plan.

The development of issued and outstanding shares from 1 January 2023 to 31 December 2024, is shown in the table below:

	Group	
	2024	**2023**
Current	**€'000**	**€'000**
Outstanding as at 1 January	50,585	48,877
Capital increase	-	1,667
Exercise of warrants	1,376	-
Exercise of options	139	-
Share based compensation	262	41
Treasury shares	80	58
Issued and outstanding as at 31 December	**52,442**	**50,643**

The result for the period contains consolidated losses of the Group.

As of 31 December 2024 and 31 December 2023 other equity consists of currency translation reserves on translation of ADSE US (USD) and ADSE CH (CHF) from their functional currency to the presentation currency of ADSE (EUR).

As of 31 December 2024, the share capital amounts to EUR 5K (31 December 2023: EUR 4K) and is fully paid in.

	Group		Company	
	2024	**2023**	**2024**	**2023**
Current	**€'000**	**€'000**	**€'000**	**€'000**
Share capital	5	4	5	4
Share premium	29,115	9,551	29,115	9,551
Capital reserves	216,183	215,456	205,987	205,261
Other equity	1,043	106	(22)	(22)
Retained loss	(191,198)	(136,117)	(81,519)	-
Loss for the period	(97,958)	(55,081)	(73,921)	(81,519)
Equity attributable to shareholders of the Group	**(42,810)**	**33,919**	**79,645**	**133,275**

29 Financial instruments

The following table provides the carrying amounts and fair values of all financial assets and financial liabilities, including their levels in the fair value hierarchy.

The fair value disclosure of lease liabilities is also not required.

Group

Assets		Fair Value Hierarchy	Book Value 2024 €'000	Fair Value 2024 €'000	Book Value 2023 €'000	Fair Value 2023 €'000
Cash and cash equivalents	At amortised cost	3	22,858	22,858	29,162	29,162
Trade receivables (current)	At amortised cost	3	9,900	9,900	15,285	15,285
Other financial receivables (current)	At amortised cost	3	3,358	3,358	2,439	2,439
Other investments	At amortised cost	3	5	5	5	5
Other financial receivables (non-current)	At amortised cost	3	6	6	4	4
			36,127	**36,127**	**46,895**	**46,895**

Liabilities		Fair Value Hierarchy	Book Value €'000	Fair Value 2024 €'000	Book Value 2023 €'000	Fair Value 2023 €'000
Warrant liabilities – private	Fair value through P&L	2	39,997	39,997	3,280	3,280
Warrant liabilities – public	Fair value through P&L	1	734	734	5,243	5,243
Warrant liabilities – shareholder loans	Fair value through P&L	2	78,849	78,849	11,114	11,114
Warrant liabilities – capital increase	Fair value through P&L	2	-	-	1,989	1,989
Loans and borrowings (current)	At amortised cost	3	13,333	13,333	13,908	13,908
Trade payables (current)	At amortised cost	3	29,299	29,299	12,880	12,880
Trade payables due to related parties (current)	At amortised cost	3	2,601	2,601	2,300	2,300
Lease liabilities (non-current)	At amortised cost	3	2,336	-	2,580	-
Lease liabilities (current)	At amortised cost	3	1,144	-	853	-
Other payables financial (current)	At amortised cost	3	215	215	198	198
			168,508	**165,028**	**54,345**	**50,912**

29 Financial instruments (continued)

Company

	Fair Value Hierarchy	Book Value 2024 €'000	Fair Value 2024 €'000	Book Value 2023 €'000	Fair Value 2023 €'000
Cash and cash equivalents	3	1,209	1,209	9,277	9,277
Trade receivables (current)	3	82	82	9	9
Other financial receivables (non-current)	3	201,188	201,188	144,563	144,563
		202,479	**202,479**	**153,849**	**153,849**

	Fair Value Hierarchy	Book Value 2024 €'000	Fair Value 2024 €'000	Book Value 2023 €'000	Fair Value 2023 €'000
Warrant liabilities – private	2	39,997	39,997	3,280	3,280
Warrant liabilities – public	1	734	734	5,243	5,243
Warrant liabilities – shareholder loans	2	78,849	78,849	11,114	11,114
Warrant liabilities – capital increase	2	-	-	1,989	1,989
Trade payables (current)	3	281	281	305	305
Trade payables due to related parties (current)	3	111	111	148	1,821
		119,972	**119,972**	**22,079**	**23,752**

Changes in fair value of warrants as well as interest income and expense on loans and borrowings and leases are included in financial result in the statement of profit or loss.

