

## Ebusco reports Full Year results 2023

### ***Adjusted strategy offers positive prospects after disappointing 2023***

#### **Financial review FY 2023**

- 2023 revenue arrived at €102.4 million impacted by operational and logistics issues
- EBITDA loss of €95.7 million, higher than 2022 reflecting operational challenges
- Net loss for the year of €120.1 million
- Cash & Cash Equivalents of €27.9 million and contract assets of €67.6 million

#### **Operational review FY 2023**

- Order book grew from 1,474 to 1,719 buses at year-end, enabling production into 2025
- Management actions taken: new leadership team, new assembly strategy, cost base, and working capital improvement plans
- Assembly strategy implemented with first buses shipped within six months after start
- New production site Rouen live on time and on budget supporting the assembly at partners

#### **Outlook 2024**

- Revenue 2024 expected in excess of €325 million
- Employee benefits and other operating expenses for FY 2024 below FY 2023
- Positive EBITDA full year 2024 weighted towards the second half of the year
- Ebusco Capital Markets Day, planned for 20 June 2024

In € million	FY 2023	FY 2022
Revenue	102.4	111.6
EBITDA <sup>1</sup>	(95.7)	(34.8)
Result for the year	(120.1)	(32.2)
Cash and cash equivalents	27.9	95.2

#### **Peter Bijvelds, founder and co-CEO Ebusco**

*“Last year was a challenging, but above all, disappointing year. Neither did we deliver what we intended, nor did we deliver what we promised. Our guidance for a substantial improvement in our second half 2023 EBITDA was based on a full year revenue amount of approximately €145 million which we did not achieve. Management has taken key actions to structurally improve the financial and operational performance of the company and increase predictability in 2024 and beyond.*”

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<sup>1</sup> For further details, see the 'Non-IFRS measures' included in the Annual Report 2023 page 124

*Lower production and delivery output impacted our liquidity and subsequently resulted in significant amounts of inventories (€106.5 million) and contract assets (€67.6 million). The actions we have taken will result in a higher, more predictable production pace and delivery in 2024. At the moment, over 125 buses are set for delivery, including more than 80 Ebusco 3.0 buses.*

*The appointment of Frank Meurs as ad interim co-CEO in January 2024 allows me to fully focus on the corporate strategy as well as product and commercial development. Next to the addition of Frank to the team, I am also glad to welcome Roald Dogge who has been nominated to become our new COO. His expertise and extensive experience in the automotive and OEM industry perfectly suits the role of the COO in our new assembly setup. I would like to thank Bob Fleuren for the invaluable contribution he has made to Ebusco.*

*Despite the challenges we faced in 2023, the main highlight remains the operational performance of the Ebusco 3.0. Our customers tell us that the 0.65 kWh per kilometre energy consumption of the Ebusco 3.0 is unrivalled. We have several innovations that we are working on to further improve the Ebusco 3.0 and remain at the forefront of the market. Lighter, more efficient, one step better every time. We have to do better, we can do better and we have taken the necessary management actions. We owe this to our employees, customers, suppliers, shareholders, and other stakeholders and I am grateful for their continued trust and patience over the past year.”*

## **Management actions**

### **Leadership**

In recent months, a new leadership team was installed to accelerate and implement the adapted assembly strategy. With the arrival of experienced CFO Jurjen Jongma, interim-co CEO Frank Meurs, and our newly announced COO Roald Dogge, the management board has gained valuable experience that will drive the required performance improvements.

### **Assembly strategy**

Key leadership decisions to improve the predictability and operational performance of Ebusco resulted in an adapted assembly strategy to scale up our production with the support of third-party assembly partners. Our partners have a long track record in bus assembly, providing them good access to skilled labor and allowing Ebusco to leverage on their existing supply chain and suppliers.

The first results of this strategy are already visible and include a structurally increased output, improvement to our delivery reliability, and a more flexible cost base that, over time, will result in better unit economics. The adjusted assembly strategy was effectively implemented in the second half of 2023 with the first batch of 3.0 buses transported back to the Netherlands within six months. This shorter lead time allows us to achieve a faster time to money, and better customer performance in the future compared to previous 3.0 orders.

### **Cost and working capital reduction**

We have also taken several steps to structurally lower our employee and other expenditures, and as part of the adapted assembly strategy we have already reduced our (flexible) workforce. The decision was also made to reduce our commercial activities outside of Europe. The results of these actions should start to become visible in the operational results as of the second quarter with the full impact in the second half of 2024.

