EBUSCO®

MADE TO MOVE PEOPLE

ANNUAL REPORT 2022

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DISCLAIMER

This document is only a "website version" and is not the official annual financial reporting, including the audited financial statements thereto pursuant to article 361 of Book 2 of the Dutch Civil Code.

The official annual financial reporting, including the audited financial statements and the auditor's report thereto, are included in the single report package which can be found via https://investors.ebusco.com/financial-reports-and-presentations/

In case of any discrepancies between the website version and the official annual financial reporting, the aforementioned official annual financial reporting prevails.

*The chapters marked with a * are part of the report of the Management Board as defined in article 2:391 of the Dutch Civil Code

MESSAGE FROM THE CEO

2022 was a special year, not for the least because it marked Ebusco's 10-year anniversary. A decade ago, we could not have imagined where we are today. As of 2022, Ebusco buses are on the road in seven countries, with as many as 70 million zero emission kilometers on the counter and over 64 million kilograms of CO_2 saved. Back in the day, the world was still sceptical about electric buses. Meanwhile, zero emission is now a key priority to reach climate goals on a global level.

Founded a decade ago as the first European manufacturer to obtain EU approval for electric buses, we have proven zero emission is a choice. The Ebusco 2.2 is already driving all around Europe and the results on the road are promising: in Berlin we see the 2.2 buses can remain operational for over 30 hours on just one charge. Meanwhile, the Ebusco 3.0 is exceeding expectations, as real-road data shows the total energy consumption of the Ebusco 3.0 is approximately 35% lower compared to the 2.2.

Thanks to the popularity of both the Ebusco 2.2 and 3.0, we sold more buses in 2022 than in the previous nine years altogether. The fact that we ended 2022 with a record order book of 1,474[1] buses, is proof that Ebusco is rapidly gaining market share. As a result, our revenue increased by nearly 360% compared to 2021. Noteworthy is our framework contract with Deutsche Bahn for 800 buses and our contract with Metropole Rouen Normandy in France for 80 buses in total. Furthermore, we won our first orders in Spain and Sweden, bringing the number of countries where Ebusco will operate to nine.

> “Thanks to the success and recognition of both the Ebusco 2.2 and 3.0, we sold more buses in 2022 than in the previous nine years altogether.”

Much of our growth can be explained by our people. Not hindered by the legacy that competitors have to deal with, we already learned early on that we have to be more efficient, smarter and different to outweigh the competition. Innovation is in the DNA of our people. Evidence of this includes the launch of the Ebusco 3.0 18-meter only a year after the first 3.0 was delivered, already resulting in 184 buses in order. It is a clear example of the non-hierarchical and decisive culture we have been able to foster – even after our IPO in 2021.

While the release of the 18-meter bus in 2022 may be the most telling example, the entrepreneurial culture is deeply rooted in our company. 10 years of experience allow us to make daily decisions based on real-road data, ensuring our solutions are well aligned with reality. Thanks to Ebusco Live, we collect 10 gigabytes of monthly data per bus, allowing our engineers to drill down to a level where we analyse energy consumption and measure our impact per second or meter. Data that will support the green transition in ways we cannot even imagine today.

The green transition doesn't stop with buses. We believe Ebusco is at the heart of the entire EV ecosystem from start to finish, including Energy Storage Systems, charging infrastructure, depots, service and maintenance and local energy supply and grid alignment. To drive our ambitions in terms of emission-free transport and underline our vision of a complete eco-

PETER BIJVELDS
FOUNDER CEO

[1] The order book can be divided into three categories: fixed (565), call of contracts (251), additional options within won contract (658). Not all call of contracts and options will transition to a fixed contract, and as a consequence, revenues.

system, in 2022, we have taken a 48.57% stake in Zero Emission Services B.V. (ZES). ZES is a provider of all-in concepts for emission-free inland shipping. As the solutions are highly complementary, together Ebusco and ZES can significantly increase their joint impact in the transport industry. Building on our experience with heavy-duty batteries and battery management systems, our participation in ZES was a logical next step.

None of this would have been possible without our team. I'm very proud we were able to almost double our workforce despite the tight labour market, growing from 309 in 2021 to 607 FTE at the end of 2022. The fact that a large share of new hires come in via referrals is proof to me that we have managed to retain the family spirit throughout our tremendous growth. A lot has changed in 10 years, but what has remained is our team's consistent drive for innovation. While this is not always easy, with the launch of the Ebusco Academy we are ensuring the quality of our production and supporting the growth of our people.

Although we can be proud of many milestones, it's equally true we are facing ongoing geopolitical uncertainty and global supply chain constraints, impacting the number of buses assembled, shipped and delivered. High transport prices have a pressing effect on our negative EBITDA of €34.8 million and due to the resurgence of COVID-19 in China, we had to move part of our shipments from 2022 to 2023. Next, attracting skilled personnel is a challenge. Nevertheless, I have a lot of confidence in our team who are dealing with the situation day by day to create strong shareholder value. Examples include building safety stock to keep production running for both the 2.2 and 3.0, as well as preparations to open a new production facility in Rouen, France to ramp up production and the opening of our new facility in Venray, The Netherlands in January 2023. This facility is used for Pre-delivery Inspection and warehousing.

We are only on the verge of the transition to zero-emission public transport, as the European Commission recently proposed new CO_2 emission targets for heavy-duty vehicles from 2030 onwards. There is still a long way to go, but I am sure that we are doing the right things each day to contribute to a more sustainable future and deliver on our international expansion strategy.

I would like to thank the entire Ebusco family, our clients, partners, shareholders and Supervisory Board for their ongoing support to achieve our vision 'to drive the transition to sustainable transport.' Not only in 2022, but throughout a decade of Ebusco!

> **"The fact that we ended 2022 with a record order book of 1,474 buses, is proof that Ebusco is rapidly gaining market share."**

KEY FIGURES

	BUSES ON THE ROAD	REVENUE	FTE [1]	ORDERS	EBITDA [2]	COUNTRIES ACTIVE IN
	>420	€111.6M	607	1,474	€(34.8)M	7
2021	>350	€24.3M	309	325	€(34.2)M	7

[1] This figure represents the number of FTE per 31 December 2022 and includes temporary staff
[2] For further information and calculation of EBITDA, reference is made to the non-IFRS measures on page 168.

EBUSCO – MADE TO MOVE

Ebusco is a developer, manufacturer, and maintainer of zero emission buses and charging systems as well as a supplier of ancillary products and services to the electric vehicle ecosystem such as Energy Storage Systems (ESS) and Mobile Energy Containers (MEC)[1]. As an innovative frontrunner in the development of electric buses, Ebusco contributes to a better living environment by driving the transition to zero emission transportation.

AN INDUSTRY PIONEER

Founded a decade ago on the strong belief that electric transport is the future, Ebusco is an industry pioneer with a distinct first mover advantage proven through extensive real-road experience. Not hindered by the legacy that competitors have to deal with, we were the first European company to receive a European WVTA certificate for a 100% electric bus. Bringing ground-breaking aerospace technology to the public transport market, we are determined to stay one step ahead of the market.

The success of the Ebusco 3.0, a ground-breaking electric bus with a full composite body, is proof our approach is working. In 2022, our order book ended with 1,474 buses compared to 325 at the year end 2021. Ebusco buses are already on the road in the Netherlands, Belgium, France, Germany, Norway, Switzerland and Denmark. With signed contracts in 2022 for Spain and Sweden the number of countries where Ebusco is present, rises to nine. The company intends to expand its presence in both its existing markets and beyond, including European countries, Australia and North America.

[1] Energy Storage Systems are for main land usage and Mobile Energy Containers for maritime usage

VISION

Driving the transition to sustainable transport.

MISSION

To contribute to a better environment by enabling safe, sustainable, emission-free and affordable ecosystems.

FACTS

- OPERATING IN **7 COUNTRIES**
- BUSES SUPPLIED **OVER 420**
- KILOMETERS DRIVEN **70 MILLION**
- KILOGRAMS OF CO_2 SAVED **64 MILLION**

The company is headquartered in Deurne, the Netherlands and has, next to its production facilities in Deurne, a Pre Delivery Inspection (PDI) and warehousing facility in Venray and third-party facilities in China. In 2022 Ebusco announced to set up an additional production facility in Rouen, France, which should be operational in the first half of 2024. On 31 December 2022, the company had a workforce of 607 FTE's.
The shares of the Company are listed and traded on Euronext Amsterdam (AMS:EBUS) since 22 October 2021.

