Deurne, 9 August 2023

Slower than expected ramp up weighed on H1 2023 results

New assembly partners to enable improvement of operating results

Operational highlights H1 2023

- First Ebusco 3.0 buses from serial production delivered, showing strong vehicle performance
- Strong commercial momentum, with orders won from Qbuzz, SWEG, and Keolis amongst others
- First nine buses ordered through the French public procurement agency UGAP
- Tender activity in full swing, with traditionally most closing dates in the second half of the year
- Trials with new assembly partners completed, first Ebusco 3.0 buses successfully manufactured through partners

Financial results H1 2023

- Revenue over the first half of 2023 arrived at €41.7 million
- EBITDA[1] loss of €43.5 million
- Result for the period of negative €35.8 million
- Good order book increase with 320 buses (net) to a level of 1,794[2] (of which 677 Ebusco 3.0's)
- Ebusco achieved a 4.7% market share in European Electric buses in 2Q23[3]

Liquidity and funding

- In order to finance short-term liquidity requirements, Ebusco secured a two-year financing facility of €41.5 million, in addition to its already existing bank guarantee credit facility of €50 million
- In view of the acceleration of production with partners, Ebusco sees further opportunities to streamline its working capital and cost base

Outlook FY 2023

- As per the update provided on the 27th of July 2023, Ebusco expects to record a significant improvement in the operating result for the second half of 2023 compared to the first half of the year and a significant increase in sales over the full year 2023 compared to 2022. In 2024, the company expects to be EBITDA positive.

Deurne, 9 August 2023 – Ebusco (Euronext: EBUS) today provides insight into its figures for the first half of 2023. With an adjusted manufacturing strategy, the company targets an improved result for the second half of 2023.

In the first half of 2023, Ebusco delivered fewer buses than expected. Although the company recently delivered the first Ebusco 3.0 buses from serial production, showing strong operational vehicle performance, Ebusco was unable to reach the production output it was aiming for. Production

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[1] EBITDA is defined as earnings before net finance expenses, tax, depreciation and amortization. It can be calculated by excluding the depreciation and amortization expenses from the operating result in the interim condensed financial statements.
[2] These orders can be divided into three categories: fixed (669), call off contracts (229), additional options within won contract (896).
[3] Chatrou CME Solutions Alternative Drivelines for City buses Q2-2022 / Q2-2023.

continued to be impacted by, amongst others, supply chain constraints and a shortage of skilled labour. As a result of these circumstances, the company faces delays due to rework. These effects, and provisions for late delivery penalties, negatively impacted profitability.

To mitigate the above-mentioned challenges, Ebusco has actively sought to increase production capacity by working with bus assembly partners in Europe and Asia. With respect to Asia, as we see with the Ebusco 2.2, supply chains have recovered much faster compared to Europe while the assembly partners also have an experienced workforce available. In conjunction with an existing supplier, Ebusco will also increase its casco output. The proprietary parts required for the casco output will be supplied from Deurne and Rouen.

The measures outlined above in combination with the financing facility up to €41.5 million enable Ebusco to continue its growth path while working on its operational performance improvement and working capital efficiency at the same time.

Peter Bijvelds, CEO and Founder of Ebusco, explains: "*With no doubt we can state that the first half of 2023 was disappointing. Mainly due to the impact of supply chain disruptions and skilled blue-collar shortages, our performance, unfortunately, fell short of expectations. Although we proudly delivered the first Ebusco 3.0 buses from serial production, and strengthened our order book with repeat orders, the landscape in which Ebusco operates remains challenging.*

We have taken several important steps to mitigate the challenges we faced in the first half of 2023, of which the decision to work with assembly partners for the Ebusco 3.0 is the most relevant. This step will not only improve our delivery reliability and gross margin in the short term, but it also enables us to facilitate further growth of our order book in the long term.

I am fully convinced that, by broadening production capacity and adjusting the supply chain, we take the right measures to improve performance in the second half of 2023."

Financial review

(in EURm)	H1 2023 Unaudited	H1 2022 Unaudited
Revenue	41.7	37.1
Gross Profit	(2.7)	6.0
EBITDA	(43.5)	(15.2)
Result for the period	(35.8)	(14.1)
Net debt / (Cash), ex-lease liabilities	(42.1)	(150.9)

Revenue

Mainly due to the impact of supply chain disruptions and ongoing labour shortages, fewer buses contributed to revenue in the first half of 2023 than expected. As a result, the revenue over the first half of 2023 arrived at €41.7 million, an increase of 12.4%.