If reclassifications to other levels of the measurement hierarchy are necessary, they are made at the end of the fiscal year in which the event that necessitates the reclassification occurs. There were no reclassifications for all periods.

30 Contingent assets and contingent liabilities

Contingent liabilities are possible obligations that arise from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events that are outside the control of the Group. Furthermore, present obligations are contingent liabilities if it is not probable that an out-flow of resources will be required to settle the obligation and/or the amount of the obligation cannot be estimated with sufficient reliability.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events that are outside the control of the Group.

As of the balance sheet date no contingent liabilities and no contingent assets exist.

31 Share-based payments

Restricted stock units program
In 2021, an Incentive Plan was implemented which allows the Group to grant restricted stock units (RSUs) for Group employees (including executive officers), independent contractors and members of the board of directors of ADSE Holdco. The participants shall receive a number of shares of common stock that correspond to the number of RSUs that have become vested on the applicable vesting date.

The RSUs granted for the initial SPAC (Special Purpose Acquisition Company) grant promised have a vesting period of four years while the RSUs granted under the director's compensation have a vesting period of one year. RSUs granted to Group employees have a vesting period of four years. In case of a bad leaver all claims to the RSUs become void.

The grant of RSUs is a share-based payment according to IFRS 2, because the participants receive an entitlement to future remuneration, which is based on real equity instruments. The Group has no choice to settle the transaction in cash and must settle with equity instruments. Therefore, the grant of RSUs is classified as equity-settled share-based payment according to IFRS 2.

The valuation of the RSUs is based on the share price of ADSE Holdco minus the nominal value of the share on grant date. No option pricing model was applied.

The RSUs were measured at the share price at grant date.

The following table shows the number and weighted average fair values (WAFV) of and movements in RSUs during the year:

31 Share-based payments (continued)

	2024 Number	2023 Number
Awards outstanding, 1 January	288,189	195,977
Awards granted during the period	341,163	268,000
Awards forfeited during the period	(43,522)	(81,335)
Awards exercised during the period	(229,225)	(94,453)
Awards outstanding, 31 December	356,605	288,189

The weighted average remaining contractual lifetime of the RSUs as at December 31, 2024 is 2.23 years (December 31, 2023: 2.88 years).

When determining the expense recognition as of December 31, 2024, an average expected fluctuation of 0% - 10% p.a. (2023: 0% - 5% p.a.) was applied based on management estimates. The expected fluctuation for the remaining part of the respective vesting period will be adjusted on future reporting dates based on current information.

As of December 31, 2024, the Group has recognized a gross increase in equity in the balance sheet of EUR 2,314K (December 31, 2023: EUR 729K) for share-based payments from RSUs. In the financial year 2024, 21,005 (2023: 30,125) of the vested RSUs were withheld by the Group to cover payroll taxes, causing a decrease in equity of EUR 221K (2023: EUR 110K). As of the reporting date, this results in a net increase in equity in the balance sheet of EUR 2,094K (December 31, 2023: EUR 619K). The expense recognized for RSUs for the year ended December 31, 2024, amounts to EUR 2,314K (2023: EUR 729K).

Non-qualified stock options

Under the non-qualified stock option (NQSO) program, the Group grants the participant the right to acquire from the Group the aggregate number of shares of common stock for a fixed price specified in the award agreement. Except for one NQSO agreement concluded under the director compensation, which became exercisable after one year, and one NQSO agreement with a consultant, which has different vesting dates, all other options granted become exercisable according to a vesting schedule earliest after one year and latest after four years from the grant date. In case of a bad leaver-event all claims to the NQSO become forfeited. The options expire after ten years from the grant date.

The following table shows the number and weighted average exercise prices (WAEP) of, and movements in stock options during the year:

	2024 €	2023 €
Awards outstanding, 1 January	1,877,700	1,321,583
Awards granted during the period	424,298	1,027,583
Awards forfeited during the period	(251,279)	(471,466)
Awards exercised during the period	(138,695)	-
Awards outstanding, 31 December	1,912,024	1,877,700
Awards exercisable, 31 December	463,963	246,083

31 Share-based payments (continued)

The weighted average remaining contractual life of the NQSOs outstanding as at December 31, 2024 is 8.30 years (December 31, 2023: 8.97 years). The range of exercise prices for those options is USD 3.21 to USD 10.44 (2023: USD 3.21 to USD 8.62).

The weighted average fair value of NQSO granted during the year was 4.24 (2023: 2.71).

The weighted average share price at the date of exercise for options exercised in 2024 was USD 11.21. No options were exercised in 2023.

The fair value at grant date is independently determined using a black-scholes model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, and the risk-free interest rate for the term of the option. The following tables show the valuation input parameters as of the different grant dates.