TIMELINE

2010
Peter Bijvelds initiates EV work
Laying the foundation for Ebusco

2012
Ebusco formally founded
1st European type approval for electric buses
First Ebusco chargers delivered

2013
First bus on the road
In Helsinki Finland

2014
Capacity of over 90 passengers
In the Ebusco 2.0

2016
Started lightweight technology development
By using composite material

2018
350 km range achieved
With the Ebusco 2.2

2019
First 3.0 prototype
Up to 575 km range

2020
Sustained growth and profitability
Over 300 buses in operation
First MEC prototype

2021
Delivery Ebusco 3.0
IPO Euronext
Opening factory Deurne

2022
3.0 - 18 meter
Over 400 buses in total in operation

EBUSCO 3.0

The Ebusco 3.0 is a revolutionary model in the industry and a testament to Ebusco's ability to innovate. It has a lightweight composite body based on aerospace technology. This composite material is significantly lighter and stronger, giving the bus a substantially longer, single-charge, range of up to 575 kilometers and a longer estimated average life span. With the launch of the Ebusco 3.0 18-meter in December 2022 Ebusco expanded its range to up to 700 kilometers. Furthermore, in 2022 the 3.0 was awarded a Red Dot design award underlining its innovative character.

EBUSCO 3.0 - GAME CHANGER IN THE INDUSTRY

WEIGHT REDUCTION
27% LIGHTER

EXTENDED LIFESPAN
25 YEARS

BATTERY TECHNOLOGY
COBALT FREE, RECYCLABILITY AND REUSABILITY

FEWER MOVING PARTS
REDUCED MAINTENANCE

PROPRIETARY
AEROSPACE TECHNOLOGY

ON A SINGLE CHARGE
UP TO 575/700 KM

SPACIOUS DESIGN
ALL BATTERIES IN FULLY FLAT FLOOR

DELIVERING COMPLETE ECOSYSTEMS

Ebusco leads the electrification of transport with innovative zero-emission buses by overcoming major obstacles to electrification. We believe Ebusco is at the heart of the entire EV ecosystem from start to finish. Therefore, Ebusco's future offering comprises everything from zero emission buses to Energy Storage Systems, charging infrastructure, depots, service and maintenance and local energy supply and grid alignment.

Building on its experience with heavy-duty batteries and battery management systems, Ebusco has taken a 48.57% stake in ZES to contribute to the broad energy transition. ZES provides interchangeable energy containers for new and existing barges, complementing Ebusco's ambitions in terms of emission-free transport.

EBUSCO AT THE HEART OF TURNKEY EV - ECOSYSTEM

"Replacing a high voltage cable or the drivers seat, every day is different at Ebusco."

Thijs
Production Mechanic

A DECADE OF EBUSCO

CELEBRATING 10 YEARS OF INNOVATION

A memorable moment for Ebusco. 2022 marked its 10-year anniversary. The ambition and vision that CEO Peter Bijvelds and team had from the very beginning, has led from the Ebusco 1.0 to currently the Ebusco 2.2 and Ebusco 3.0, an ecosystem with chargers, energy storage, Ebusco Live and much more.

While a lot has changed in 10 years, the team's consistent drive for innovation has remained the same. Rooted in the conviction that people are key to Ebusco's success, the company strongly promotes a family culture. Featuring a series of events, together the Ebusco team celebrated the 10-year anniversary throughout various activities – ranging from the 18-meter reveal party to a complete family day. Special days that fostered the team's spirit and contributed to a feeling of togetherness.

With multiple events in 2022, the 10-year celebrations are not over yet and will continue in 2023. On to another decade of Ebusco!

FAMILY DAY

18M REVEAL

CHRISTMAS PARTY

STRATEGY

The Ebusco vision is to drive the transition to sustainable transport. From developing the first electric bus made from composite, to improving the charging structure for Public Transport Operators (PTOs) and creating Energy Storage Systems for grid balancing. Ebusco believes in complete ecosystems from start to finish.

In addition to its electric bus proposition, Ebusco is focused on perfecting and expanding its offerings across the electric vehicle ecosystem in which its zero emission buses operate, including Energy Storage Systems, charging infrastructure, depots, service and maintenance and local energy supply and grid alignment. Currently Ebusco's offering of zero emission buses comprises the Ebusco 2.2 and the revolutionary Ebusco 3.0 model.

To achieve our goal of making sustainable, emission-free transport the norm rather than the exception, we have a clear strategy in place.

OUR OFFERING

Electrical buses
Industry leading EV buses with real-road experience and game changing new model.

Charging
Complete package with small-sized chargers. Design and installation of charging infrastructure.

Storage
Energy storage solutions (ESS) and Mobile Energy Containers (MEC). Local storage of energy to reduce grid connection.

Grid alignment
Smart charging infrastructure, energy storage and grid balancing solutions to organise the energy ecosystem of the future.

After sales
Digital, real-time fleet management system. Full-service or flexible maintenance contracts and efficient spare parts supply chain.

GLOBAL EXPANSION ROADMAP IN PLACE TO CAPTURE OPPORTUNITIES ACROSS GEOGRAPHIES

Ebusco's comprehensive international roll-out plan underpins its international expansion strategy. This strategy includes a well-defined sales and marketing strategy, tailored for each target market, and capital efficient upscaling and geographic diversification of the company's manufacturing capacity. Furthermore, it provides for standardisation of processes to warrant reliability, and the required internal systems and human resources needed for successful execution.

This international roll-out plan is key to the company's ability to rapidly capture market share in its target markets. In addition to the European market, the company's future target markets include North America (the United States and Canada) and APAC countries Australia, New Zealand, Japan, Singapore as well as the Gulf Cooperation Council (GCC) regions, initially without local manufacturing facilities. The record number of orders of no less than 1,474 buses by the end of 2022, is proof that Ebusco is rapidly gaining market share internationally. Furthermore, the launch of the first right-hand drive in Australia in September 2022 underlines the company's international ambitions.

WELL-DEFINED SALES AND MARKETING STRATEGY TAILORED FOR EACH TARGET MARKET

The company's sales and marketing strategy aims to build solid relationships with Public Transport Authorities (PTAs) and PTOs. Ebusco engages with PTAs and PTOs by participating in tender bids, providing customised turnkey solutions and transferring knowledge to key institutions and decision-makers to establish itself as a stakeholder in the local public transit system and accelerate the transition to electric buses in each target market.

Ebusco's turnkey solutions minimise operational risk for the customer while maximising reliability, and helping governments and other public transit stakeholders achieve their sustainability targets. Ebusco's framework contract with Deutsche Bahn for 800 buses, the contract with Metropole Rouen Normandy in France and the first orders in Spain and Sweden are just a few examples of Ebusco's international success in 2022.

CAPITAL EFFICIENT UPSCALING AND GEOGRAPHIC DIVERSIFICATION OF ENHANCED MANUFACTURING CAPACITY

To meet the high demand for the Ebusco 3.0, the company is continuously increasing its production capacity. The international roll-out plan includes a production framework, consisting of three types of manufacturing and/or assembly facilities. To manufacture the Ebusco 3.0, the company aims to set up at least one Original Equipment Manufacturer (OEM) Plant on each continent in which it plans to sell buses, supported by Complete Knock-Down (CKD) plants geographically spread over relevant regions

where needed. Ebusco will set up PDI facilities in selected countries to establish the local presence needed to fulfill local content requirements and to tailor Ebusco's services to local customer requirements.

Currently, the Ebusco 3.0 is manufactured and assembled exclusively at the company's facility in Deurne, which serves as a blueprint for scale across multiple geographies. In 2022 the first steps towards geographical diversification were taken. In July, the company signed a Letter of Intent for a manufacturing and assembly location in Rouen, France. This facility consists of circa 21,000 m2 which will enable the production and assembly of an initial 500 buses by the time the facility will be fully equipped and staffed which is expected early 2024. The investment that is expected to be required to achieve this production capacity is €15 million spread over 2023 and 2024.

Moreover, to make room to increase the production capacity in Deurne, the groundwork was laid for the company's first separate PDI facility in Venray, the Netherlands. The new facility is operational since the first quarter of 2023.

RELIABLE PROCESSES, PROCEDURES, IT SYSTEMS AND HUMAN RESOURCES TO FACILITATE INTERNATIONAL ROLL-OUT PLAN

Ebusco's centre of excellence, coordinated from its head office in Deurne, is a systematic initiative to develop reliable processes and procedures that can be replicated to ensure processes and procedures are standardised and effective. It is crucial to the company's growth as it increased its headcount from 309 FTE in 2021 to 607 FTE at the end of 2022. To ensure a harmonized future-proof organization to support the company's continuous growth, the company has started with the implementation of a new ERP system in 2022. The implementation is expected to be carried out throughout the full year of 2023 and will help the company to execute on its growth ambitions. In addition, the implementation of a new Product Lifecycle Management (PLM) system has started and is expected to be implemented in 2023.