In addition, the more stable and predictable production output we will achieve with our assembly partners enables us to accelerate the unwinding of our current high inventory levels. As our partners will assume responsibility for smaller parts, the complexity of our supply chain is set to reduce, and we will benefit from this with faster working capital conversion cycles.

The management board acknowledges the urgency of short-term liquidity and conversion of inventories and contract assets into cash is a priority. We currently have over 280 Ebusco 3.0 buses and over 100 Ebusco 2.2's in various stages of completeness on production lines of which 125 are set for imminent delivery. Seeing through completion of these buses is key.

We are confident that the above actions will put us on the path to recovery towards a better performing, more predictable Ebusco. We will provide more detail on this during our Capital Markets Day on June 20.

## Financial review FY2023

### Revenue

In 2023, Ebusco delivered a total of 178 buses to its customers. Out of these buses, 36 were 3.0 and 142 2.2 buses. Full-year 2023 revenue arrived at €102.4 million.

As communicated in January this year, our 2023 revenue guidance was impacted by a lower than anticipated progress in completion of buses and a shift in certification of Mobile Energy Containers. In the final results, there was an additional impact of € 5.0 million related to penalties and future performance obligations and an additional shift in revenue which will now be recognised in 2024. The comparison to the initial 2023 guidance shows as follows:

Revenue bridge 2023	(in €m)
Guidance 2023	145.0
Bus revenue delayed into 2024	(27.6)
MEC revenue delayed	(10.0)
Future performance obligations & penalties into 2024	(5.0)
<b>Reported revenue</b>	<b>102.4</b>

We reiterate that all buses that were forecasted for revenue in 2023 are on production lines in Deurne or at our partners and will contribute to 2024 revenue.

Ebusco continues to maintain a substantial order book, enabling production to extend well into 2025. In total, Ebusco received orders (fixed contracts, call-off and options) for 615 buses in 2023 of which 359 3.0 buses resulting in an order book of 1,719 buses at year-end 2023 compared to 1,474 buses at year-end 2022.

Orderbook 2023	Fixed	Call off	Options	Totals
Ebusco 2.2	158	199	660	1,017
Ebusco 3.0	575	0	127	702
Totals	733	199	787	1,719

In recent quarters, Ebusco had a more selective approach to tenders, with the company more carefully evaluating delivery times and other conditions before submitting an offer.

The Ebusco Energy order book stood at a total of 43 Energy solutions orders at year-end 2023. These were split between 38 fixed orders and 5 options and reflect a value in excess of €35 million.

## Cost of materials and gross profit<sup>2</sup>

Gross profit as percentage of revenue decreased from 14.0% positive in 2022 to 6.7% negative in 2023, primarily due to penalties related to late delivery. These penalties are recognised through lower reported revenues and higher expenses incurred in COGS.

Although the adapted assembly strategy will help expedite delivery to our customers, provide more flexibility in our cost base and over time result in better unit economics, there is a short-term negative impact. As a result of the adapted assembly strategy certain projects have been re-allocated to assembly partners. As a result, the components procured for these projects have to be transported to our assembly partners. These re-allocated projects incurred higher costs than previously forecasted resulting in lower, or in certain cases negative margins. In addition there have been start-up cost related to the adapted assembly strategy.

Taking these elements into consideration, the clean cash gross margin of 24% for buses with the bridge to reported gross margin is reflected below.

Gross margin bridge 2023	(in €m)
Bus revenue adjusted for IFRS 15 & penalties	101.8
Gross profit bus 2023	5.7
Future performance obligations & penalties	9.7
Project re-allocation cost	2.9
Assembly start up cost	6.0
Adjusted bus gross profit	24.3
Adjusted bus gross margin	23.9%

As the Ebusco 3.0 design matures and the adapted assembly strategy comes to full fruition, we expect to be able to lower the cost related to project re-allocation and assembly start-up costs. Furthermore, when we have cleared our existing inventory, we will also increasingly leverage the procurement infrastructure of our assembly partners to drive cost of goods sold down.

## Employee expenses and other operating expenses

Employee expenses increased from €35.5 million in 2022 to €63.1 million in 2023 due to the total headcount almost doubling to an average of 798 FTE over the course of 2023 (2022: 446).

Other operating expenses amounted to €25.7 million in 2023 compared to €14.9 million in 2022. The increase is driven by amongst others facility costs related to the rental of the facility in Venray, higher costs of automation, and expenses related to the increase of staff. Lastly, costs associated with the transfer of production to partners impacted Operating Expenses.

## EBITDA

Following the above, Full Year 2023 EBITDA amounted to €95.7 million negative, compared to €34.8 million negative a year earlier.