For the following grant date, vesting had already started with the start of employment of several employees in 2022. However, the formal grant date is January 24, 2023. Measurement of fair values as of January 24, 2023:

Measurement of fair values	**3.18 years**	**2.18 years**	**1.18 years**	**0.18 years**
Fair value at grant date in USD	1.84	1.48	1.00	0.35
Share price at grant date in USD	3.21	3.21	3.21	3.21
Exercise price in USD	3.21	3.21	3.21	3.21
Expected volatility in %	83.34%	77.63%	68.58%	62.02%
Expected life in years	3.18	2.18	1.18	0.18
Expected dividends in %	0.00	0.00	0.00	0.00

Measurement of fair values as of July 05, 2023:

Measurement of fair values	**4 years**	**3 years**	**2 years**	**1 years**
Fair value at grant date in USD	3.74	3.29	2.28	1.59
Share price at grant date in USD	6.00	6.00	6.00	6.00
Exercise price in USD	6.00	6.00	6.00	6.00
Expected volatility in %	82.81%	81.30%	64.25%	62.66%
Expected life in years	4.00	3.00	2.00	1.00
Expected dividends in %	0.00	0.00	0.00	0.00

31 Share-based payments (continued)

Measurement of fair values as of April 15, 2024:

Measurement of fair values	4 years	3 years	2 years	1 years
Fair value at grant date in USD	5.19	4.60	4.29	2.90
Share price at grant date in USD	10.44	10.44	10.44	10.44
Exercise price in USD	10.44	10.44	10.44	10.44
Expected volatility in %	59.66%	60.65%	70.53%	66.12%
Expected life in years	4.00	3.00	2.00	1.00
Expected dividends in %	0.00	0.00	0.00	0.00
Risk-free interest rate in %	4.34%	4.41%	4.62%	5.01%

The expected price volatility is based on the historic volatility of peer group entities based on the remaining life of the options.

The individual programs with different terms and conditions were valued using parameters for historical volatility and risk-free interest rate with corresponding terms. The program granted to the consultant also has an exercise price of USD 10.

When determining the expense recognition as of December 31, 2024, an average expected fluctuation of 0% - 10% p.a. (2023: 0% - 5% p.a.) was applied based on management estimates. The expected fluctuation for the remaining part of the respective vesting period will be adjusted on future reporting dates based on current information.

As of December 31, 2024, the Group has recognized an increase in equity in the balance sheet of EUR 1,775K (December 31, 2023: EUR 832K) for the share-based payments from NQSOs. The expense recognized for NQSOs for the financial year 2024 amounts to EUR 1,775K (December 31, 2023: EUR 832K).

32 Statement of cash flows

The Group has elected to present cash flows from operating activities using the indirect method and has used the Profit for the period as the starting point for presenting operating cash flows.

The Group has classified cash payments for lease payments as financing activities.

The Cash and cash equivalents presented in the statement of cash flows comprise all cash reported in the statements of financial position.

The Group has elected to classify cash flows from interest paid as financing activities, cash flows from interest received and dividends received as investing activities, and cash flows from dividends paid as financing activities. However, neither interests nor dividend has been paid or received in the reporting period.

32 Statement of cash flows (continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Borrowings €'000	Warrant liabilities €'000	Leases €'000	Total €'000
Balance as of 1 January 2024	13,908	21,626	3,435	38,969
Proceeds from borrowings and shareholder contribution and loans	-	13,967	-	13,967
Proceeds from the exercise of warrants	-	9,260	-	9,260
Repayment of loans and borrowings	(11,225)	-	-	(11,225)
Repayment of lease liabilities	-	-	(996)	(996)
Interest paid	(1,018)	-	(156)	(1,174)
Total changes from financing cash flows	1,665	44,853	2,283	48,801
Effect of changes in foreign exchange rates	845	6,660	8	7,513
Changes in fair value	-	65,895	-	65,895
Other changes	(96)	2,173	-	2,077
Additions to lease liabilities	-	-	1,034	1,034
Interest accrued	10,919	-	156	11,075
Total changes from financing cash flows	11,668	74,728	1,198	87,594
Balance as of 31 Dec 2024	**13,333**	**119,581**	**3,481**	**136,395**

	Borrowings €'000	Warrant liabilities €'000	Leases €'000	Total €'000
Balance as of 1 January 2023	-	2,439	3,477	5,916
Proceeds from borrowings and shareholder contribution and loans	12,033	-	-	12,033
Proceeds from the issue of warrants	-	8,592	-	8,592
Repayment of loans and borrowings	(703)	-	-	(703)
Repayment of lease liabilities	-	-	(912)	(912)
Interest paid	(106)	-	(153)	(259)
Total changes from financing cash flows	11,224	11,031	2,412	24,667