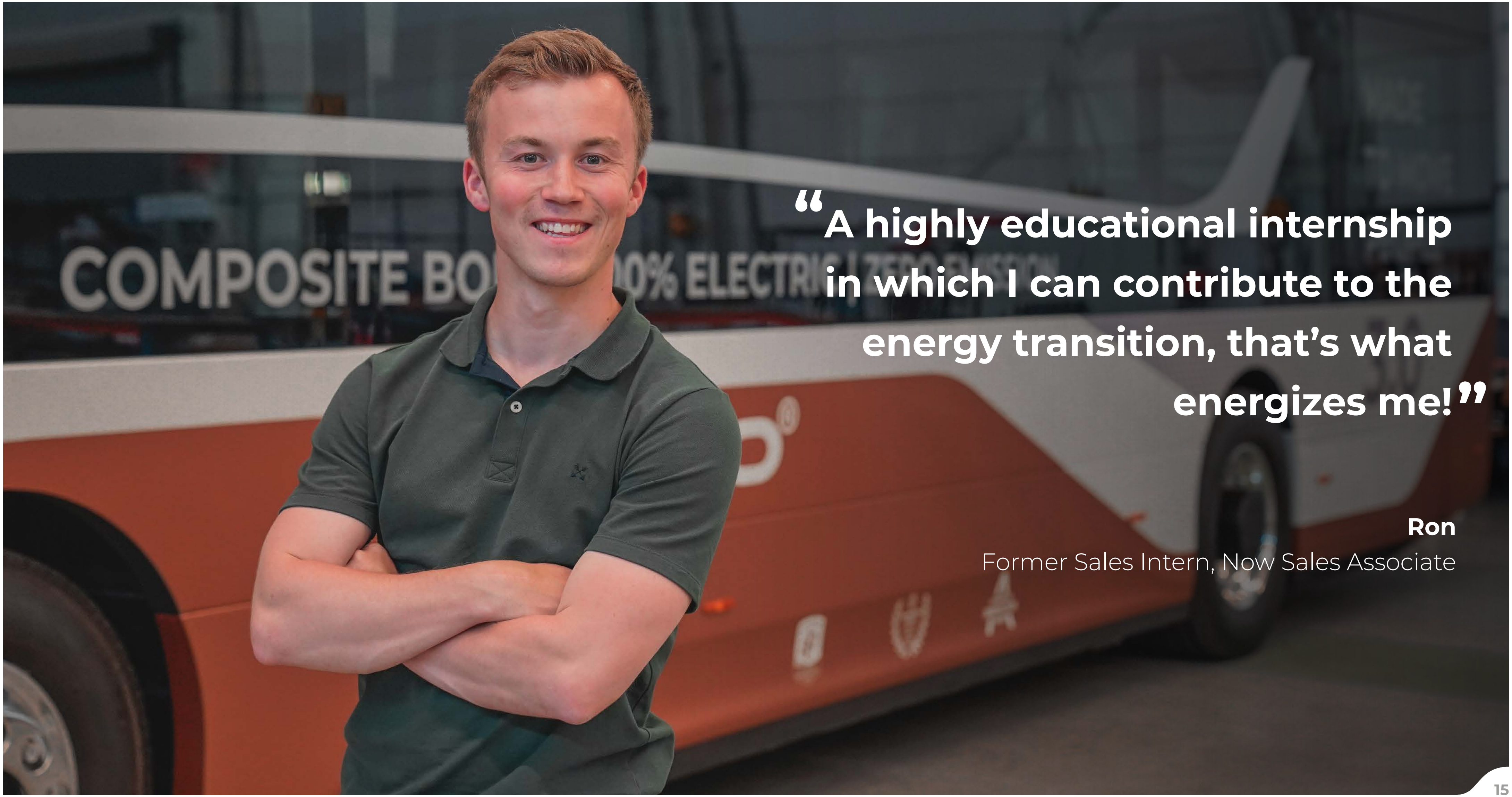
EXPANSION INTO ADJACENT MARKETS SERVING THE ELECTRIC VEHICLE ECOSYSTEM

In addition to bus production, sales and after-sales support services, Ebusco focuses on expanding its offerings across the electric vehicle ecosystem in which its buses operate, including Energy Storage Systems (ESS), charging infrastructure, after sales and local energy supply and grid alignment.

As part of the company's vision of a complete EV ecosystem from start to finish, Ebusco has developed both ESS and Mobile Energy Containers (MEC). Whereas the ESS systems can be used for grid alignment, the MEC containers can be used in hybrid electric barges. In 2022, Ebusco announced the first commercial success of its in house developed ESS system with the first contract to Emmett Green. Delivery and revenue of these systems is expected for 2023. Furthermore, the company acquired a 48.57% of the share capital of ZES.

Acquiring a stake in ZES perfectly fits Ebusco's strategy and mission to contribute to a better environment by enabling safe, sustainable, emission-free, and affordable transportation ecosystems. ZES is a provider of all-in concepts for emission-free inland shipping, including Modular Energy Concept solutions. As the solutions are highly complementary, together Ebusco and ZES can significantly increase their joint impact in the transport industry. Consequently, Ebusco has signed an agreement with ZES to manufacture, deliver and commission twenty MEC containers, expected to be delivered in 2023 and 2024.

Ebusco aims to accelerate the development and commercialisation of new solutions and strengthen customer relationships to diversify revenue opportunities from smart charging infrastructure, energy storage and grid balancing solutions and heavy-duty batteries (for use in shipping vehicles). The company believes that these initiatives could also be used in the longer term to position Ebusco to leverage existing technology to seize new opportunities in adjacent sectors such as bus rapid transport and autonomous driving.



"A highly educational internship in which I can contribute to the energy transition, that's what energizes me!"

Ron

Former Sales Intern, Now Sales Associate

SHAREHOLDER INFORMATION

SHARE INFORMATION

Ebusco Holding N.V. is listed on the official stock market of Euronext Amsterdam (EBUS.AS) since 22 October 2021. On 31 December 2022, the number of issued ordinary Ebusco Holding N.V. shares amounted to 59,039,380 with a nominal value of €0.01. Each share in the capital of Ebusco Holding N.V. gives entitlement to cast one vote.

SHARE PERFORMANCE REVIEW

The performance of Ebusco's ordinary shares on Euronext Amsterdam:

	2022	2021
Closing ordinary share price at calendar year-end (in EUR)	13.17	27.00
Average closing ordinary share price (in EUR)	20.06	25.53
Highest closing ordinary share price (in EUR)	27.00	30.00
Lowest closing ordinary share price (in EUR)	13.06	21.85
Average daily trading volume (in shares)	71,833	91,740
Highest daily trading volume (in shares)	451,732	916,387
Market capitalisation (EUR million)	778	1,594

MAJOR SHAREHOLDERS

In line with the Dutch Financial Supervision Act, holders of shares of Ebusco Holding N.V. are required to update information on their holdings when they reach, exceed, or fall below the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95% reach. As far as Ebusco is aware and on the basis of the AFM register of substantial holdings, the following investors held a holding of 3% or more in Ebusco on 31 December 2022 and the date of this report.

Shareholders	Participation in %	Date of last report
P.H.A.M. Bijvelds*	35.37	October 2021
VDVI B.V.	21.79	December 2022
ING Groep N.V.	20.95	October 2021
Teslin Participaties Coöperatief U.A.	5.11	October 2021

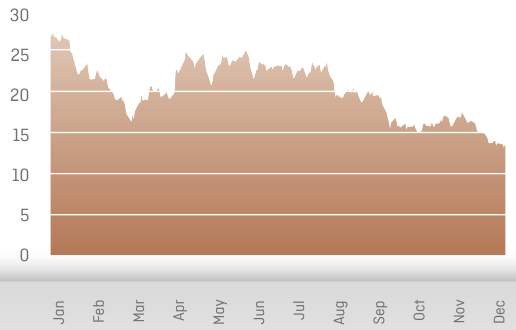
*The shares are held by Peter Bijvelds Holding Erp B.V., which shares are held by Stichting Administratiekantoor Peter Bijvelds Holding Erp B.V., for the benefit and account of P.H.A.M. Bijvelds.