<sup>2</sup> For further details, see the 'Non-IFRS measures' included in the Annual Report 2023 page 124

### **Depreciation and amortisation**

Depreciation and amortisation amounted in 2023 to €8.1 million compared to €5.6 million for 2022.

### **Result for the year**

The result for the year decreased from €32.2 million negative in 2022 to €120.1 million negative for 2023.

The weighted average number of shares outstanding in 2023 increased to 59,217,462, resulting in a loss per share of EUR 2.01 in 2023 (2022: EUR 0.54 loss per share).

### **Financial position / working capital**

Ebusco's net cash position was €27.9 million as per 31 December 2023 down from €95.2 million as per 31 December 2022.

Net working capital amounted to €144.0 million as per 31 December 2023 (31 December 2022: €106.3 million). The increase in net working capital of €37.7 million was mainly caused by an increase in inventories of €59.1 million. Inventories reached a level of €106.5 million. However as production will accelerate in the coming quarters, inventories are expected to decline over the course of 2024.

The increase in inventories was only partially offset by an increase in trade payables for an amount of €9.8 million and a decrease in trade receivables of €6.3 million. Contract assets (buses in production) amounted to € 67.6 million with a significant number of buses close to delivery to our customers.

Capital expenditures amounted to €21.8 million in 2023 up from €7.1 million in 2022. The increase was mainly caused by an increase in investments in equipment for the production facilities in both the Netherlands and France, investments in the plant in France and investments in an ERP system.

### **Outlook and strategic priorities for 2024**

Management has taken key actions to structurally enhance the financial and operational performance of the company and increase predictability in 2024 and beyond.

Ebusco reiterates its revenue expectation in excess of €325 million for 2024. Driven by the adapted assembly strategy and other management actions, employee expenses and other operational expenditures for the full year 2024 are expected to arrive below the level of 2023. The combination of the increased revenue and lower operational expenditures is expected to result in a positive EBITDA for the full year 2024 which will be weighted towards the second half.

### **Annual General Meeting of Shareholders**

Ebusco will hold its Annual General Meeting of Shareholders on 14 May 2024. The notice, agenda, explanatory notes and other documents (including the Annual Report for 2023) will be published on the Ebusco investor website today, 26 March 2024.

## Webcast details

WEBCAST OF FULL-YEAR 2023 RESULTS

Date and time: 26 March 2023 at 10:00 am CET

Link: [investors.ebusco.com/webcast](https://investors.ebusco.com/webcast)

## Financial calendar for the remainder of the year

14 May 2024	Annual General Meeting (AGM)
20 June 2024	Capital Markets Day 2024
29 June – 30 July 2024	Closed period
31 July 2024	Half Year Results
5 October – 15 October 2024	Closed period
16 October 2024	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 and accompanied ecosystems, its mission is to contribute to a better environment by enabling safe, sustainable, emission-free and affordable transportation ecosystems.

Ebusco buses currently operate in multiple countries throughout Europe, and are deployed in major cities such as Amsterdam, Berlin, Munich, and Barcelona. Ebusco was founded in 2012 and had a workforce of 893 full-time employees as at 31 December 2023.

Since 22 October 2021 Ebusco is listed on Euronext Amsterdam (EBUS).

For more information: [www.ebusco.com](https://www.ebusco.com)

**Notes to the press release**

The financials are presented in thousands of euros and all values are rounded to the nearest thousand unless otherwise stated. Change percentages and totals are calculated before rounding. As a consequence, rounded amounts may not add up to the rounded total in all cases.

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.

**Alternative Performance Measures**

The financial information in this report includes non-IFRS financial measures and ratios (e.g. underlying EBITDA, EBITDA, Net Debt / (Cash) and one-off items) that are not recognised as measures of financial performance or liquidity under IFRS. For further details, see the 'Non-IFRS measures' included in the Annual Report page 124-125.