32 Statement of cash flows (continued)

	Borrowings €'000	Warrant liabilities €'000	Leases €'000	Total €'000
Effect of changes in foreign exchange rates	(83)	(264)	8	(339)
Changes in fair value	-	10,859	-	10,859
Additions to lease liabilities	-	-	871	871
Interest accrued	2,767	-	144	2,911
Total changes from financing cash flows	2,684	10,595	1,023	14,302
Balance as of 31 Dec 2024	**13,908**	**21,626**	**3,435**	**38,969**

33 Capital and financial risk management

Capital management

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the parent which contain share premium from IPO and PIPE investment as well as shareholder loans. In 2023 and 2024, the Group has concluded shareholder loans, that have been granted by several shareholders to ADSE US and in 2024 also to ADSE GM for the financing of working capital and general corporate purposes.

The Group's target is to maintain a capital structure that optimizes capital costs of equity and debt and to improve the capital base in order to maintain the confidence of investors, creditors and the markets and to ensure the sustainable development of the Group.

The Group's policy is to maintain a stable liquidity position to enable the Group growth of market presence and investments into new technologies. Currently the Group generates negative cash flows both from operating and investing activities. Therefore, the management closely monitors the Group's liquidity reserves as well as the expected cash flows from its operating activities.

Financial risk management

The Group has exposure to the following risks arising from financial instruments:

• Credit risk,
• Liquidity risk and
• Market risk.

The Group's managing directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The managing directors are also responsible for developing and monitoring its risk management policies.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. The Group aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

33 Capital and financial risk management (continued)

As of December 31, 2024, the Group's main financial liabilities include liabilities from warrants, trade payables, lease liabilities as well as shareholder loans. The primary purpose of these financial liabilities is to finance the Group's operations and provide guarantees to support its operations. The Group is mainly exposed to liquidity risk as well as credit risk. The market risk, mainly including currency risk, interest rate risk, and equity risk is assessed as not negligible. However, the Group does not have long term loans with variable interest rates. Furthermore, most of the business activities are concluded in the reporting currency Euro.

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 customers and contract assets.

The carrying amounts of financial assets and contract assets represent the Group's maximum credit exposure. The Group monitors its credit risk regularly.

Trade receivables, contract assets and other investments

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

For trade receivables and contract assets, the Group applies the "simplified approach" and measures and accounts the loss allowance at an amount equal to the lifetime expected credit losses, while for all other financial assets measured at amortized cost the general approach is applied. As there is a heterogeneous portfolio of customers separate probabilities of default rates are determined for each significant customer. The determination of probability of default is done by an external service provider that acts as an independent credit rating agency.

A write-off of the trade receivables, contract assets and other investments of individual customers within the simplified approach is applied if one or more events take place that have an influence on the customer's credit rating. These events include payment delays, pending insolvency or concessions by the debtor due to payment difficulties. Trade receivables, contract assets and other investments are written off when there is no reasonable expectation of recovery.

Impairment losses on financial assets recognized in profit or loss amounted to EUR 58K in the financial year 2024 (2023: EUR 104K (gains)).

Other financial assets

The Group considers the probability of default at the date of initial recognition of assets and the existence of a significant increase in the risk of default during all reporting periods. To assess whether the risk of default has increased significantly, the Group compares the risk of default on the asset at the reporting date with the risk of default at the initial recognition. Available, appropriate, and reliable forward-looking information is considered. Indicators such as internal and external credit ratings as well as actual and expected significant changes in the debtor's earnings situation are taken into account.

Cash and cash equivalents

Cash and cash equivalents are mainly cash at banks. The Group regularly monitors the corresponding bank's credit ratings. Due to the short investment period and the good credit rating of the banks the Group considers that its cash and cash equivalents have low credit risk. Consequently, no impairment was recognized on cash and cash equivalents.

33 Capital and financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group aims to maintain the level of its cash and cash equivalents at an amount more than expected cash outflows on financial liabilities.

Exposure to liquidity risk

The Group's policy is to maintain sufficient cash and cash equivalents at all times to meet current and future obligations as they fall due. The Group manages its liquidity by maintaining sufficient liquid assets.

Adverse developments in the capital markets could increase Group's financing costs and limit its financial flexibility.