ONE-YEAR PRICE DEVELOPMENT OF EBUSCO ORDINARY SHARES

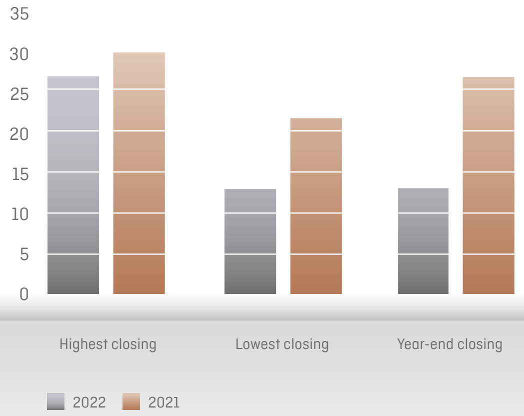
On 31 December 2022, the closing price of an Ebusco ordinary share on Euronext Amsterdam was €13.17, a 51.1% decrease compared to €27.00 on 31 December 2021. During the same period, the ASCX index decreased by 15.3%.

During 2022, Ebusco shares traded on Euronext Amsterdam at an average closing price of €20.06 and an average daily trading volume of 71.8 thousand shares. Ebusco's market capitalization was €778 million at year-end 2022. The highest closing price for Ebusco's shares on Euronext Amsterdam was €27.00 on 5 January 2022, and the lowest was €13.06 on 28 December 2022.

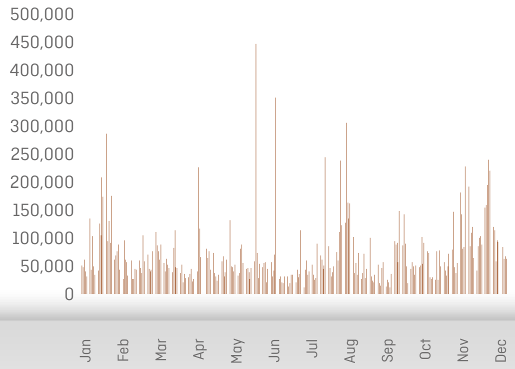
EBUSCO'S SHARE PRICE 2022



EBUSCO SHARE PRICE (EUR)



EBUSCO'S DAILY TRADING VOLUME



TRADING

DIVIDEND POLICY

Ebusco does not intend to declare or pay dividends for the financial year ending 31 December 2022 or in the medium term. The company anticipates that for the foreseeable future it will retain all its future earnings for use in the development of its business, its international expansion strategy and for general corporate purposes.

INVESTOR RELATIONS

Ebusco is committed to maintaining an open and constructive dialogue with its current and potential shareholders (jointly the Investors) and analysts. Conversations with investors and analysts, both in (annual or extraordinary) general meetings and on a bilateral basis outside of such general meetings (e.g. investor calls, road shows, broker conferences etc.), form an integral part of this dialogue.

Ebusco aims to keep the investors and analysts updated by informing them equally, simultaneously, clearly and accurately about Ebusco's strategy, performance and other matters and developments that could be relevant to Investors' decisions either via meetings, presentations, conference calls etc. as referred to in best practice provision 4.2.3 of the Dutch Corporate Governance Code or otherwise. The company website www.ebusco.com provides relevant information (press releases, financial data) for investors.

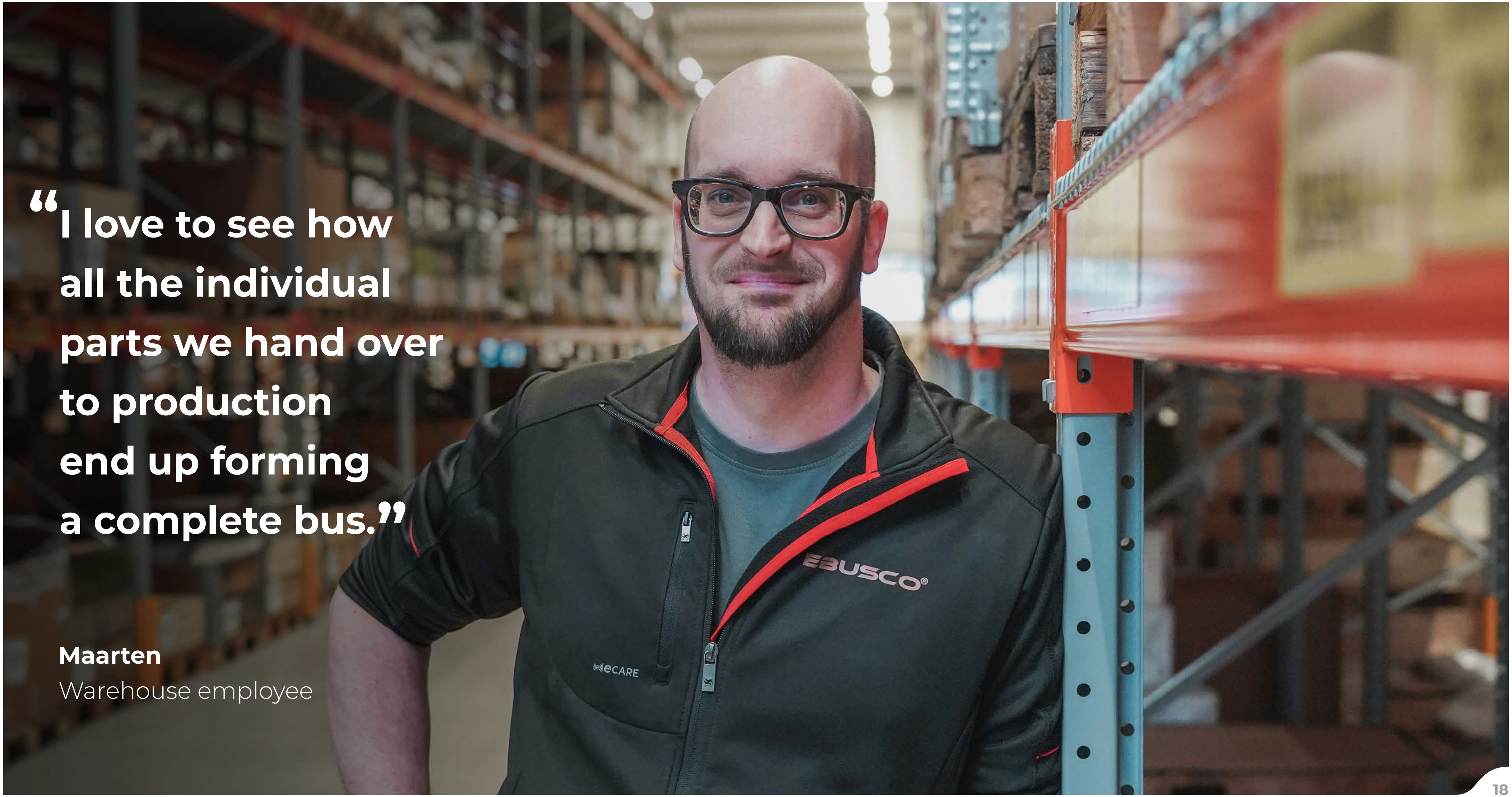
Ebusco observes a closed period during which no discussions are held with investors and analysts. This pertains to a period of 45 calendar days prior to the publication of the yearly results and 30 calendar days prior to the publication of half yearly results. Furthermore, the closed period is 10 calendar days prior to the publication of pre-scheduled trading updates.

