Deurne, 31 July 2024

Ebusco reports H1-2024 results
Executive Team is developing Turnaround Plan

Financial review H1 2024

- Revenue over the first half of 2024 arrived at €38.0 million.
- EBITDA loss of €60.7 million.
- Result for the period of negative €64.7 million.
- Order book of 1,662 buses[i].

Operational review H1 2024

- 98 buses delivered, including first Ebusco 3.0 buses assembled by contract manufacturers.
- Scaling up with contract manufacturers has been hampered by start-up inefficiencies.
- Working with contract manufacturers has nonetheless proven to be the right choice, with unit economics approaching expected levels.
- Ebusco 3.0 showing strong operational performance and market leading energy efficiency.
- Reshaping of the Executive Team completed with recent hires of Co-CEO, COO and CCO.

Guidance 2024 and Turnaround Plan

- As already communicated, guidance of 325 million revenue and positive EBITDA no longer achievable.
- Reshaped Executive Team working on Turnaround Plan.
- Further guidance provided during Q3 update and Capital Markets Day.

Deurne, 31 July 2024 – Ebusco (Euronext: EBUS) today provides insight into its results for the first half of 2024. Disappointing performance to date, have resulted Management to withdraw 2024 guidance, as communicated on 25 June 2024. To take action, the reshaped Executive Team is developing a Turnaround Plan to improve the overall performance and delivery reliability of the company.

With a slower than expected scale up of the adapted production set-up, the company has, as earlier announced in its press release, drawn the conclusion that the provided guidance for 2024 is no longer achievable. Start-up inefficiencies have delayed production compared to the initial plan and will take the remainder of 2024 to resolve.

Although Ebusco was unable to reach the production output it was aiming for, the strategic shift to re-introduce working with contract manufacturers has proven to be the right choice, resulting in accelerated assembly time.

Inefficiencies at our in-house production facility in Deurne continue to hinder the finalisation of buses, slowing down factory output. This not only affects revenue but also delays the full execution of the cost reduction programme.

To improve the performance of the company, the reshaped Executive Team is developing a Turnaround Plan. While the key elements of this plan are clear, details have to be worked out. Ebusco has engaged with an external consultant to assess quality of gross margin, especially in view of production with contract manufacturers. This assessment shows that unit economics per bus will reach the levels allowing the company to execute its Turnaround Plan. For financing of the plan discussions with lenders and investors have been initiated. In this context, we also refer to our disclosures as set forth in the Interim condensed financial statements attached to this press release.

Peter Bijvelds, Founder and Co-CEO of Ebusco, comments: *"As the half-year figures reflect, it has been a disappointing start of the year. Although the decision to work with contract manufacturers for the Ebusco 3.0, as we have successfully done for years with the Ebusco 2.2, has proven to be the right choice, we have faced start-up inefficiencies that take longer than anticipated to resolve. To address these challenges, responsibilities within the Executive Team have been redistributed, and additional strength has been added. I am pleased that Michiel Peters has recently started as Co-CEO and chairman of the Executive Team. With the arrival of two experienced executives from the bus industry, Roald Dogge as COO and Erland Morelissen as CCO, we are ready to get the company back on track based on the turnaround we are developing."*

Michiel Peters, Co-CEO of Ebusco and chairman of the Executive Team, adds: *"In the last few weeks I have had the opportunity to get to know Ebusco further and sense the commitment and knowledge of the people. With the Executive Team in a new composition, we have identified both the need and the opportunities to improve the performance of the company. Based on the unique concept of the Ebusco 3.0 and the proven concept of the Ebusco 2.2 we should be able to generate higher volumes and healthy financial returns."*

Financial review

(in EURm)	H1-2024 Unaudited	H1-2023 Unaudited
Revenue	38.0	41.7
Gross Profit	(12.0)	(2.7)
EBITDA	(60.7)	(43.5)
Result for the period	(64.7)	(35.8)
Net debt / (Cash), ex-lease liabilities	(28.3)	(42.1)

Revenue
The inefficiencies encountered in the logistics flows to the company's external contract manufacturers have affected the manufacturing lead times for the Ebusco's buses. These inefficiencies had an adverse impact on the revenue recognised for H1-2024, which is limited to €38 million (H1-2024: €41.7 million). The delayed deliveries did not only affect the revenue recognised from the supply of the company's buses but also delay the revenue from its maintenance and repair contracts (as these initiate after the buses have been delivered), thereby impeding the anticipated revenue from these services. Additionally, as Ebusco did not manage to catch-up on its bus delivery schedule the revenue also remains impacted by reservations for late delivery penalties which are accounted for as a deduction from revenue. Finally, Ebusco was not able to satisfy the contracts related to the delivery of the mobile energy containers and energy storage systems which also negatively impacted the revenue.