The following table shows the remaining contractual maturities of Group's financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments:

	Total €'000	Less than 1 year €'000	1 - 5 years €'000	More than 5 years €'000
Shareholders loans	25,052	25,052	-	-
Lease liabilities	3,722	1,270	2,452	-
Trade payables	29,299	29,299	-	-
Trade payables due to related parties	2,601	2,601	-	-
Other payables	2,318	2,109	-	209
	62,992	**60,331**	**2,452**	**209**

Shareholder loans include a disagio in the amount of EUR 10,286K as of the reporting date (as of December 31, 2023: EUR 4,693K).

The following table shows the remaining contractual maturities of the Group's financial liabilities as of December 31, 2023. The amounts are gross and undiscounted and include contractual interest payments:

	Total €'000	Less than 1 year €'000	1 - 5 years €'000	More than 5 years €'000
Shareholders loans	19,317	19,317	-	-
Lease liabilities	3,718	983	2,735	-
Trade payables	12,880	12,880	-	-
Trade payables due to related parties	2,300	2,300	-	-
Other payables	3,553	3,384	-	169
	41,768	**38,864**	**2,735**	**169**

33 Capital and financial risk management (continued)

The Group's financial position with a cash level of EUR 22,858K as of December 31, 2024 (December 31, 2023: EUR 29,162K) has declined slightly as compared to prior year. Unchanged to 2023, the Group is exposed to liquidity risks resulting from the short remaining term of the shareholder loans, delayed customer payments and if the Group cannot manage to generate cash from its current inventories or cannot obtain additional financing.

Market risk

Market risk is the risk that changes in market prices e.g., foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The financial instruments affected by market risk essentially comprise financial assets and financial liabilities.

Interest rate risk

Interest risk is the risk that changes of interest rates will affect interest expenses from loans or borrowings and interest income from cash and cash equivalents. As of December 31, 2024, loans and borrowings amounts to EUR 13,333K (December 31, 2023: EUR 13,908K) and consist of interest-bearing shareholder loans. However, all shareholder loans are based on fixed interest rates. Thus, no interest rate risks exist. Based on balances in bank accounts amounting to EUR 22,858 as of December 31, 2024 (EUR 29,162K as of December 31, 2023) and low market interest rates for short-term deposits, negligible interest rate risk arises with respect to interest income.

Equity risk

Equity risk is the risk that changes in stock markets - e.g. a falling price of ordinary shares and/or public warrants of Group ("ADSE's trading price"), receiving no dividends, receiving lower dividends than expected, or fluctuations in the equity markets - will affect the value of the Group's common shares and outstanding warrants. The volatility of the Group's trading price could potentially have significant impact on the valuation of warrant liabilities in the future and valuation of future share-based payments.

As of December 31, 2024 equity risks arise with respect to warrant liabilities amounting to EUR 119,581K (December 31, 2023: EUR 21,626K). Due to the heavily increased value of warrant liabilities as compared to financial year 2023, management has performed a sensitivity analysis with the following result.

If the stock price of ADSE had been 7.5% higher or lower as of December 31, 2024, the consolidated profit / equity would change in the manner shown below:

	Variance	**Effect on profit before tax/ equity €'000**	**Variance**	**Effect on profit before tax/ equity €'000**
Warrants relating to shareholder loans	7.50%	-8,759	-7.50%	8,708
Private warrants	7.50%	-109	-7.50%	105

If the stock price of ADSE warrants had been 13.6% higher or lower as of December 31, 2024, the consolidated profit / equity would change in the manner shown below:

33 Capital and financial risk management (continued)

	Variance	Effect on profit before tax/ equity €'000	Variance	Effect on profit before tax/ equity €'000
Public warrants	13.60%	-5,440	-13.60%	5,440

Currency risk

Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency.

The Group is exposed to currency risks arising from bank balances in foreign currencies, transactions in foreign currencies including shareholder loans in currencies other than the lender's functional currency, revenue generated or purchases for materials and services, and operating business activities in the US for ADSE US and Switzerland for ADSE CH. The main exposure of currency risks arise with respect to bank balances amounting to EUR 2,663K (December 31, 2023: EUR 9,806K) which are denominated in USD and one tranche of the shareholder loans amounting to EUR 1,067K (December 31, 2023: 0) issued to ADSE GM. The USD bank balances are considered a natural hedge against currency risks from the payment obligation of the shareholder loans. Lesser currency risks arise from normal operations since 95% of revenues in 2024 (2023: 95% are generated in EUR.

Sensitivity of the foreign currency risk

The sensitivity analysis approximately quantifies the risk that can occur within the framework of set assumptions if certain parameters are changed to a defined extent. Exchange rate risks exist for US dollars (USD) and Swiss franc (CHF).