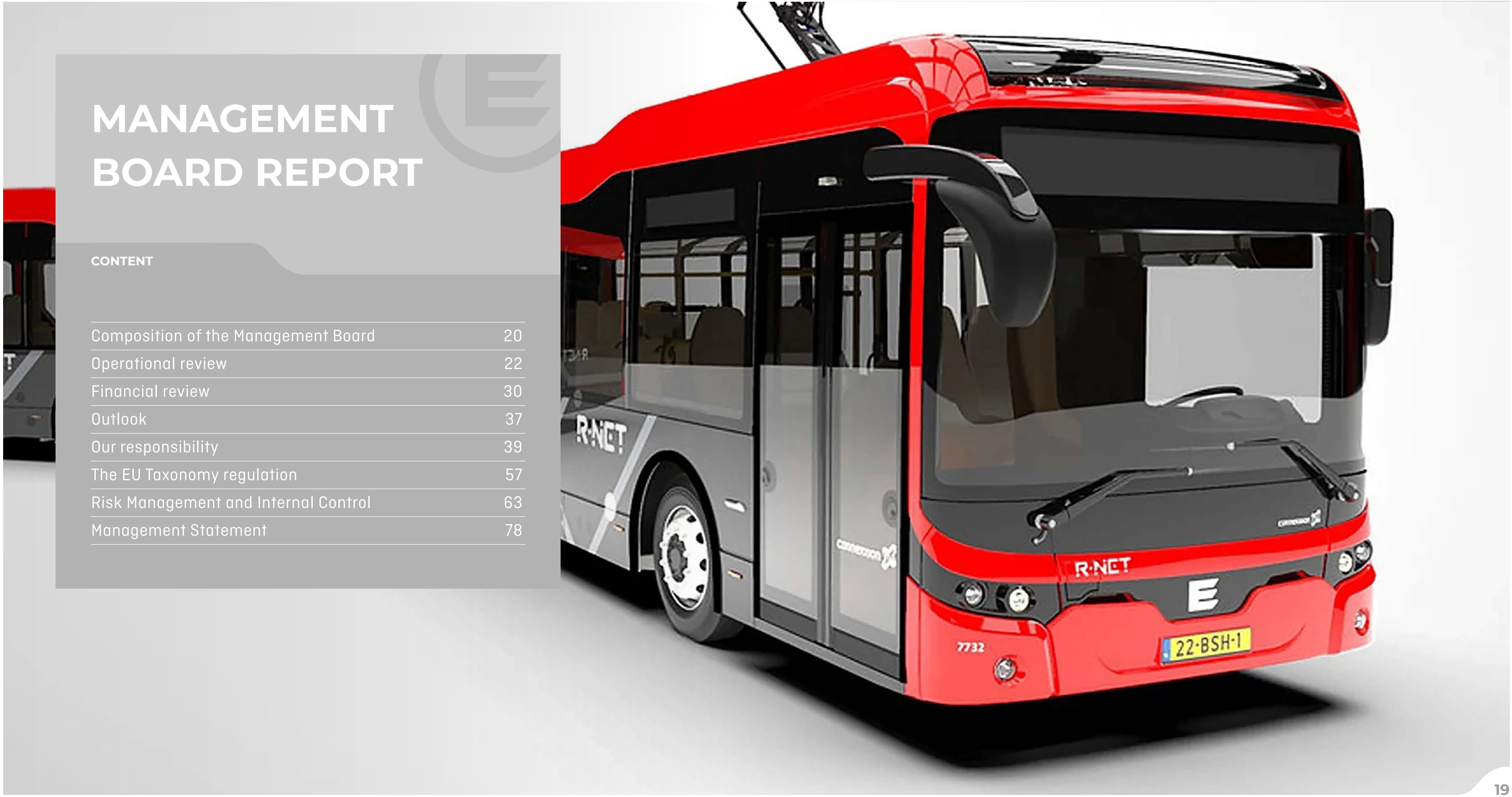
PREVENTION MISUSE OF INSIDER INFORMATION

Ebusco has rules governing the reporting of transactions involving Ebusco Holding N.V. securities by its Supervisory Board, Management Board and other appointed persons, including staff, the management and a number of permanent advisors. The Insider Trading Policy is published on the corporate website investors.ebusco.com. Ebusco has also appointed the corporate secretary as compliance officer. The compliance officer is responsible for supervising compliance with the rules and regulations, and communication with the AFM.

FINANCIAL CALENDAR 2023

Annual General Meeting	17 May 2023
Half year results 2023	9 August 2023
Q3 trading update	11 October 2023


“I love to see how all the individual parts we hand over to production end up forming a complete bus.”
Maarten
Warehouse employee
EBUSCO®
eCARE



MANAGEMENT BOARD REPORT

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MANAGEMENT BOARD

PAUL VAN BEERS (1965)

CFO - current term expires in 2023

Paul van Beers is CFO of Ebusco since 2016. He holds various degrees, including Accountancy, Environmental Accounting and Business Valuation. Before joining Ebusco, Paul worked in various management positions in the financial sector, as well as in the automotive industry.

Paul van Beers is not available for reappointment and will retire per the 2023 AGM, upon completion of his current term.

His experience spans more than 20 years in M&A and corporate finance.

PETER BIJVELDS (1978)

Founder/CEO - current term expires in 2025

Peter Bijvelds established Ebusco in 2012. Peter Bijvelds has over 20 years of experience in the automotive sector.

He has in-depth knowledge of the (public) transport market and its constituents, strong expertise across the full electric bus value chain and a strong track record of driving growth and innovation in the Company.

BOB FLEUREN (1978)

COO - current term expires in 2024

Bob Fleuren has experience in leading international operations in large-scale organisations, including at aerospace company Fokker and the Ministry of Defence. He became COO at Ebusco in April 2021, after being involved with Ebusco for several years as the founder of Pondus, Ebusco's subsidiary responsible for developing the lightweight composite body parts for Ebusco's zero emission buses.

Bob Fleuren holds a Major rtd. in Airforce Electronics from the Royal Military Academy in Breda. Furthermore, he holds a Master in Marketing & Supply Chain Management from the Open University, the Netherlands.

TOWARDS AN EV ECOSYSTEM FROM START TO FINISH

TAKING A STAKE IN ZERO EMISSION SERVICES B.V.

As a pioneer in zero-emission solutions, Ebusco goes beyond buses. Being a leader in the electrification of transportation, the company believes in a complete EV ecosystem from start to finish, including Energy Storage Systems, charging infrastructure, depots, service and maintenance and local energy supply and grid alignment.

Building on its experience with heavy-duty batteries and battery management systems, Ebusco has developed both Energy Storage Systems (ESS) and Mobile Energy Containers (MEC) to fuel its vision of a complete ecosystem. In 2022 the company announced the first commercial success of its in house developed ESS system with the first sale to Emmett Green.

To significantly drive its impact in the electrification of transport, in 2022 Ebusco also acquired 48.57% of the share capital of Zero Emission Services B.V. (ZES). ZES is a provider of all-in concepts for emission-free inland shipping, including Modular Energy Concept solutions. The stake brings Ebusco one step closer to a full EV ecosystem.

OPERATIONAL REVIEW

INTRODUCTION

2022 was a year of many contrasts: while Ebusco experienced tremendous growth on the one hand, it also faced major challenges. During its 10-year anniversary, the company closed the year with a record-high order book and almost doubled its workforce. Simultaneously, these highs were coupled with some lows: due to supply chain constraints, part of the revenue had to be shifted from 2022 to 2023 due to longer-than-expected assembly times. Meanwhile, the company is working hard to ramp up its production capacity, amongst others by entering into an agreement for a new production facility in France.

DELIVERY AND SHIPMENTS

In 2022 Ebusco produced and shipped more buses compared to 2021, resulting in a significant increase of revenues in the year ending on 31 December 2022. In total, Ebusco was able to deliver 75 buses to its customers, all 2.2 buses. Moreover, the company shipped 200 2.2 buses from its partner assembly plants in China to its manufacturing location in Deurne, The Netherlands. From these shipments, approximately 130 buses are scheduled to be delivered to the customer during the first half of 2023. Furthermore, the company had 57 3.0 buses in production by the end of December 2022, scheduled to be delivered to the customer during the first half of 2023.

Nevertheless, supply chain constraints during the year combined with the resurgence of COVID-19 in China during December 2022 resulted in longer than expected assembly times in Deurne, Xiamen and Yangzhou. As a result, the shipment of 21 of 18m Ebusco 2.2 buses shifted from 2022 into 2023.

Furthermore, the supply chain constraints also resulted in higher than expected transport costs as a number of parts had to be transported by air instead of by sea freight. These constraints have also led to significant rework, resulting in inefficiencies in our manufacturing process. Lastly, attracting skilled personnel remains a challenge.

ORDERBOOK DEVELOPMENT

Ebusco ended 2022 with a record order book of 1,474 buses compared to 325 at the year end 2021. In total, Ebusco received orders (fixed contracts, call-off and options) for 1,225 buses in 2022 (2021: 240 buses), of which 336 3.0 buses.

Customers are especially attracted to the low-weight design of the Ebusco 3.0 resulting in low energy consumption. In times of elevated electricity prices and growing awareness of the importance of energy efficiency, this is an important differentiating factor. The fact that this consumption data is backed by real-road data from our buses in Munich as well as independent e-Sort tests has further strengthened our position.

The order book by the end of 2022 can be summarized as follows:

	Fixed contracts	Call-off	Option	Total
Ebusco 2.2	190	251	645	1,086
Ebusco 3.0	375	0	13	388
Total	**565**	**251**	**658**	**1,474**

The call-off option relates to the framework contract with Deutsche Bahn. Ebusco is the exclusive supplier of electric buses to Deutsche Bahn. These call-off options could lead to fixed contracts but might also be lost in the end. The options are an add-on to a fixed contract. More specifically, the customer is entitled to order under the same terms and conditions as the fixed contract. However, the customer might not exercise the option.