Cost of materials and gross profit

The gross margin over the first half of 2023 declined from 16.2% in 2022 to negative 6.4% over the first half of 2023, resulting in a negative gross profit of €2.7 million. Although the company was aiming for an overall improvement in gross profit, this is heavily distorted by the impact of the current delivery delays.

Not only did the production mix turn out less favourable than expected, but the delays also caused incidental late delivery penalties and cost overruns, thereby leading to a decrease in the current gross profit. Adjusted for these items, the gross margin would have arrived at a similar level as the FY2022 normalised gross margin.

Employee expenses and other operating expenses

Ebusco's overall workforce (which contains both internal personnel as well as temporary, externally hired individuals) grew significantly from an average of 364 FTE in H1 2022 to an average of 708 FTE in H1 2023. Next to the increased workforce, the average cost per externally hired FTE was considerably higher in 2023 than during 2022 (an increase of approximately 16%). These two factors combined resulted in a significant increase of employee benefit expenses from €15.1 million over H1 2022 to €30.1 million in the first half of 2023.

Although Ebusco managed to attract sufficient indirect labour to support its development, the growth in direct labour was below expectations due to skilled-blue collar shortages. Simultaneously, Ebusco's productivity continues to be impacted by parts availability.

Other operating expenses amounted to €10.6 million versus €6.2 million in the first half of 2022. This increase is mainly driven by the Group's additionally rented facility in Venray, where it performs its pre-delivery inspections, distribution expenses and tooling. The remaining increase is mostly due to the growth of the overall business.

EBITDA

Due to the impact of the late deliveries on the group's revenue, EBITDA arrived at negative €43.5 million in the first half of 2023.

Net result for the period

Net result for the period came in at €35.8 million negative, compared to negative €14.1 million in H1 2022. Earnings per share changed from a loss of €0.54 per share in 2022 to a loss of €0.60 per share over the first six months of 2023.

Outlook and priorities for 2023

Ebusco expects to record a significant improvement in the operating result for the second half of 2023 compared to the first half of the year and a significant increase in sales over the full year 2023 compared to full year 2022. In 2024, the company expects to be EBITDA positive.

Key priorities for the remainder of the year are:

1. *Ramp-up of bus production and delivery via Ebusco's assembly partners*
2. *Increase casco production by decoupling composite parts production and casco assembly while securing our proprietary technology*
3. *Improvement of the overall operating result, including rightsizing working capital*

Management reiterates its medium-term objectives to produce over 3,000 zero emission buses per year with an EBITDA margin of 20-25% within the next five years.

Webcast details

WEBCAST OF HALF YEAR 2023 RESULTS

Date and time: 9 August 2023 at 10 am CET

Link: investors.ebusco.com/webcast

Financial calendar for the remainder of the year

6 September 2023	Extraordinary General Meeting
1 October – 10 October 2023	Closed period
11 October 2023	Trading update Q3

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About Ebusco

Ebusco is a developer, manufacturer, and distributor of zero emission buses and charging systems as well as a supplier of ancillary products and services to the electric vehicle ecosystem. As an innovative frontrunner in the development of electric buses, its mission is to contribute to a better living environment by driving the transition to zero emission public transportation.

Ebusco's buses currently operate in multiple countries in Europe, including in major cities such as Amsterdam, Berlin, and Munich. Ebusco was founded in 2012 and had a workforce of 809 full-time employees as at 30 June 2023. The company is headquartered in Deurne, the Netherlands.

Since 22 October 2021 Ebusco is listed on Euronext Amsterdam.

For more information: www.ebusco.com

Disclaimer

Some statements in this press release may be considered 'forward-looking statements'. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that may occur in the future. These forward-looking statements involve known and unknown risks, uncertainties and other factors that are outside of our control and impossible to predict and may cause actual results to differ materially from any future results expressed or implied. These forward-looking statements are based on current expectations, estimates, forecasts, analyses and projections about the industry in which we operate and management's beliefs and assumptions about possible future events. You are cautioned not to put undue reliance on these forward-looking statements, which only express views as at the date of this press release and are neither predictions nor guarantees of possible future events or circumstances. We do not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events, except as may be required under applicable securities law.