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

In thousands of euro, unless stated otherwise

	Notes	2023	2022
Revenue	5.1	102,440	111,617
Cost of materials	5.2	(109,288)	(95,984)
Employee benefit expenses	6	(63,163)	(35,525)
Amortisation and depreciation expenses	12, 13, 21	(8,136)	(5,627)
Other operating expenses	7	(25,722)	(14,916)
<b>Operating expenses</b>		<b>(206,309)</b>	<b>(152,052)</b>
<b>Operating result</b>		<b>(103,869)</b>	<b>(40,435)</b>
Finance expenses, net	8	(932)	(1,060)
Share of result of an associate	13	(871)	(432)
<b>Result before tax</b>		<b>(105,672)</b>	<b>(41,927)</b>
Income tax credit/(expense)	9	(14,474)	9,734
<b>Result for the year</b>		<b>(120,146)</b>	<b>(32,193)</b>
<b>Result for the year attributable to:</b>			
Equity holders of the Group		(119,159)	(31,717)
Non-controlling interests		(987)	(476)
<b>Result for the year</b>		<b>(120,146)</b>	<b>(32,193)</b>
<b>Other comprehensive income</b>			
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods</i>			
Exchange differences on translation of foreign operations		(4)	20
Net gain/(loss) on cash flow hedges		3,679	1,158
Tax effect of changes in cash flow hedges		332	(299)
Net change in costs of hedging		-	-
Tax effect of changes in cost of hedging		-	-
<b>Other comprehensive income/(loss)</b>		<b>4,007</b>	<b>879</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>(116,139)</b>	<b>(31,314)</b>
<b>Total comprehensive income/(loss) for the year attributable to:</b>			
Equity holders of the Group		(115,152)	(30,838)
Non-controlling interests		(987)	(476)
<b>Basic earnings per share (in euros) for result attributable to shareholders of the Group</b>	<b>10</b>	<b>(2.01)</b>	<b>(0.54)</b>
<b>Diluted earnings per share (in euros) for result attributable to shareholders of the Group</b>	<b>10</b>	<b>(2.01)</b>	<b>(0.54)</b>



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In thousands of euro, unless stated otherwise

	Notes	As at 31 December 2023	As at 31 December 2022
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	22,398	10,454
Right-of-use assets	21	15,902	7,255
Intangible assets	12	49,888	47,595
Deferred tax assets	9	-	16,365
Investments in associates	4, 13	2,547	1,068
Non-current financial assets		614	9
		<b>91,349</b>	<b>82,746</b>
<b>Current assets</b>			
Inventories	14	106,541	47,442
Trade receivables	15	19,285	25,913
Contract assets	5	67,640	62,971
Other current assets	16	7,098	6,332
Cash and cash equivalents	17	27,918	95,212
		<b>228,482</b>	<b>237,870</b>
<b>Total assets</b>		<b>319,831</b>	<b>320,616</b>
<b>Equity</b>			
Share capital		640	590
Share premium		337,379	315,324
Reserves		23,085	16,334
Retained earnings		(181,281)	(58,251)
<b>Equity attributable to equity holders of the Group</b>	<b>18.1</b>	<b>179,823</b>	<b>273,997</b>
<b>Non-controlling interests</b>	<b>18.2</b>	<b>(1,526)</b>	<b>(539)</b>
<b>Total Equity</b>	<b>18</b>	<b>178,297</b>	<b>273,458</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provisions	22	1,133	147
Non-current lease liabilities	20, 21	14,216	6,298
Other non-current liabilities		491	-
		<b>15,840</b>	<b>6,445</b>
<b>Current liabilities</b>			
Loans and borrowings	20	1,348	486
Convertible bond – debt	19, 20	28,161	-
Convertible bond – embedded derivative	19, 20	4,965	-
Provisions	22	8,654	777
Trade payables	23	30,518	21,115
Contract liabilities	5	18,939	8,912
Other current liabilities	23	30,602	7,955
Current lease liabilities	20, 21	2,382	1,463
Income tax payable	9	125	5
		<b>125,694</b>	<b>40,713</b>
<b>Total liabilities</b>		<b>141,534</b>	<b>47,158</b>
<b>Total equity and liabilities</b>		<b>319,831</b>	<b>320,616</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In thousands of euro, unless stated otherwise