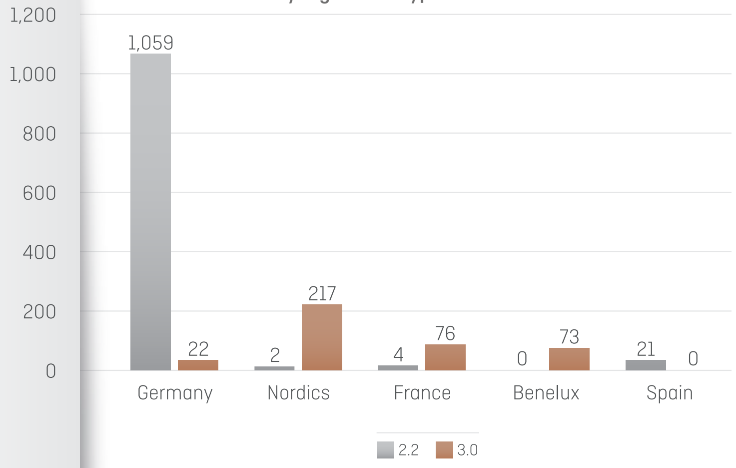
The majority of orders come from Germany, a historically strategically important market for Ebusco. The biggest order in the German market in 2022 was a framework contract with Deutsche Bahn with a maximum order volume of 800 buses for the period 2023-2026. Moreover, the company significantly expanded its footprint in the Nordics with in total 219 new orders. In Sweden, Ebusco closed its first order in June, already leading to a follow-up order in November 2022. Next to this, Ebusco won multiple concessions in Norway.

Other noteworthy orders include the order for 76 3.0 buses from Metropole Rouen as well as 21 buses for the City of Barcelona, Spain. The latter brings the total number of countries where Ebusco will operate to nine.

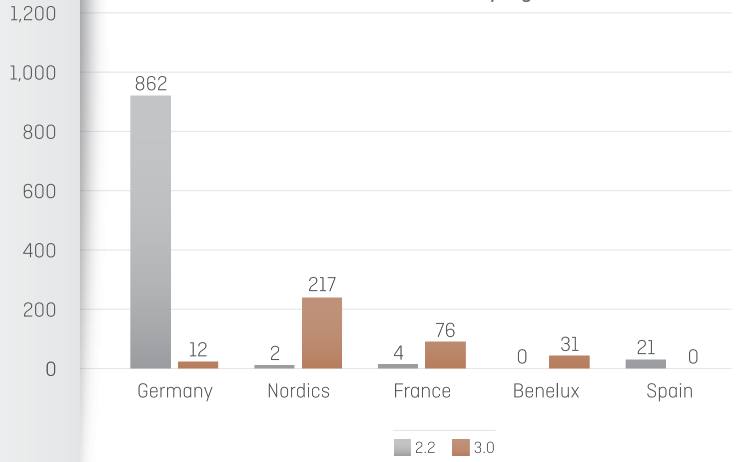
The table below shows a summary of large orders received in 2022.

Month	Customer	Type	# of buses
January	Stadtwerke Munich	3.0-18 meter	14
January	Regensburg Germany	2.2-18 meter	22
January	Sudwestdeutsche Landesverkehrs-AG (SWEG)	2.2-12 meter	10
February	Metrolpole Rouen Normandie	2.2-18 meter 3.0-18 meter	4 76
April	Deutsche Bahn	Various	800
June	Svealandstrafiken Sweden	3.0-18 meter	23
July	Nobina Denmark	3.0-12 meter	19
July	Area Metropolitana de Barcelona	2.2-12 meter	21
September	Nobina Oslo	3.0-12 meter 3.0-18 meter	22 54
September	Connect Bus Sweden	3.0-12 meter 3.0-18 meter	29 18
November	Svealandstrafiken Sweden	3.0-18 meter	13
November	EBS Netherlands	3.0-13.5 meter	31
December	NIAG Germany	3.0-12 meter	12

Orderbook by region and type at 31 December 2022



Orders received in 2022 by region



TENDER ACTIVITY

As the company's order book increases, Ebusco sees a significant tender increase in 2022 compared to 2021. At the end of 2022, Ebusco has identified tenders[1] for 4,744 buses which are expected to be awarded over the next 12-24 months.

The strong tender activity is proof that the electrification of public transport, as part of the broader sustainability drive, continues to be high on the agenda of (local) governments and transport operators despite the macroeconomic backdrop.

PRODUCTION RAMP UP

To meet the high demand for its buses, Ebusco continued to ramp up manufacturing capacity in Deurne in 2022. At the end of the first quarter of 2023, the company aims to achieve the milestone of manufacturing one bus per day in Deurne despite of the continuing material shortages. The capacity will be ramped up to two buses per day during the first half of 2023. Reaching this capacity requires recruiting an additional 100-110 FTE and relocation of the existing Ebusco 2.2 Pre-Delivery Inspection (PDI) activities to a new location in Venray, The Netherlands.

To further scale its production, in 2022 Ebusco signed a Letter of Intent for the lease of a new production facility in Rouen, France, which was formalized in February 2023. The project is moving forward as planned.

[1] Included in tender pipeline: Awarded, Best and final offer (BAFO), Prequalification, Proposal submitted, Request for information (RFI) and Request for quotation (RFQ).

Orders for production equipment with a long lead time have been placed and a dedicated project team has been formed. This team works together with a project team of the facility owner to enable Ebusco to move into the facility during the third quarter of 2023 and be fully equipped and operational early 2024 for casco manufacturing and bus assembly.

Once fully operational the Rouen facility will have a manufacturing capacity of 500 buses per annum. Given this location's size, Ebusco can scale up capacity further in future years. The initial capital expenditure for the Rouen project is estimated at € 15 million.

SUPPLY CHAIN DEVELOPMENTS

The supply chain situation continued to normalise over 2022 but remains erratic at times. Although the parts availability has improved, Ebusco continues to experience late deliveries which sometimes leads to higher transport costs and inefficiencies during assembly.

To withstand supply chain shocks Ebusco continues to hold significant safety stock enabling the continuation of production, albeit at the expense of working capital efficiency. Next to supporting the current production schedule, the safety stock also allows to take in new orders for shipment in 2023 well into 2024. Furthermore, in 2023 there will be a strong focus on identifying dual source suppliers to lower risks and using scale advantages to lower the cost of goods sold.

"The best part of my job is that I get to wish all employees, customers and deliverers a good morning each and every day."

Monique
Back Office Assistant

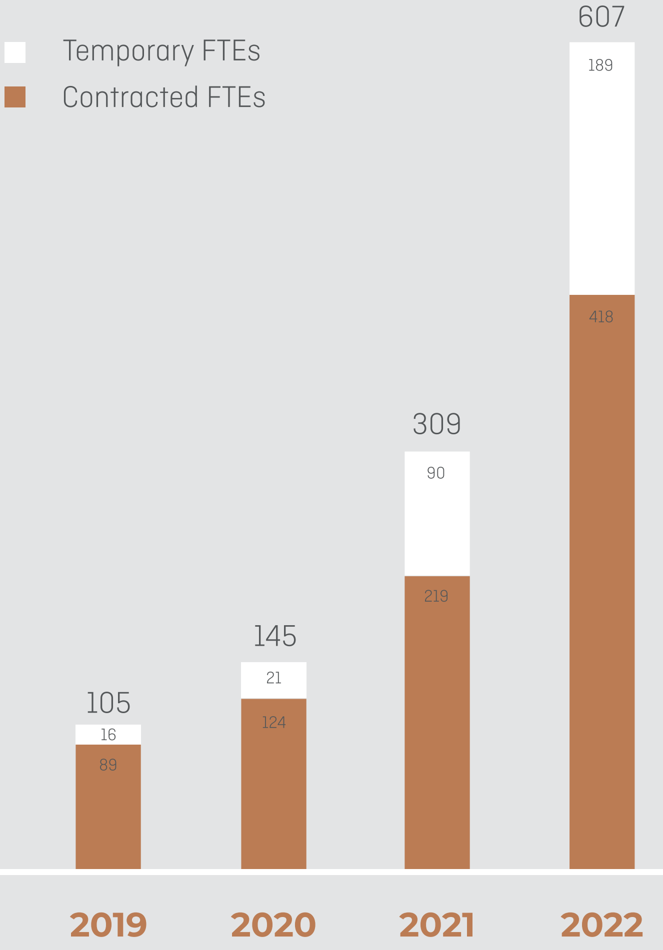
INFORMATION TECHNOLOGY

To ensure a harmonized future-proof organization to support the company's continuous growth, the company has selected a new ERP system. This ERP system will replace the current, active legacy systems. The ERP system is expected to go-live in 2024. Next to this, the company selected a new PLM system, which is expected to go-live by the end of 2023.

STAFFING

In 2022 Ebusco almost doubled its workforce, starting the year 2022 with 309 full-time employees, increasing to 607 full-time employees, including temporary employees per 31 December 2022. The company welcomed 503 new starters, including temporary employees, during 2022 and was able to maintain a very strong retention rate of 93%. These indicators show that Ebusco is an attractive employer.