This press release contains information that qualifies, or may qualify, as inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

EBUSCO
Interim condensed consolidated financial statements for the six months ended 30 June 2023

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2023 and 30 June 2022

(In thousands of euro unless stated otherwise)

	Note	H1-2023 Unaudited		H1-2022 Unaudited
Revenue	**7.1**	41,720		37,089
Cost of materials	**7.2**	(44,410)		(31,078)
Employee benefit expenses	**8**	(30,173)		(15,071)
Amortisation and depreciation expenses		(3,215)		(2,724)
Other operating expenses	**9**	(10,647)		(6,176)
Operating expenses		**(88,445)**		**(55,049)**
Operating result		**(46,725)**		**(17,960)**
Finance expenses, net		251		(486)
Share of result of an associate	**6**	(488)		-
Result before tax		**(46,962)**		**(18,446)**
Income tax credit		11,177		4,309
Result for the period		**(35,785)**		**(14,137)**
Result for the period attributable to:				
Equity holders of the Group		(35,480)		(13,974)
Non-controlling interests		(305)		(163)
Other comprehensive income				
Other comprehensive income that may be reclassified to profit or loss in subsequent periods				
Exchange differences on translation of foreign operations		(8)		(8)
Net gain/(loss) on cash flow hedges		4,468		373
Tax effect of changes in cash flow hedges		(1,153)		(97)
Net change in costs of hedging		-		(8)
Tax effect of changes in cost of hedging		-		2
Other comprehensive income/(loss)		**3,307**		**262**
Total comprehensive income/(loss) for the period attributable to:				
Equity holders of the Group		**(32,173)**		**(13,712)**
Non-controlling interests		**(305)**		**(163)**
Basic earnings per share (in euros) for result attributable to shareholders of the Group		**(0.60)**		**(0.24)**
Diluted earnings per share (in euros) for result attributable to shareholders of the Group		**(0.60)**		**(0.24)**

Condensed Consolidated Statement of Financial Position

As at 30 June 2023 and 31 December 2022

(In thousands of euro)

	Note	At as 30 June 2023 Unaudited	As at 31 December 2022 Audited
Non-current assets			
Property, plant and equipment	**10**	16,142	10,454
Right-of-use assets		6,610	7,255
Intangible assets		49,859	47,595
Deferred tax assets		26,404	16,365
Investment in associates	**6**	2,930	1,068
Non-current financial assets		9	9
		101,954	**82,746**
Current assets			
Inventories	**12**	85,528	47,442
Trade receivables	**11**	10,924	25,913
Contract assets	**7.4**	54,954	62,971
Other current assets		14,781	6,332
Cash and cash equivalents		42,094	95,212
		208,281	**237,870**
Total assets		**310,235**	**320,616**
Equity			
Share capital		590	590
Share premium		315,324	315,324
Reserves		22,268	16,334
Retained earnings		(96,323)	(58,251)
Equity attributable to equity holders of the Group		**241,859**	**273,997**
Non-controlling interests		**(844)**	**(539)**
Total Equity		**241,015**	**273,458**
Non-current liabilities			
Provisions	**14**	1,342	147
Non-current lease liabilities		5,676	6,298
		7,018	**6,445**
Current liabilities			
Loans and borrowings		-	486
Provisions	**14**	1,198	777
Trade payables		27,739	21,115
Contract liabilities*	**7.4**	4,233	7,886
Other current liabilities*	**13**	27,642	8,981
Current lease liabilities		1,387	1,463
Income tax payable		3	5
		62,202	**40,713**
Total liabilities		**69,220**	**47,158**
Total equity and liabilities		**310,235**	**320,616**

** Prior year amounts have been reclassified to conform to current year presentation.*

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2023 and 30 June 2022

(In thousands of euro)