Revenue recognition accounting policy
Ebusco operates in a market in which it maintains a close partnership with its customers to adhere to their requirements and demands when it comes to design and customisation of the buses. This level of customisation required Ebusco to recognise revenue for the supply of its buses over time, which is based on the contract cost incurred relative to the total costs to complete the contract.

Although the buses Ebusco manufactures will always maintain a certain level of customisation, the company's product design and processes reach a more mature and standardised state. Due to this (product) development, Ebusco is commonly required to recognise revenue at a point in time rather than over time. Under the point in time method revenue is recognised when transfer of control occurs, which is generally upon delivery of the buses to its customers.

The point in time method furthermore presents a better reflection of Ebusco's operating performance as it ensures that reported revenue and cash flow will be more balanced and provide additional transparency. It will however have an adverse effect on revenue and profitability in 2024 as the margin for contracts delivered in 2025 is also accounted for in the respective year. If the revenue was recognised over time, (part of) the revenue would already have been recognised in 2024. Only one method of revenue recognition can be applied per contract. The impact on H1-2024 is limited and amounts to €2.1 million, however the impact will be more significant in H2-2024.

The company has addressed its revenue recognition accounting policy in note 3 of its interim condensed consolidated financial statements for the six months ended 30 June 2024.

Cost of materials and gross profit

The gross margin of the first half of 2024 amounts to €12.0 million negative. This amount can be split in €9.0 million negative for buses, €1.0 million positive for spare parts and maintenance and €4.0 million negative mainly related to additions to stock obsolescence- and warranty provisions.

The €9.0 million negative margin on buses can be split in a base margin of €6.1 million positive, offset by late delivery penalties and direct damage claims from customers for an amount of €10.4 million, costs for onerous contracts for an amount of €2.8 million, and future performance obligations for an amount of €1.9 million.

Employee expenses and other operating expenses

Ebusco was unable to fully execute the cost reduction programme due to the delay in its bus delivery schedule for buses manufactured at its in-house production facility in Deurne. Although the company notes the first results of the cost reduction programme by means of a significant drop in its overall workforce (including externally hired employees) from 893 FTE per 31 December 2023 to 770 FTE per 30 June 2024, the employee benefit expenses still amount to €33.5 million for H1-2024. Due to the mentioned delay the number of FTE started to decrease during the second quarter of 2024, subsequently resulting in an average number of 845 FTEs (FY2023: 798 FTE) over H1-2024. Given the significant absolute FTE decrease (893 to 770) the company expects the financial impact to be significantly present in the remainder of 2024.

For H1-2023 the employee benefit expenses amounted to €30.2 million, driven by the average number of 708 FTE being which is substantially lower than the average number of 845 FTE for H1-2024.

The other operational expenses amounts to €15.2 million in the first half of 2024 (H1-2023: €10.6 million). The increase compared to H1-2023 is mainly caused by higher distribution costs, and higher general costs due to an increase in advisory costs.

EBITDA

Due to the impact of encountered inefficiencies and subsequent aforementioned consequences, EBITDA arrived at negative €60.7 million in the first half of 2024 (H1 2023: €43.5 million).

Finance expenses

The financial income and expenses for the first half of 2024 was an income of €890 (30 June 2023: €251). The financial result is driven by a fair value revaluation gain on the Group's derivative element within the convertible bond as issued in December 2023, resulting in a gain of €4.9 million. The revaluation gain is mainly offset by the interest and amortisation expenses incurred on the convertible bond for €3.7 million.

Net result for the period

The net result for the period came in at €64.7 million negative (H1-2023: €35.8 million negative). Earnings per share changed from a loss of €0.60 per share in H1-2023 to a loss of €0.99 per share over the first half of 2024.