NUMBER OF FTES BY THE END OF THE YEAR



“Motivated, committed, and always willing to go the extra mile. Together we make it happen”

"I love working on the electrical techniques of the bus, as they contribute to a bright future."

Zvezdelin
Production Mechanic

REVENUE

€111.6M

2021

€24.3M

GROSS PROFIT*

€15.6M

2021

€1.2M

EBITDA*

€(34.8)M

2021

€(34.2)M

NET PROFIT

€(32.2)M

2021

€(26.8)M

EQUITY

€273.5M

2021

€303.9M

FREE CASH FLOW*

€(107.5)M

2021

€(25.6)M

NET DEBT*

€(94.7)M

2021

€(207.2)M

FTE'S PER YEAR END**

607

2021

309

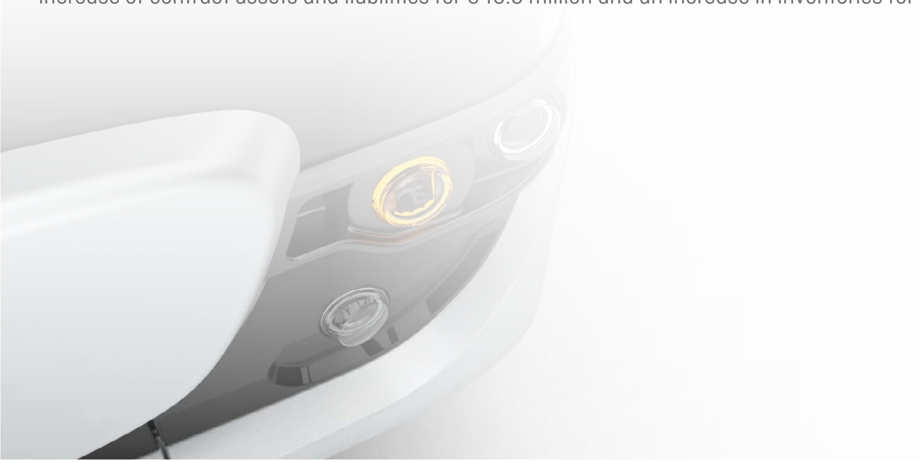
* For further information and calculation of these Alternative Performance Measures (APMs), reference is made to the non-IFRS measures on page 168-171.
** Including temporary staff

FINANCIAL REVIEW

INTRODUCTION

In 2022 Ebusco managed to grow its revenue by approximately 360% compared to the financial year 2021. At the same time, the company dealt with a disappointing operating result amounting to a loss of €40.4 million. This was mainly due to gross profit pressure as a result of continuous supply chain disruptions, high transportation and distribution costs and the unfavourable FX exposure on the Chinese Yuan (versus the EUR). These items combined have led to a gross profit margin of 14.0% (2021: 5.0%). In addition, employee benefit expenses have increased by more than 50% to support our international roll-out plan.

Moreover, cash decreased by more than €112 million in 2022, mainly driven by cash flow from operations. The decrease in cash flow from operations was caused by an increase of net working capital for €64.6 million and the reported net loss before tax of €41.9 million. The increase in net working capital was mainly caused by an increase of contract assets and liabilities for €40.8 million and an increase in inventories for €25.1 million.



RESULTS OF OPERATIONS

The following table summarises the Group's financial performance for the years ended 31 December 2021 and 2022.

	Year ended 31 December	
(€ thousands)	**2022**	**2021**
Revenue	111,617	24,265
Cost of materials	(95,984)	(23,045)
Gross profit*	**15,633**	**1,220**
Employee benefit expenses	(35,525)	(23,106)
Amortisation and depreciation expenses	(5,627)	(5,331)
Other operating expenses	(14,916)	(12,354)
Operating expenses, excluding cost of materials	**(56,068)**	**(40,791)**
Operating result (EBIT)*	**(40,435)**	**(39,571)**
Finance expenses, net	(1,060)	(4,240)
Share of result of an associate	(432)	7,427
Result before tax	**(41,927)**	**(36,384)**
Income tax credit/(expense)	9,734	9,587
Result for the year	**(32,193)**	**(26,797)**
Operating result (EBIT)*	**(40,435)**	**(39,571)**
Non-recurring items	-	13,694
Underlying EBIT*	**(40,435)**	**(25,877)**
Amortisation and depreciation expenses	5,627	5,331
Underlying EBITDA*	**(34,808)**	**(20,546)**

* This is a non-IFRS measure. For further information about non-IFRS measures, and the response why we believe they are important for an understanding of the performance of our company, please refer to our commentary on non-IFRS measures as per page 168-171.

COMPARISON OF THE YEARS ENDED 31 DECEMBER 2021 AND 2022

REVENUE

Driven by the strong post Covid-19 order intake in the second half of 2021 and 2022, the revenue for 2022 arrived at €111.6 million. A significant increase compared to the full year 2021, which came in at €24.3 million. Revenue was clearly higher in the second half of 2022 compared to the first six months. Revenue recognition is typically geared towards the second half of the year as the company often makes deliveries at the start of a concession period, and these typically start at the beginning of the summer or winter. Despite this significant revenue increase, supply chain constraints combined with the resurgence of COVID-19 in China during December resulted in longer than expected assembly times. As a result, the shipment of 21 of Ebusco 2.2 18-meter buses, which have an above-average selling price, shifted from 2022 into 2023.
The following table shows revenue per region of the Group's revenue for the years ended 31 December 2021 and 2022.

Revenue – Geographical breakdown (€ thousands)	Year ended 31 December	
	2022	2021
DACH[1]	59.812	9,722
Nordics[2]	27,468	8,418
Benelux	16,946	6,035
Spain	7,389	-
Rest of the World (RoW)	2	90
Total revenue	**111,617**	**24,265**

[1] DACH is an acronym for Germany (D), Austria (A) and Switzerland (CH).
[2] Nordics is an acronym for Denmark, Sweden, Norway and Finland.

REVENUE

The Group's revenue increased in all regions except for RoW. The increase was mainly due to the post Covid-19 order intake increase and, consequently, an increase in shipments and deliveries. With a sale of 21 Ebusco 2.2 12-meter buses to Spain, Ebusco also entered a new market in the course of 2022. These buses have been shipped but have not yet been delivered on 31 December 2022. The revenue recognized for RoW relates to maintenance only.

GROSS PROFIT

Gross profit increased by €14.4 million or 1,181%, from €1.2 million in 2021 to €15.6 million in 2022. Normalised for the one-off replacement of the climate control systems in the financial year 2021, gross profit amounted to €5.1 million.

Ebusco's cost of materials includes costs of materials (including parts and other components), cost of work contracted out (relating primarily to Weichai, the Group's third-party supplier that assembles the Ebusco 2.2 at a manufacturing facility in Xiamen, China) and other external costs, including transportation costs, import duties, and spare parts. Supply chain disruption led to an increase in the costs of raw materials and transportation while adverse currency movements (Chinese Yuan vs. Euro) also had an impact.