	Equity attributable to equity holders of the Group								Non-controlling interests	Total Equity
	Share capital	Share premium	Translation reserve	Cash flow hedge reserve	Cost of hedging reserve	Other capital reserves	Retained earnings	Total		
Balance as at 1 January 2022 (audited)	**590**	**314,767**	**(6)**	**-**	**6**	**-**	**(11,346)**	**304,011**	**(63)**	**303,948**
Result for the period	-	-	-	-	-	-	(13,974)	(13,974)	(163)	(14,137)
Other comprehensive income	-	-	(8)	276	(6)	-	-	262	-	262
Total comprehensive income/(loss) for the period	**-**	**-**	**(8)**	**276**	**(6)**	**-**	**(13,974)**	**(13,712)**	**(163)**	**(13,875)**
Share issuance expenses	-	557	-	-	-	-	-	557	-	557
Share based payment expenses	-	-	-	-	-	149	-	149	-	149
Transfer of cash flow hedge reserve	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2022 (unaudited)	**590**	**315,324**	**(14)**	**276**	**-**	**149**	**(25,320)**	**291,005**	**(226)**	**290,779**
Balance as at 1 January 2023 (audited)	**590**	**315,324**	**14**	**966**	**-**	**15,354**	**(58,251)**	**273,997**	**(539)**	**273,458**
Result for the period	-	-	-	-	-	-	(35,480)	(35,480)	(305)	(35,785)
Other comprehensive income	-	-	(8)	3,315	-	-	-	3,307	-	3,307
Total comprehensive income/(loss) for the period	**-**	**-**	**(8)**	**3,315**	**-**	**-**	**(35,480)**	**(32,173)**	**(305)**	**(32,478)**
Share issuance expenses	-	-	-	-	-	-	-	-	-	-
Share based payment expenses	-	-	-	-	-	93	-	93	-	93
Transfer to/from legal reserve	-	-	-	-	-	2,566	(2,566)	-	-	-
Transfer of cash flow hedge res.	-	-	-	(32)	-	-	-	(32)	-	(32)
Other movements	-	-	-	-	-	-	(26)	(26)		(26)
Balance as at 30 June 2023 (unaudited)	**590**	**315,324**	**6**	**4,249**	**-**	**18,013**	**(96,323)**	**241,859**	**(844)**	**241,015**

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2023 and 30 June 2022
(In thousands of euro)

	H1-2023 Unaudited		H1-2022 Unaudited
Cash flows from operating activities			
Profit/(loss) before tax	(46,962)		(18,446)
Non-cash adjustments:			
Depreciation of PP&E and ROU assets	2,318		1,793
Amortisation of intangible assets	897		931
Share based payment expense	93		149
Net loss on derivative instruments at fair value through profit or loss	4		-
Additions to/(release from) provisions	2,009		(141)
Finance expenses/(income), net	(249)		486
Share of results of an associate	488		-
Movements in working capital:			
Inventories	(38,086)		(2,845)
Receivables and other current assets	11,092		6,746
Contract assets/liabilities*	4,364		(30,496)
Payables and other current liabilities*	21,978		(2,689)
Cash generated from operations	**(42,055)**		**(44,371)**
Payment from provisions	(393)		(924)
Income tax paid	-		(4,773)
Net cash flows from operating activities	**(42,447)**		**(50,068)**
Cash flows from investment activities			
Investments in property, plant and equipment	(6,034)		(2,280)
Investments in intangible assets	(1,155)		(1,194)
Investment in associates	(2,350)		-
Net cash flows from investment activities	**(9,539)**		**(3,474)**
Cash flow from financing activities			
Payment of share issuance expenses	-		(2,046)
Repayments of borrowings	(486)		(215)
Payment of principal portion of lease liabilities	(811)		(712)
Interest income	256		-
Interest paid	(105)		(31)
Net cash flow from financing activities	**(1,146)**		**(3,004)**
Increase/(decrease) in cash and cash equivalents	**(53,132)**		**(56,546)**
Exchange (losses)/gains on cash, cash equivalents	14		(5)
Cash and cash equivalents at 1 January	**95,212**		**207,923**
Cash and cash equivalents at 30 June	**42,094**		**151,372**

** Prior year amounts have been reclassified to conform to current year presentation.*

Notes to the Condensed Consolidated Financial Statements

1. Corporate information

Ebusco Holding N.V. (or 'the Company') is a public limited liability company incorporated and domiciled in the Netherlands and listed on Euronext Amsterdam. The headquarters and registered office of the Company are located at Vuurijzer 23, 5753 SV Deurne, the Netherlands. The Company is registered at the Chamber of Commerce in the Netherlands under number 75407922.

Ebusco Holding N.V. is the ultimate parent company of an international group of legal entities (together, "the Group" or "Ebusco"). The Group is a developer, manufacturer and distributor of zero-emission buses and charging systems, as well as a supplier of ancillary services to the electric vehicle ecosystem and manufacturer and supplier of Energy Storage Systems (ESS), Mobile Energy Containers (MEC) and Ebusco Maritime Batteries (EMB).

The interim condensed consolidated financial statements for the six months ended 30 June 2023 have not been audited or reviewed by the external auditor.