Guidance 2024 and Turnaround Plan

Guided by Michiel Peters, the new Executive Team is developing a Turnaround Plan to improve performance and reliability. This plan encompasses the following elements:

- Simplify operational footprint and establish reactive supply chain;
- Complete industrialisation of existing product portfolio before launching new products;
- Gradual increase of run rate to 40-50 buses per month by the end of 2025;
- Structural reduce OPEX by €20-30 million in 2025;
- Mobilise organisation by creating clarity with respect to goals, processes, and responsibilities.

During the Q3 update and the Capital Markets Day later this year, Ebusco will provide a more detailed elaboration of the Turnaround Plan, and an updated guidance for 2024.

Webcast details

WEBCAST OF HALF YEAR 2024 RESULTS

Date and time: 31 July 2024 at 10 am CET

Link: investors.ebusco.com/webcast

Financial calendar for the remainder of the year

5 October – 15 October 2024	Closed period
16 October 2024	Trading update Q3
13 November 2024	Capital Markets Day

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About Ebusco
Ebusco is a developer, manufacturer, and distributor of zero emission buses 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 770 full-time employees as at 30 June 2024.

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

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.

Alternative Performance Measures (non-IFRS)

General
Certain discussions and analyses set out in this Press Release include measures which are not defined by IFRS. We believe this information, along with comparable IFRS-measures, is useful to investors and other stakeholders because it provides a basis for measuring our operating performance. The Management Board also uses these measures, along with the most directly comparable IFRS-measures, in evaluating operating performance.

Gross Profit
Gross Profit is defined as the Group's top-line earnings, being total revenue, less cost of materials (being the direct costs of goods sold, excluding employee expenses). We believe this measure provides valuable additional information because it allows investors and other stakeholders to analyse the gross margin of our buses sold. In addition, Gross Profit is a key measure used internally to evaluate (sales) performance.

Earnings before interest, taxes, depreciation and amortisation (EBITDA)
EBITDA is result for the year before net finance costs, the net income tax expense, depreciation and amortisation. EBITDA is defined as operating result plus depreciation and amortisation expenses. We believe this measure provides valuable additional information because it allows investors and other stakeholders to analyse the profitability between companies and industries by eliminating the effect

of non-operating decisions like interest expenses, tax rates and non-cash items like depreciation and amortisation, hence facilitating focus on operating performance. In addition, EBITDA is a key measure used internally to evaluate performance.

Net debt, excluding lease liabilities

Net debt, excluding lease liabilities is defined as the non-current and current loans and borrowings (including the debt related to the convertible bond) minus cash and cash equivalents. Our net debt reflects our ability to meet our debt obligations if these were due immediately.

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i These orders can be divided into three categories: fixed (697), call off contracts (178), additional options within won contract (787).

EBUSCO
Unaudited interim condensed consolidated financial statements for the six months ended 30 June 2024

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Semi-annual Management Board Report

This report contains the semi-annual financial report of Ebusco Holding N.V. (“Ebusco” or “The Group” or “The Company”), 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 interim condensed consolidated financial statements for the six months ended 30 June 2024 consists of the interim condensed consolidated financial statements, the management board report and responsibility statement by the Company’s management board. The information in this semi-annual report has not been audited or reviewed by an external auditor.

The management board of the Company hereby declares that to the best of their knowledge, the Interim Condensed Consolidated 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).

Performance

Ebusco reported disappointing first half year results with revenue and profit before tax of €38 million and negative €64.7 million respectively. The Company encountered inefficiencies in the logistics flow towards its external contract manufacturers which negatively impacted the time to assemble its buses. These inefficiencies caused the revenue to be significantly behind on the provided guidance for 2024, as the Company already announced in its press release dated 25 June 2024. Furthermore, Ebusco was not able to satisfy the contracts related to the delivery of the mobile energy containers and energy storage systems which also negatively impacted the revenue. In addition, the revenue (and gross profit) remains impacted by late delivery penalties due to the Company not meeting its contractually agreed delivery dates.