The following disclosures describe the sensitivity of an increase or decrease in the USD and CHF against the EUR from the Group's perspective. Currency risks within the meaning of IFRS 7 arise from financial instruments that are denominated in a currency other than the functional currency and are of a monetary nature. Translation differences from the translation of financial statements of foreign Group companies into the Group currency are not taken into account. The sensitivity analysis was prepared for the main financial instrument (cash and cash equivalents) outstanding as at the balance sheet date of the Group.

If the EUR had appreciated or depreciated by 10.0% against the USD as at 31 December 2024 and 31 December 2023 respectively, the consolidated profit would change in the manner shown below:

EUR	Variance	2024	OCI	Variance	2023
EUR/USD	+/- 10.00%	-339/+414	-	+/- 10.00%	-891/+1,090

If the EUR had appreciated or depreciated by 10.0% against the CHF as at 31 December 2024 and 31 December 2023 respectively, the consolidated profit would change in the manner shown below:

EUR	Variance	2024	OCI	Variance	2023
EUR/CHF	+/-10.00%	-2/+2	-	+/-10.00%	-3/+3

33 Capital and financial risk management (continued)

Other market risks

The Group is not significantly exposed to other market risks.

34 Segment reporting

Information reported to the Group's chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance is focused on the geographic region of the Group's business activities. Therefore, the Group manages its operations based on two operating segments referring to its business activities in Europe and North America.

The CODM has been identified as the board of directors of ADSE Holdco. The board of directors regularly reviews operating results and makes decisions about the allocation of the Group's resources. The Group's focus is on the research, development and manufacturing of products and services in the fields of energy management, energy storage and e-mobility.

The Group evaluates segmental performance based on segment revenue and segment earnings before interest, taxes, depreciation and amortization (EBITDA). Inter-segment sales are priced along the same lines as sales to external customers.

			2024		
	Europe €'000	**North America €'000**	**Total reportable segments €'000**	**Eliminations €'000**	**Total Group €'000**
External revenues	104,390	5,623	110,013	-	110,013
Inter-segment revenues	3,026	-	3,026	(3,026)	-
Total revenue	107,416	5,623	113,039	(3,026)	110,013
Earnings before interest taxation depreciation and amortization (EBITDA)	(183)	(2,520)	(2,703)	795	(1,910)
Depreciation and amortization	(6,555)	(144)	(6,699)	-	(6,699)
Operating result (EBIT)	(6,738)	(2,664)	(9,402)	795	(8,609)
Financial income	(294)	318	24	-	24
Financial costs	(74,894)	(13,989)	(88,883)	-	(88,883)
Financial result	(75,188)	(13,671)	(88,859)	-	(88,859)
Profit before tax	(81,926)	(16,335)	(98,261)	795	(97,467)
Income tax expenses	(321)	(2)	(323)	(165)	(491)
Profit for the year	**(82,247)**	**(16,337)**	**(98,584)**	**630**	**(97,958)**

34 Segment reporting (continued)

	2023				
	Europe €'000	**North America €'000**	**Total reportable segments €'000**	**Eliminations €'000**	**Total Group €'000**
External revenues	102,413	4,971	107,384	-	107,384
Inter-segment revenues	1,152	-	1,152	(1,152)	-
Total revenue	103,565	4,971	108,536	(1,152)	107,384
Earnings before interest taxation depreciation and amortization (EBITDA)	(33,560)	(6,296)	(39,856)	182	(39,674)
Depreciation and amortization	(4,773)	(77)	(4,850)	-	(4,850)
Operating result (EBIT)	(38,333)	(6,373)	(44,706)	182	(44,524)
Financial income	190	-	190	-	190
Financial costs	(11,095)	(2,791)	(13,886)	-	(13,886)
Financial result	(10,905)	(2,791)	(13,696)	-	(13,696)
Profit before tax	(49,238)	(9,164)	(58,403)	182	(58,222)
Income tax expenses	3,141	-	3,141	-	3,141
Profit for the year	**(46,097)**	**(9,164)**	**(55,262)**	**182**	**(55,081)**

34 Segment reporting (continued)

Total non-current assets of both reportable segments can be broken down as follows:

	2024 Group €'000	2024 Company €'000	2023 Group €'000	2023 Company €'000
Europe	78,109	201,188	50,206	144,563
North America	(6,328)	-	54	-
Eliminations	(41,593)	-	(15,257)	-
	30,188	**201,188**	**35,003**	**144,563**

Total current assets of both reportable segments can be broken down as follows:

	2024 Group €'000	2024 Company €'000	2023 Group €'000	2023 Company €'000
Europe	108,877	1,582	80,218	13,933
North America	33,870	-	12,632	-
Eliminations	(27,704)	-	(3,345)	-
	115,043	**1,582**	**89,505**	**13,933**

Total liabilities of both reportable segments can be broken down as follows:

	2024 Group €'000	2024 Company €'000	2023 Group €'000	2023 Company €'000
Europe	182,960	123,125	77,047	25,221
North America	10,697	-	14,978	-
Eliminations	(5,616)	-	(1,436)	-
	188,041	**123,125**	**90,589**	**25,221**

Total revenues of both reportable segments can be broken down as follows:

	2024 Group €'000	2023 Group €'000
Europe	107,416	103,565
North America	5,623	4,971
Eliminations	(3,026)	(1,152)
	110,013	**107,384**

Revenues from two major customers of the Group represented EUR 43,684K and EUR 17,028K respectively (2023: two customers, EUR 15,046K and EUR 39,066K) of the Group's total revenues.

35 Related party transactions

Related parties are natural persons or companies that can be influenced by the reporting entity, that can exert an influence on the reporting entity or that are under the influence of another related party of the reporting entity.

Transactions between related parties mainly include loans, leases and management services. All business transactions, receivables and liabilities with related parties existing at the reporting date result from ordinary business activities and are conducted at arm's length.

Note 1 provides information about the Group's structure, including details of the shareholders, subsidiaries and entities with significant influence on the Group.

The following table provides the total amount of transactions that have been entered into with related parties for 2024.

	2024				
	Sales of goods and services €'000	**Purchase of goods and services €'000**	**Other income €'000**	**Other expense €'000**	**Interest expense €'000**
Transactions with shareholders	11,066	-	-	(61)	(10,919)
Transactions with affiliated companies	76	(11,016)	107	(4,507)	(354)
Transactions with associated companies	390	(111)	-	(201)	-
	11,532	**(11,127)**	**107**	**(4,769)**	**(11,273)**

Transactions with shareholders in 2024 comprise agreements with ADSH, Robert Bosch GmbH, Bosch Thermotechnik GmbH, Lucerne Capital Master Fund, and other shareholders. Transactions with affiliates include transaction with subsidiaries of the shareholders. Transactions with associated companies include sales to AW Connectivity Platform GmbH , Polar EV Charge & Storage AB and enesto GmbH.

The following table provides the total amount of transactions that have been entered into with related parties for 2023.

35 Related party transactions (continued)

	2023				
	Sales of goods and services €'000	**Purchase of goods and services €'000**	**Other income €'000**	**Other expense €'000**	**Interest expense €'000**
Transactions with shareholders	2,561	-	-	(122)	(920)
Transactions with affiliated companies	2,644	(9,616)	-	(4,688)	(63)
Transactions with associated companies	7,707	(94)	-	(122)	-
	12,912	**(9,710)**	**-**	**(4,932)**	**(983)**

35 Related party transactions (continued)

Transactions with shareholders in 2023 comprise agreements with ADSH, Robert Bosch GmbH, Bosch Thermotechnik GmbH, Lucerne Capital Master Fund, and other shareholders. Transactions with affiliates include transaction with subsidiaries of the shareholders. Transactions with associated companies include sales to AW Connectivity Platform GmbH and Polar EV Charge & Storage AB.

Other expenses
Other expenses mainly include the administration fees of EUR 3,466 (2023: 2,741K) paid to ads-tec Administration GmbH and development costs of EUR 114K (2023: EUR 246K) paid to ads-tec Engineering GmbH.

Interest expense
Interest expenses include the interest expense of EUR 10,919K (2023: EUR 2,784K) from the shareholder loans granted in the financial year 2024 and 2023. This amount represents the effective interest on the shareholder loan considering warrants and transaction cost.

36 Receivables and liabilities to shareholders and affiliated companies

Receivables from affiliated companies mainly include prepayments to ads-tec Industrial IT GmbH in the amount of EUR 550K (December 31, 2023: EUR 2,022K).

Liabilities to shareholders mainly include shareholder loans granted in the financial year 2024 and 2023 in the amount of EUR 13,333K (December 31, 2023: EUR 13,908K).

Liabilities to affiliated companies mainly comprise a liability to ads-tec Industrial IT GmbH in the amount of EUR 1,700K (December 31, 2023: EUR 1,428K) and a liability to ads-tec Administration GmbH in the amount of EUR 771K (December 31, 2023: EUR 445K).