The interim condensed consolidated financial statements of Ebusco Holding N.V. and its subsidiaries were authorised for issue in accordance with a resolution of the Supervisory Board on 9 August 2023.

2. Basis of preparation and consolidation

Preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2023 have been prepared in accordance with IAS 34 – Interim Financial Reporting. The management board of the Company hereby declares that to the best of their knowledge, the Condensed Consolidated Interim Financial Statements are prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Company and the undertakings included in the consolidation taken as a whole, and the Report of the management board gives a fair review of the information required pursuant to section 5:25d(8)/(9) of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht).

In accordance with IAS 34, interim financial information is prepared solely in order to update the most recent annual consolidated financial statements prepared by the Group, placing emphasis on new activities, occurrences and circumstances that have taken place during the six months ended 30 June 2023 and not duplicating the information previously published in the Annual Report for the year ended 31 December 2022. Therefore, the interim condensed consolidated financial statements do not include all the information that would be required in complete consolidated financial statements prepared in accordance with the International Financial Reporting Standards as adopted by the European Union. In view of the above, for an adequate understanding of the information, these condensed consolidated financial statements should be read in conjunction with the Group's Annual Report 2022 approved by the Board of Supervisory Directors on 29 March 2023 (to be found via https://investors.ebusco.com/financial-reports-and-presentations/).

The interim condensed consolidated financial statements have been prepared on a historical cost basis, except where otherwise indicated. All amounts are stated in thousands of EUR, unless otherwise stated. All values are rounded to the nearest thousands on individual line items which can result in minor rounding differences in sub-totals and totals, except where otherwise indicated. Certain comparative-period amounts have been reclassified to conform to the current-period respectively full year 2022 presentation.

Going concern

In the first half of 2023, Ebusco delivered fewer buses than expected. Although the Group recently delivered the first Ebusco 3.0 buses from serial production which show strong operational vehicle performance, Ebusco was unable to reach the production output it was aiming for. Production continued to be impacted by, amongst others, supply chain constraints and a shortage of skilled labour. As a result of these circumstances, the company faces delays due to rework. These effects negatively impacted the interim financial result of 2023 and forecast. The management board acknowledges the current situation and therefore acted by engaging bus assembly partners in Europe and Asia in order to address the disturbances caused by the supply chain disruptions and skilled labour shortages. These partners have proven their ability to ensure the quality of assembly and they are also helping to accelerate production and improve gross margin.

The restructuring of the Group's manufacturing strategy and the first half year results have resulted in an adjusted budget and liquidity requirements. The management board therefore assessed several scenarios, in which the worst-case scenario assumes a considerable delay in the timely ramp-up of the production at the Group's assembly partners and in supply chain lead times, potentially leading to cash levels below our internal thresholds. Although the Group has a very strong current ratio, it anticipated for such scenario by securing a financing facility of EUR 41.5 million to ensure that there will be sufficient liquidity available to meet its current liabilities as they fall due within the next twelve months.

Considering the risks mentioned above (most significantly being the timely ramp-up of production, timely repairing of supply chain lead times, geopolitical developments and working capital requirements), management's actions taken to date (restructuring of manufacturing strategy, increasing capacity and securing the additional financing facility) and the various scenarios that have been considered, the management board continues to adopt the going concern basis in the preparation of these interim condensed financial statements.

Consolidation
Included in the interim condensed financial statements are the following subsidiaries:

- Ebusco B.V., The Netherlands, 100%
- Ebusco Energy B.V., The Netherlands, 100%
- Ebusco Manufacturing B.V., The Netherlands, 100%
- Pondus Operations B.V., The Netherlands, 90%
- Ebusco Deutschland GmbH, Germany, 100%
- Ebusco Norway A/S, Norway, 100%
- Ebusco Australia Pty Ltd, Australia, 100%
- Ebusco France SAS, France, 100%
- Ebusco North America LLC, United States, 100%
- Ebusco New Energy (Xiamen) Co Ltd, China, 100%
- Ebusco Canada Inc., Canada, 100%
- Ebusco Denmark ApS, Denmark, 100%
- Ebusco Italy S.r.l., Italy, 100%
- Ebusco Sweden AB, Sweden, 100%
- Ebusco Spain SL, Spain, 100%

3. Accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of amended standards effective as of 1 January 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

New standard, interpretations and amendments adopted by the Group

Several amendments and interpretations apply for the first time in 2023, but do not have an impact on the interim condensed consolidated financial statements of the Group. These are the following standards:

The IFRS 17 *Insurance Contracts* standard, is effective as of 1 January 2023

Amendments to IAS 8 *Accounting policies, changes in accounting estimates and errors* – definition of accounting estimates, effective 1 January 2023

Amendments to IAS 1 and IFRS Practice Statement 2 – disclosure of accounting policies, effective 1 January 2023

Amendments to IAS 12 *Income taxes* – deferred tax related to assets and liabilities arising from a single transaction, effective 1 January 2023

4. Estimates and judgements

The preparation of the condensed consolidated financial statements in conformity with IAS 34 requires the Group to make certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated financial statements, the significant judgements, estimates and assumptions made by management in applying the Group's accounting policies were the same as those applied to consolidated financial statements as at and for the year ended 31 December 2022 and disclosed in the Annual Report 2022.

5. Risk management

In our Annual Report 2022, we have extensively described certain risk categories and risks factors (including risk appetite) which could have a material adverse effect on the Group's financial position and results. Those categories and risks remain valid and should be read in conjunction with this semi-annual report.

6. Acquisitions

On 28 January 2022 Ebusco Energy B.V. acquired 40% of the shares in Zero Emission Services B.V. for a consideration of one euro. On 8 November 2022 an additional 8.57% of the shares were acquired in exchange for a cash contribution of €1.5 million. Finally, on 21 February 2023 the Group contributed €2.35 million and as a result the interest in the associate increased to 49.39%. The investment qualifies as an investment in associates.

Associates

Associates are all entities over which the group has significant influence but not control or joint control.

This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see below), after initially being recognised at cost.

On acquisition of the investment, any difference between the cost of the investment and the entity's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as follows:

(a) Goodwill relating to an associate or a joint venture is included in the carrying amount of the investment.
(b) Any excess of the entity's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Equity method
Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter for the post-acquisition change in the group's share of the investee's net assets. Furthermore, the group's profit or loss includes its share of the investee's profit or loss and the group's other comprehensive income includes its share of the investee's other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. Where the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity-accounted investments is subject to impairment testing.

7. Revenue, cost of materials and segment reporting

The following table disaggregates the Company's revenue of the sale of zero emission buses and ancillary services and goods, including charging systems, related to the electric vehicle ecosystem.

7.1 Revenue

Revenue Type	H1-2023	H1-2022
Revenue from zero emission buses	37,927	34,309
Revenue from charging systems and ancillary services and goods	3,793	2,780
Total	**41,720**	**37,089**

Furthermore, we presented a split between the revenue recognized over time and in time in the following table:

Revenue recognition	H1-2023	H1-2022
Revenue recognized over time	39,765	34,326
Revenue recognized at point in time	1,955	2,763
Total	**41,720**	**37,089**

7.2 Cost of materials

The cost of materials is recognised and presented in the statement of profit or loss. These costs include amounts paid to the supplier for construction contracts, costs for parts included in construction contracts, transportation costs, and import duties.

7.3 Segment reporting

Revenue

The following table summarises the Group's geographical breakdown of its revenue, based on the location of the external customers for the periods indicated:

Revenue – Geographical breakdown	H1-2023	H1-2022
DACH[1]	19,462	15,119
Nordics[2]	14,534	14,369
Benelux[3]	3,959	7,535
France	2,375	-
Spain	1,210	-
Rest of the World (RoW)	180	66
Total	**41,720**	**37,089**

1 DACH is an acronym for Germany (D), Austria (A) and Switzerland (CH).

2 Nordics is an acronym for Denmark, Sweden, Norway and Finland.

3 Benelux is an acronym for Belgium, Netherlands and Luxemburg.

7.4 Contract assets and contract liabilities

The contract assets and liabilities are as follows:

Contract assets / (liabilities)	30-06-2023	31-12-2022
Contract assets	54,954	62,971
Contract liabilities	(4,233)	(7,886)
Total	**50,721**	**55,085**

The contract assets concern all projects in progress for which the incurred expenses, including realized profit and losses to date (if any), exceed the terms invoiced to customers. The contract liabilities are related to revenue received in advance.