The gross margin of the first half of 2024 amounts to €12.0 million or 31.6% negative compared to €2.7 million or 6.4% negative for the same period in 2023. The significant decline in the Group's gross margin is mainly driven by direct damage claims from customers as a result of late deliveries. The same driver, together with the inability to fully execute the cost reduction programme, is also significantly contributing to the Company's disappointing and negative operating result.

The financial income and expenses for the first half of 2024 was an income of €890 (30 June 2023: €251). The financial result is driven by a fair value revaluation gain on the Group's derivative element within the convertible bond as issued in December 2023. The revaluation amounts to €4.9 million. The amount is mainly offset by the interest and amortisation expenses incurred on the same convertible bond for an amount of €3.7 million.

Risk management

In our Annual Report 2023, the Group described certain risk categories and risks factors (including risk appetite) which could have a material adverse effect on its financial position and results. Those categories and risks remain valid and should be read in conjunction with this semi-annual report.

Deurne, 31 July 2024

P.H.A.M. Bijvelds
Chief Executive Officer

J.I. Jongma
Chief Financial Officer

R.P.A. Dogge
Chief Operating Officer

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2024 and 30 June 2023

(In thousands of euro)

	Note	H1-2024 Unaudited		H1-2023 Unaudited
Revenue	**7.1**	38,004		41,720
Cost of materials	**7.2**	(50,024)		(44,410)
Employee benefit expenses		(33,530)		(30,173)
Amortisation and depreciation expenses		(4,263)		(3,215)
Other operating expenses		(15,174)		(10,647)
Operating expenses		**(102,991)**		**(88,445)**
Operating result		**(64,987)**		**(46,725)**
Finance expenses, net		890		251
Share of result of an associate	**6**	(591)		(488)
Result before tax		**(64,688)**		**(46,962)**
Income tax credit		-		11,177
Result for the period		**(68,688)**		**(35,785)**
Result for the period attributable to:				
Equity holders of the Group		(64,549)		(35,480)
Non-controlling interests		(139)		(305)
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		(36)		4,468
Tax effect of changes in cash flow hedges		-		(1,153)
Net change in costs of hedging		-		-
Tax effect of changes in cost of hedging		-		-
Other comprehensive income/(loss)		**(44)**		**3,307**
Total comprehensive income/(loss) for the period attributable to:				
Equity holders of the Group		**(64,593)**		**(32,173)**
Non-controlling interests		**(139)**		**(305)**
Basic earnings per share (in euros) for result attributable to shareholders of the Group	**8**	**(0.99)**		**(0.60)**
Diluted earnings per share (in euros) for result attributable to shareholders of the Group	**8**	**(0.99)**		**(0.60)**

Condensed Consolidated Statement of Financial Position

As at 30 June 2024 and 31 December 2023

(In thousands of euro)

	Note	At as 30 June 2024 Unaudited	As at 31 December 2023 Audited
Non-current assets			
Property, plant and equipment		22,405	22,398
Right-of-use assets		14,653	15,902
Intangible assets		49,876	49,888
Deferred tax assets		-	-
Investment in associates	**6**	3,601	2,547
Non-current financial assets		835	614
		91,370	**91,349**
Current assets			
Inventories		113,149	106,541
Trade receivables		18,750	19,285
Contract assets	**7.4**	56,791	67,640
Other current assets		3,545	7,098
Cash and cash equivalents		8,183	27,918
		200,418	**228,482**
Total assets		**291,788**	**319,831**
Equity			
Share capital	**9**	682	640
Share premium	**9**	347,343	337,379
Reserves		20,970	23,085
Retained earnings		(246,391)	(181,281)
Equity attributable to equity holders of the Group		**122,604**	**179,823**
Non-controlling interests	**6**	**-**	**(1,526)**
Total Equity		**122,604**	**178,297**
Non-current liabilities			
Provisions	**10**	1,147	1,133
Non-current lease liabilities		13,015	14,216
Other non-current liabilities		427	491
		14,589	**15,840**
Current liabilities			
Loans and borrowings		14,573	1,348
Convertible bond – debt	**11**	21,811	28,161
Convertible bond – embedded derivative	**11**	90	4,965
Provisions	**10**	16,012	8,654
Trade payables		35,665	30,518
Contract liabilities	**7.4**	42,833	18,939
Other current liabilities		21,216	30,602
Current lease liabilities		2,395	2,382
Income tax payable		-	125
		154,595	**125,694**
Total liabilities		**169,184**	**141,534**
Total equity and liabilities		**291,788**	**319,831**