	Equity attributable to Equity holders of the Group								Non-controlling interests	Total Equity	
	Notes	Share capital	Share premium	Translation reserve	Cash flow hedge reserve	Cost of hedging reserve	Other reserve	Retained Earnings			Total Equity attributable to Equity holders of the Group
<b>Balance as at 1 January 2022</b>		590	314,767	(6)	-	6	9,207	(20,553)	304,011	(63)	303,948
Result for the year		-	-	-	-	-	-	(31,717)	(31,717)	(476)	(32,193)
Other comprehensive income	18	-	-	20	859	-	-	-	879	-	879
<b>Total comprehensive income for the year</b>	18	-	-	20	859	-	-	(31,717)	(30,838)	(476)	(31,314)
Share issuance expenses	9, 18	-	557	-	-	-	-	-	557	-	557
Share based payment expenses	6	-	-	-	-	-	166	-	166	-	166
Transfer to/from legal reserve	18	-	-	-	-	-	5,981	(5,981)	-	-	-
Transfer of cash flow hedge reserve		-	-	-	107	(6)	-	-	101	-	101
<b>Balance as at 31 December 2022</b>		590	315,324	14	966	-	15,354	(58,251)	273,997	(539)	273,458
<b>Balance as at 1 January 2023</b>		590	315,324	14	966	-	15,354	(58,251)	273,997	(539)	273,458
Result for the year		-	-	-	-	-	-	(119,159)	(119,159)	(987)	(120,146)
Other comprehensive income	18	-	-	(4)	4,011	-	-	-	4,007	-	4,007
<b>Total comprehensive income for the year</b>	18	-	-	(4)	4,011	-	-	(119,159)	(115,152)	(987)	(116,139)
Shares issued	18	50	24,950	-	-	-	-	-	25,000	-	25,000
Share issuance expenses	9, 18	-	(2,895)	-	-	-	-	-	(2,895)	-	(2,895)
Share based payment expenses	6	-	-	-	-	-	185	-	185	-	185
Transfer to/from legal reserve	18	-	-	-	-	-	3,871	(3,871)	-	-	-
Transfer of cash flow hedge reserve		-	-	-	(1,313)	-	-	-	(1,313)	-	(1,313)
<b>Balance as at 31 December 2023</b>		640	337,379	10	3,664	-	19,411	(181,281)	179,823	(1,526)	178,297

## CONSOLIDATED STATEMENT OF CASH FLOWS

In thousands of euro, unless stated otherwise

	Notes	2023	2022
<b>Cash flows from operating activities</b>			
Profit/(Loss) before tax		(105,672)	(41,927)
<b>Non-cash adjustments:</b>			
Depreciation of property, plant and equipment and right-of-use assets	11, 21	5,736	3,770
Amortisation of intangible assets	12	2,325	1,857
Gain/(Loss) on disposal of property, plant and equipment	11	75	-
Share based payment expenses	6	185	166
Net loss on derivative instruments at fair value through profit or loss	27	-	394
Additions to/(release from) provisions	22	9,519	697
Finance expenses, net	8	974	1,060
Share of results of an associate	13	871	432
<b>Movements in working capital:</b>			
Inventories	14	(59,099)	(25,112)
Receivables and other financial assets	15, 16, 17	8,376	(10,695)
Contract assets/liabilities	5	5,358	(40,783)
Payables and other current liabilities	23	28,277	12,014
<b>Cash generated from operations</b>		<b>(103,075)</b>	<b>(98,127)</b>
Payment from provisions	22	(656)	(903)
Income tax paid	9	(69)	(28)
<b>Net cash flows from operating activities</b>		<b>(103,799)</b>	<b>(99,058)</b>
<b>Cash flows from investment activities</b>			
Investments in property, plant and equipment	11	(15,018)	(5,513)
Investments in intangible assets	12	(2,102)	(1,483)
Investment in financial assets		(601)	-
Investment in associates	13	(2,350)	(1,500)
<b>Net cash flows from investment activities</b>		<b>(20,071)</b>	<b>(8,496)</b>
<b>Cash flows from financing activities</b>			
Net proceeds from issuance of share capital	18	24,602	(2,136)
Proceeds from borrowings	19, 20	54,961	-
Repayments of borrowings	20	(20,000)	(748)
Payment of principal portion of lease liabilities	21	(1,932)	(1,472)
Interest received	8	276	241
Interest and similar expenses paid	8	(1,331)	(1,057)
<b>Net cash flows from financing activities</b>		<b>56,576</b>	<b>(5,172)</b>
<b>(Decrease)/Increase in cash and cash equivalents</b>		<b>(67,293)</b>	<b>(112,726)</b>
Exchange losses/gains on cash, cash equivalents and bank overdrafts	8	(1)	15
Cash and cash equivalents at 1 January	17	95,212	207,923
<b>Cash and cash equivalents at 31 December</b>	17	<b>27,918</b>	<b>95,212</b>

## 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. The consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of financial position and consolidated statement of cash flows, as included in this press release, are based on the annual accounts prepared for the year ended 31 December 2023, which will be published on 26 March 2023. The annual accounts will be submitted to shareholders for approval at the General Meeting of Shareholders on 14 May 2024. In accordance with Section 2:293 and 395 of the Dutch Civil Code, we report that our auditor, Ernst & Young Accountants LLP (EY), has issued an independent auditor's report on the annual accounts dated 26 March 2024. For the understanding required to make a sound judgement as to the financial position and results of Ebusco and for a satisfactory understanding of the scope of the audit by EY, this press release should be read in conjunction with the annual accounts from which this press release has been derived, together with the independent auditor's report thereon issued by EY.