8. Employee benefit expenses

Employee benefit expenses are as follows:

Employee benefit expenses	H1-2023	H1-2022
Wages and salaries	13,559	7,924
Temporary staff	11,861	4,433
Social security charges	2,175	1,207
Other staff expenses	1,579	782
Pension costs	665	423
Car expenses	241	131
Share-based payments	93	149
Severance payments and termination benefits	-	22
Total	**30,173**	**15,071**

The average number of full-time employees for the period active within, respectively outside the Netherlands is as follows:

Average number of employees (in FTE)	H1-2023	H1-2022
Active within the Netherlands	442	255
Active outside the Netherlands	16	5
Total	**458**	**260**

9. Other operating expenses

Other operating expenses	H1-2023	H1-2022
General expenses	3,172	2,623
Distribution expenses	2,094	1,005
Facility expenses	1,784	353
Marketing expenses	320	403
Office expenses	187	107
Other operating expenses	3,090	1,685
Total	**10,647**	**6,176**

The other operating expenses increased by €4.5 million compared to H1-2022. The increase is mainly driven by the additionally rented facility in Venray, where the Group performs its pre-delivery inspection activities. The remaining increase is mostly related to the growth of the business of the Group.

10. Property, plant and equipment

Property, plant and equipment increased by €5.4 million to €15.8 million as at 30 June 2023. Investments in property, plant and equipment amounted to €7.0 million in H1-2023 (H1-2022: €2.3 million) and mostly relate to investments in machinery and equipment. Disposals are nil in H1-2023 (H1-2022: nil).

The Group did not recognise any impairment losses related to property, plant and equipment in H1-2023 (H1-2022: nihil), nor did the Group reverse any impairment losses.

The Group has commitments in place amounting to €1.8 million to purchase property, plant and equipment as of 30 June 2023.

11. Trade receivables

The Group had 2 customers which accounted for approximately 73% of the total trade receivable balance (2022: the two largest customers comprised 54%).

12. Inventories

Inventories	30-06-2023	31-12-2022
Trade goods for sale and spare parts	87,245	47,976
Inventories, gross	**87,245**	**47,976**
Allowance for obsolescence	(1,717)	(534)
Inventories, net	**85,528**	**47,442**

In order to be fully prepared for the international roll-out and continued ramp up, the Group significantly increased its stock levels. Next to materials related to bus projects, the current inventory position consists out of the work in progress related to the Mobile Energy Containers and Energy Storage Systems.

13. Other current liabilities

Other current liabilities	30-06-2023	31-12-2022
Taxes and social securities	2,943	3,064
Deferred revenue	5,228	1,026
Derivatives	34	37
Other current liabilities	19,437	4,854
Total	**27,642**	**8,981**

The other current liabilities increased significantly due to the production ramp up, required to meet the Group's strong order book. The increase is mainly related to the movement in accrued liabilities between the end of prior year and the reporting date. In addition, the Group's orders for both the energy containers and storage systems increased relative to last year for which several down payments were received. This resulted in an increase in the deferred revenue position.

14. Provisions

In addition to the general warranty provision, as further disclosed in the Annual Report 2022, the Group recorded for a specific warranty provision of approximately €1.3 million for corrosion related matters for some of its 2.2 buses. Although the Group and its customers are still evaluating the matter, the Group recorded the provision based on the best estimate of the projected cost to repair the items under warranty.

15. Related party transactions

At the end of 2022, the Group signed a contract with its associate ZES for the delivery of nine Mobile Energy Containers. In February 2023 an addendum to the initial contract was signed to purchase 11 additional containers. In relation to the agreed upon contracts the Group received advance payments for an amount of approximately €4 million from ZES.

There were no other material changes in nature, scope and (relative) scale in this reporting period compared to last year.

16. Contingencies and commitments

There were no material changes in the nature and scope of contingencies and commitments in the first half of 2023 compared to those disclosed in our Annual Report 2022.

17. Dividends

In H1-2023 no dividends were paid (H1-2022: € nil).

18. Subsequent events

In order to finance short-term liquidity requirements, Ebusco secured a two-year financing facility of €41.5 million on 8 August 2023, in addition to its already existing bank guarantee credit facility of €50 million.

On 25 July 2023, the supervisory board has nominated Jurjen Jongma for appointment as a member of the management board. Following appointment by the extraordinary general meeting of shareholders on 6 September 2023, he will hold the role of Chief Financial Officer (CFO).

In addition to the above, there were no material events after 30 June 2023.

Signing of the Interim Condensed Consolidated Financial Statements

Deurne, 9 August 2023

Management Board

P.H.A.M. Bijvelds

Chief Executive Officer

B.H.M.J. Fleuren

Chief Operating officer