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024 and 30 June 2023

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	Other capital reserves	Retained earnings	Total		
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)**
Shares issued	-	-	-	-	-	-	-	-	-
Share based payment reserve	-	-	-	-	93	-	93	-	93
Transfer to/from legal reserve	-	-	-	-	2,566	(2,566)	-	-	-
Transfer of cash flow hedge reserve	-	-	-	(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**
Balance as at 1 January 2024 (audited)	**640**	**337,379**	**10**	**3,664**	**19,411**	**(181,281)**	**179,823**	**(1,526)**	**178,297**
Result for the period	-	-	-	-	-	(64,549)	(64,549)	(139)	(64,688)
Other comprehensive income	-	-	(8)	(36)	-	-	(44)	-	(44)
Total comprehensive income/(loss) for the period	**-**	**-**	**(8)**	**(36)**	**-**	**(64,549)**	**(64,593)**	**(139)**	**(64,732)**
Shares issued	42	9,964	-	-	-	-	10,006	-	10,006
Share based payment reserve	-	-	-	-	(289)	-	(289)	-	(289)
Transfer to/from legal reserve	-	-	-	-	(1,194)	1,194	-	-	-
Transfer of cash flow hedge reserve	-	-	-	(588)	-	-	(588)	-	(588)
Transfer of non-controlling interest	-	-	-	-	-	(1,665)	(1,665)	1,665	-
Other movements	-	-	-	-	-	(90)	(90)	-	(90)
Balance as at 30 June 2024 (unaudited)	**682**	**347,343**	**2**	**3,040**	**17,929**	**(246,391)**	**122,604**	**-**	**122,604**

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024 and 30 June 2023

In thousands of euro	H1-2024 Unaudited		H1-2023 Unaudited
Cash flows from operating activities			
Profit/(loss) before tax	(64,688)		(46,962)
Non-cash adjustments:			
Depreciation of PP&E and ROU assets	3,605		2,318
Amortisation of intangible assets	658		897
Share based payment expense	(228)		93
Net loss on derivative instruments at fair value through profit or loss	-		4
Additions to/(release from) provisions	13,869		2,009
Finance expenses/(income), net	(890)		(249)
Share of results of an associate	591		488
Movements in working capital:			
Inventories	(6,608)		(38,086)
Receivables and other current assets	4,227		11,092
Contract assets/liabilities	34,155		4,364
Payables and other current liabilities	(4,460)		21,978
Cash generated from operations	**(19,770)**		**(42,055)**
Payment from provisions	(6,496)		(393)
Income tax paid	(125)		-
Net cash flows from operating activities	**(26,390)**		**(42,447)**
Cash flows from investment activities			
Investments in property, plant and equipment	(1,027)		(6,034)
Investments in intangible assets	(1,987)		(1,155)
Investments in financial assets	(221)		-
Investment in associates	(1,645)		(2,350)
Net cash flows from investment activities	**(4,880)**		**(9,539)**
Cash flow from financing activities			
Acquisition of non-controlling interest	(152)		-
Proceeds from borrowings	14,573		-
Repayments of borrowings	(1,348)		(486)
Payment of principal portion of lease liabilities	(1,353)		(811)
Interest income	25		256
Interest paid	(210)		(105)
Net cash flow from financing activities	**11,535**		**(1,146)**
Increase/(decrease) in cash and cash equivalents	**(19,736)**		**(53,132)**
Exchange (losses)/gains on cash, cash equivalents	1		14
Cash and cash equivalents at 1 January	**27,918**		**95,212**
Cash and cash equivalents at 30 June	**8,183**		**42,094**

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 of Ebusco Holding N.V. and its subsidiaries were authorised for issue in accordance with a resolution of the Supervisory Board on 31 July 2024.

2. Basis of preparation and consolidation

Preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2024 have been prepared in accordance with IAS 34 – Interim Financial Reporting as endorsed by the European Union. 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 2024 and not duplicating the information previously published in the Annual Report for the year ended 31 December 2023. 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 2023 approved by the Board of Supervisory Directors on 26 March 2024 (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.