	2024		2023	
	Receivables €'000	**Payables €'000**	**Receivables €'000**	**Payables €'000**
Transactions with shareholders	777	13,333	96	13,993
Transactions with affiliated companies	712	1,863	2,039	1,974
Transactions with associated companies	347	123	762	45
	1,836	**15,319**	**2,897**	**16,012**

Transactions with shareholders comprise agreements with ADSH, Robert Bosch GmbH, Bosch Thermotechnik GmbH, Lucerne Capital Master Fund, and other shareholders. Transactions with affiliates include transaction with subsidiaries of the shareholders. Transactions with associated companies include transactions with AW Connectivity Platform GmbH and Polar EV Charge & Storage AB.

37 Key management personnel compensation

Group
As of 31 December 2024, key management is represented by the following people:

Key management personnel	Role
Mr. Joseph Brancato	Director
Mr. Thomas Speidel	Chief Executive Officer and Director
Dr. Kurt Lauk	Director (Chairman)
Dr. Sonja Harms	Director
Dr. Andreas Fabritius (since February 2024)	Director
Mr. Alwin Epple (since April 2024)	Director
Mr. Stefan Berndt-von Bülow (since October 2024)	Chief Financial Officer
Mr. Wolfgang Breme (until October 2024)	Chief Financial Officer
Mr. Michael Rudloff	Chief Operating Officer
Mr. Sebastian Schypulla	Chief Purchase and Logistics Officer
Mr. Hakan Konyar	Chief Production Officer

Key management personnel compensation comprised of the following:

	2024 €'000	2023 €'000
Short-term employee benefits	1,800	2,001
Share-based payments	3,310	1,509
	5,110	**3,510**

Short term employee benefits include salary, company cars, training, and other benefits. Share-based payments include expenses for restricted stock units and non-qualified stock options.

Share-based payments in 2024 include an amount of EUR 487 for restricted stock units that were granted to the former directors Salina Love, K.R. Kent and Bazmi Husain for services they had rendered until their termination in September 2023 and that have vested in 2024.

Company
As of 31 December 2024, key management is represented by the following people:

37 Key management personnel compensation (continued)

Key management personnel	Role
Mr. Joseph Brancato	Director
Mr. Thomas Speidel	Director
Dr. Kurt Lauk, PhD	Director
Dr. Sonja Harms	Director
Dr. Andreas Fabritius (since February 2024)	Director
Mr. Alwin Epple (since April 2024)	Director

Key management personnel compensation comprised of the following:

	2024 €'000	2023 €'000
Directors' fees	313	340
Share-based payments	1,249	100
	1,562	**440**

38 Other financial disclosures

As of December 31, 2024, other financial obligations exist from master purchase agreements for materials with a commitment of EUR 3,070K (December 31, 2023: EUR 42,064K) of which EUR 3,068K (December 31, 2023: EUR 36,885K) are short-term financial obligations. Furthermore, there are purchase agreements mainly for materials with a commitment of EUR 6,896K (December 31, 2023: EUR 43,030K) of which EUR 6,310K (December 31, 2023: EUR 41,008K) are short-term financial obligations.

As of December 31, 2024, there is a financial obligation of EUR 4,147K (December 31, 2023: EUR 4,109K) per year from contracted long-term cost allocation agreements and rents with affiliated companies.

39 Non adjusting events after the financial period

On March 27, 2025, ads-tec Energy Austria GmbH (“ADSE Austria”) was founded as a wholly owned subsidiary of The Group. ADSE Austria is focused on the distribution of products and services in the areas of services in the fields of energy management, energy storage, e-mobility, and renewable energies.

Up to the date of this report, ADSE US repaid tranches of the 2023 shareholder loans and shareholder loan plus with a total nominal amount of USD 15,577K and accrued interest of USD 1,528K. On April 30, 2025, certain of the loans with a total nominal amount of USD 30,000K were amended and restated to extend the maturity date from August 31, 2025 to Augst 31, 2026.

On May 1, 2025, The Group entered into a Securities Purchase Agreement with certain institutional investors, pursuant to which The Group agreed to issue (i) senior secured convertible notes in the aggregate original principal amount of USD 53,763K and (ii) warrants to purchase up to an aggregate of 1,116,072 ordinary shares, nominal value of USD 0.0001 per share. The 2025 Convert Notes, 2025 Convert Warrants and Ordinary Shares issuable upon conversion of the 2025 Convert Notes and the exercise of the 2025 Convert Warrants were issued pursuant to The Group’s effective shelf registration statement on Form F-3 (File No. 333-284850) and the related base prospectus included in the Registration Statement, as supplemented by a prospectus supplement filed on May 1, 2025.

40 Approval of the financial statements

The financial statements were approved by the Board of Directors on 14 August 2025