Going concern

In the first half of 2024 the results of the Group were disappointing. The Group was unable to reach the production output it was aiming for as it encountered start-up inefficiencies during the transition of the assembly process and set-up of the supply chain to contract manufacturers. These inefficiencies have delayed production compared to the initial plan and will take the remainder of 2024 to resolve. Furthermore, the delivery output from the Group's in-house production facility in Deurne is also less than initially anticipated which delays the full execution of the cost reduction programme. Both the start-up inefficiencies and the delayed scale-down of the Group's in-house production facility negatively impacted the financial result of H1 2024, which put further restraints on the company's liquidity position.

To improve both the Group's overall performance and reliability it is currently designing a Turnaround Plan under the leadership of Michiel Peters, the newly appointed co-CEO. The key elements of the plan relate to simplifying the operational footprint and establishing a reactive supply chain, complete industrialisation of existing product portfolio before launching new products, gradually increase the monthly run rate to 40-50 buses per the end of 2025, structural cost reductions between €20 million to €30 million, and mobilise the organisation by creating clarity with respect to goals, processes, and responsibilities.

For the half year-ended 30 June 2024 the Group incurred a net loss before tax of €64.7 million (30 June 2023: €47 million), resulting in net cash outflow from operating activities of €26.4 million (30 June 2023: €42.4 million). As of 30 June 2024, the Group had negative retained earnings of €246.4 million and a net equity position of €122.4 million, as per 31 December 2023 negative €181.3 and €178.3 million respectively.

The Group has prepared the interim consolidated financial statements on a going concern basis. However, the Group identified uncertainties that predominantly relate to the ability to obtain external financing, the ability to implement the Turnaround Plan and further execute the revised production strategy, adherence to the bus and mobile energy container (MECs) delivery schedule, maintaining its current bus and mobile energy container order book, and the Group's ability to manage its supplier credit. These uncertain events result in a material uncertainty regarding the Group's ability to continue as a going concern.

The Group has applied the going concern principle based upon the below remediation actions and assumptions, which are also part of the Turnaround Plan:

- The Company would be able to attract sufficient external funding to satisfy the obligations arising from commitments to ensure the continuity of its bus manufacturing processes. If the Group would fail to obtain external funding this could have a significant impact on the Company's ability to meet its obligations.
- The Company would be able to timely and accurately implement the recently designed Turnaround Plan. One of the key elements of this plan is to further roll-out its revised production strategy in order to scale-up the delivery bus output between 30% and 50% relative to FY2023 and to right size the Company's cost base. If this would not be achieved this could have a significant impact on the Company's ability to meet its obligations.
- The Group would meet its bus and mobile energy container delivery schedule. This is an important driver for cash inflows and it would result in incurring less late delivery penalties and other charges related to late deliveries. The Group currently prioritises the finalisation of customer orders which are in its final production phases in order to accelerate cash inflows to the extent possible. If the Company fails to increase its delivery reliability this could have a significant impact on the Company's ability to meet its obligations.
- The Company is able to retain its committed bus and energy storage orders. However, any potential order cancellations or delays in cash collection from those committed orders could have a significant impact on the Company's ability to meet its obligations.
- The Group currently has overdue accounts payable positions for which it is actively engaging with its most significant creditors to discuss payment schedules and alternative settlements options. If the Company would not be able to effectively manage its overdue positions this could have a significant impact on the Company's ability to meet its obligations.

The Group will continue to closely monitor the materialisation of the above remediation actions and assumptions as this is vital for its ability to continue as a going concern.

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, 100%
- Ebusco Deutschland GmbH, Germany, 100%
- Ebusco Norway A/S, Norway, 100%
- Ebusco Australia Pty Ltd, Australia, 100%
- Ebusco France SAS, France, 100%
- Ebusco France Manufacturing 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 2023, except for the Group's revenue recognition accounting policy for the performance obligation of the supply of the bus. Historically the Group has solely satisfied the respective performance obligation over time as the Group produced buses without an alternative use. However, as the Group's product design reaches a more mature and standardized state it now identified contracts for which revenue of the performance obligation of the supply of the bus is required to be recognised at a point in time. Whether the performance obligation is satisfied over time or at a point in time is assessed at contract inception.

New standard, interpretations and amendments adopted by the Group

To the extent relevant, all other IFRS standards and interpretations including amendments that were in issue and effective from 1 January 2024, have been adopted by the Group from 1 January 2024. These standards and interpretations had no material impact for the Group.

All IFRS standards and interpretations that were in issue but not yet effective for reporting periods beginning on 1 January 2024 have not yet been adopted.

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 2023 and disclosed in the Annual Report 2023 except for goodwill for which reference is made to note 5.

5. Goodwill

The Group regularly performs its annual impairment test in October. The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. As at 30 June 2024, the market capitalisation of the Group was below the book value of its equity, indicating a potential impairment of goodwill. This, in combination with the negative results incurred during the past three years, resulted that management performed an impairment test as at 30 June 2024. The cash generating unit is the Ebusco business in total. The Group's impairment test for goodwill and intangible assets with indefinite lives is based on value-in-use calculations (based on a discounted cashflow model) as this is higher than the fair value less costs of disposal. The key assumptions used in the calculation of value-in-use for the cash generating unit are as follows:

- The Group applied cashflow projections for a five-year period in its value-in-use calculation of which the first three years are derived from its business plan and for which growth assumptions have been included for the final two years. The growth rate assumptions are based upon published industry research.
- Cashflows beyond the five-year period have been extrapolated using an estimated 2% growth rate, which is consistent with the growth rate disclosed in the 2023 annual report. Adjustments to growth estimates may be necessary in the future.
- The Group assumes it is able to returns to a gross margin of approximately 27% as of FY2026. The assumption is based upon the Turnaround Plan, which is being developed.
- The Group applied a discount rate of 11.34% and was estimated based on the weighted average cost of capital for the Group.

The recoverable amount at 30 June 2024 based on the discounted cashflow model exceeds the carrying amount of €159 million and therefore no impairment loss has been recognised in H1-2024.

The Group has applied a sensitivity assessment by increasing the discount rate and lowering the growth rate by 1%. This resulted in an adjustment of the recoverable amount of approximately €50 million, however this also did not result in an impairment.

6. Acquisitions

The Group increased its share in Zero Emission Services B.V. to 49.56% (31 December 2023: 49.39%) as it contributed €1.65 million in May 2024. The investment qualifies as an investment in associates.

The Group acquired the remaining 10% of the voting shares of Pondus Operations B.V. in February 2024 for an amount of approximately €150 from its minority shareholders. The non-controlling interest has subsequently been transferred to the Group's retained earnings. The Group will merge Pondus Operations B.V. with Ebusco B.V.

7. Revenue, cost of materials and segment reporting

The following table disaggregates the Company's revenue of the sale and supply of zero emission buses and ancillary services and goods related to the electric vehicle ecosystem, maintenance and repair services and the sale of extended warranties.

7.1 Revenue

Revenue type	H1-2024	*H1-2023
Revenue from zero emission buses	32,261	37,927
Revenue from charging systems and ancillary services and goods	3,125	1,955
Revenue from repair and maintenance services and extended warranties	2,618	1,838
Total	**38,004**	**41,720**

**The prior year figures have been adjusted to present a more transparent overview of the different types of revenue.*

Furthermore, a split between the revenue recognised over time and in time is presented in the following table:

Revenue recognition	H1-2024	H1-2023
Revenue recognized over time	34,879	39,765
Revenue recognized at point in time	3,125	1,955
Total	**38,004**	**41,720**

7.2 Cost of materials

Cost of materials are recognised and presented in the statement of profit or loss. These costs mainly include amounts paid to the supplier for zero emission bus contracts, costs for parts included in zero emission bus contracts, transportation costs, import duties and warranty expenses.

7.3 Segment reporting

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	H1-2024	H1-2023
Benelux[1]	17,335	3,959
Nordics[2]	9,161	14,534
DACH[3]	8,543	19,462
Spain	2,946	1,210
France	-	2,375
Rest of the World (RoW)	19	180
Total	**38,004**	**41,720**

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

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

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

7.4 Contract assets and contract liabilities

The contract assets and liabilities are as follows:

Contract assets / (liabilities)	30-06-2024	31-12-2023
Contract assets	56,791	67,640
Contract liabilities	(42,833)	(18,939)
Total	**13,958**	**48,701**

The contract assets concern all contracts in progress for which revenue is recognised over time and for which the incurred expenses, including realized profit and losses to date (if any), exceed the terms invoiced to customers. The impairment costs due to expected credit losses are not material. The contract liabilities are related to revenue received in advance. The balance per 30 June 2024 is mainly driven by upfront payments of two customers, received for both bus delivery and Ebusco's mobile energy container (MECs) contracts.

8. Earnings per share

The earnings per share can be specified as follows:

Share information	H1-2024	H1-2023
Net profit attributable to ordinary shareholders	(64,549)	(35,480)
Weighted average number of ordinary share for the period	65,179,933	59,039,380
Dilutive number of shares	-	-
Total number of dilutive ordinary shares	65,179,933	59,039,380
Basic earnings per share (in €)	(0.99)	(0.60)
Dilutive earnings per share (in €)	(0.99)	(0.60)

9. Equity

The Group issued 4,196,639 ordinary shares with a nominal amount of €0.01 as part of its amortisation repayments for the issued convertible bonds in December 2023, for which further reference is made to note 11. As a result, issued and paid in ordinary share capital increased by €42 and share premium by €9,964.

10. Provisions

The Group notes that the nature of the provisions as disclosed in note 22 of its 2023 annual report are in line with the provisions recorded per 30 June 2024. The increase is however mainly driven by the provisions for contractual claims. The provision for contractual claims increased with approximately €3.4 million mainly due to direct damages resulting from late deliveries. In addition, the Group recorded an additional provision of €2.8 million for onerous contracts. The latter is mostly due to an additional onerous contract relative to the Group's 2023 annual report.

11. Convertible bond

The Company measured the derivative element within the convertible bond agreement at fair value using a Black-Scholes option pricing model, which estimates the fair value based on the underlying asset's price, volatility, time to expiration, risk-free interest rate, and dividend yield. This therefore falls under Level 3 of the fair value hierarchy. At 31 December 2023, the fair value of the derivative component was measured at €5 million. The fair value at 30 June 2024 was measured to be €90, resulting in a revaluation gain of the derivative being recognised of €4.9 million. The amount is recorded in the revaluation of the embedded derivative with the Finance expenses, net.

Significant assumptions used in the fair value analysis include the Group's share price, volatility rate, risk-free rate and expected dividend yield (which was set at 0%). A share price of €1.57 per share per 30 June 2024 was used in determination of the fair value of the derivative element, an increase in 10% would have resulted in an increase in fair value by €38, while a reduction of 10% would have resulted in a decrease in fair value of €30. A volatility of 57.04% was used in the determination of the fair value of the derivative element pet 30 June 2024, an increase of 5% would have resulted in an increase in the fair value by €46, while a reduction of 5% would have result in a decrease in the fair value by €35. In addition, the time to expiration decreased by three months due to an accelerated amortisation repayment. In the following table the movement schedule for both the debt liability element ('Convertible bond – debt') and the derivative liability element ('Convertible bond – embedded derivative) are presented. The amortisation repayments have been settled in shares.

Convertible bond	Debt	Embedded derivative
Balance per 31 December 2023	28,161	4,965
Interest and amortization expense	3,656	-
Amortisation repayments	(10,006)	-
Revaluation of embedded derivative	-	(4,875)
Balance per 30 June 2024	**21,811**	**90**

12. Related party transactions

There were no material changes in nature, scope and (relative) scale in the first half of 2024 compared to the Group's 2023 annual report.

13. Contingencies and commitments

There were no material changes in the nature and scope of contingencies and commitments in the first half of 2024 compared to those disclosed in the 2023 Annual Report.

14. Dividends

No dividends were paid in the first half of 2024 (2023: € nil).

15. Subsequent events

The Group is designing a Turnaround Plan which is set to improve the overall performance and reliability of the Group. One of the key elements of this plan is to conduct structural cost reductions of €20 million to €30 million by decreasing personnel expenses and reducing other OPEX.

There are no other events to report.