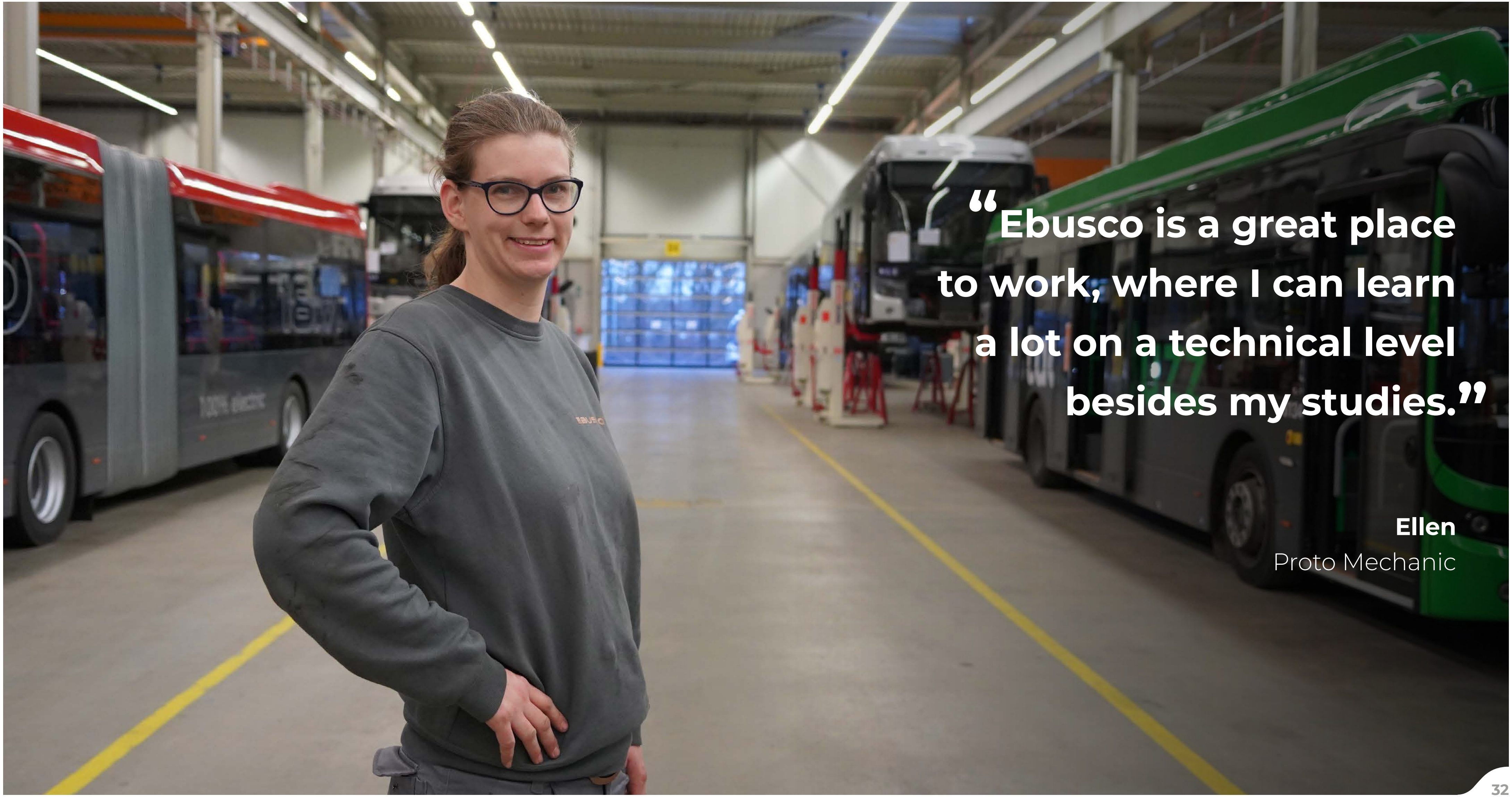
The gross profit as a percentage of revenue increased from 5.0% in 2021 to 14.0% in 2022. Normalised for the one-off replacement of the climate control systems in the financial year 2021, the gross profit as a percentage of sales was 21.3%. This represents a gross profit decline of 7.3%. This decline is partly caused by a further deterioration of the Chinese Yuan (CNY) against the euro. The average currency exchange rate between the euro and CNY for 2022 was 7,08 and for 2021 7,63. As the Ebusco 2.2 buses are being assembled and shipped from China, the deterioration of the CNY is unfavourable to the company. Next, the supply chain constraints resulted in higher-than-expected transport costs compared to previous expectations as a number of parts had to be transported by air instead of by sea. Finally, in 2022 the company recognised a warranty provision for €0.7 million which has negatively impacted the gross margin by 60 bps.

For further information and calculation of gross profit, reference is made to the non-IFRS measures on page 168.

EMPLOYEE BENEFIT EXPENSES

Employee benefit expenses increased by €12.4 million or almost 54%, from € 23.1 million in 2021 to €35.5 million in 2022. This increase is mainly due to the increase in headcount. The average number of full-time employees increased by 96% from 227 FTEs (including contractors) in 2021 to 446 FTEs (including contractors) in 2022. Note that the 2021 employee benefit expenses included a non-recurring expense related to a settlement of a success fee arrangement with the CFO (€5.0 million).

Employee benefit expenses almost doubled compared to 2021, adjusted for the one-time expense in 2021. The increase in the number of employees and associated costs is to prepare the Group for future growth.


"Ebusco is a great place to work, where I can learn a lot on a technical level besides my studies."
Ellen
Proto Mechanic

AMORTISATION AND DEPRECIATION

For 2022, amortisation decreased by €0.6 million or 27% from €2.5 million in 2021 to €1.9 million in 2022. The decrease mainly relates to fully amortized intangible assets in the course of 2021 and 2022.

Depreciation increased by €1 million or 36% from €2.8 million in 2021 to €3.8 million in 2022. Depreciation of property, plant and equipment increased by €0.6 million to €2.3 million in 2022 mainly following investments in equipment and office inventory in 2021 and 2022. Depreciation of right-of-use assets increased by €0.3 million to €1.4 million in 2022, mainly following from new leases and indexation of leased buildings and cars in 2021 and 2022.

OTHER OPERATING EXPENSES

The following table summarises the Group's other operating expenses for the periods indicated.

Other operating expenses (€ thousands)	Year ended 31 December	
	2022	2021
General expenses	5,416	8,176
Distribution expenses	2,687	1,449
IT expenses	2,541	1,213
Marketing expenses	1,156	552
Facility expenses	996	450
Office expenses	264	136
Other operating expenses	1,856	378
Total other operating expenses	**14,916**	**12,354**

Other operating expenses increased by €2.5 million or 21%, from €12.4 million in 2021 to €14.9 million in 2022. The increase was partly due to an increase in distribution expenses. The supply chain constraints resulted in higher than expected transport costs compared to previous expectations as a number of parts had to be transported by air instead of by sea.

Furthermore, the group has Research & Development expenses of €0.5 million recognised as an expense during the reporting periods (2021: nil).

Facility and office expenses increased due to increased rented space and the number of full-time equivalents in Deurne and Venray to facilitate growth and the set-up of the in-house production of the Ebusco 3.0. Facility expenses include costs for utilities, insurance, and other non-rent related expenses associated with the Group's facilities.

OPERATING RESULT AND UNDERLYING EBIT

The operating result decreased by €0.8 million from €39.6 million loss in 2021 to €40.4 million loss in 2022. Despite the significant revenue growth, the company incurred a significant operating loss. This operating loss was partly driven by delayed shipments, resulting in revenue recognition delays. In addition, limited availability of some customer-specific IT systems as well as heating and cooling systems pushed the final delivery schedule of 90 Ebusco 2.2 buses from December 2022 into 2023.

Besides revenue challenges, the bus cost prices increased significantly due to higher costs for raw materials and spare parts, increased transportation costs and a deterioration of the Chinese Yuan (CNY) against the euro. These elements had a negative impact on our gross margin.

Underlying EBIT decreased by €14.5 million from €25.9 million loss in 2021 to €40.4 million loss in 2022, mainly due to gross margin deterioration as a result of higher costs for raw materials and spare parts, increased transportation costs and a deterioration of the Chinese Yuan (CNY) against the euro.

In 2022, no non-recurring expenses were incurred. In 2021, the non-recurring expenses of €13.7 million related to the settlement of an existing success fee agreement (€5.0 million), expenses related to the replacement of the climate control systems pursuant to a settlement agreement with a customer (€3.9 million) and expenses related to the IPO (€4.8 million).

For further information and calculation of underlying EBIT, reference is made to the non-IFRS measures on page 169.

FINANCE EXPENSES, NET

Finance expenses, net decreased by €3.2 million, or 75%, from €4.2 million in 2021 to €1.1 million in 2022 This decrease was mainly due to loans and borrowings that were largely repaid subsequent to the IPO in October 2021, and the €80.0 million credit facility agreement that was terminated in December 2021.

SHARE OF RESULT OF AN ASSOCIATE

Share of result of an associate decreased by €7.9 million to negative €0.4 million in 2022 from €7.4 million in 2021. In 2021, at the acquisition date, the carrying value of the Group's 20% interest in Pondus was nihil. Accordingly, the Group recognised a gain of €7.5 million as a result of remeasuring the carrying amount of its 'Investment in associates' at fair value.

On 28 January 2022, Ebusco Energy B.V. acquired 40% of the voting shares of ZES, a provider of all-in concepts for emission-free inland shipping. The consideration paid amounted to one euro. On 8 November 2022, the shareholders of ZES were granted the option to subscribe to an additional share issuance. As a result, the Group acquired an additional 8.57% of the voting shares of ZES. The consideration paid amounts to an additional €1.5 million.

The Group accounts for this as an investment in an associate over which the Group has significant influence. The investment in ZES is accounted for using the equity method in the consolidated financial statements.

INCOME TAX

In 2022, the income tax credit amounted to €9.7 million (2021: income tax credit of €9.6 million). The income tax credit largely refers to the operations of Ebusco Holding N.V. and Ebusco B.V.

Ebusco Holding N.V. established a Dutch fiscal unity as from December 1, 2021; all Dutch subsidiaries have joined the fiscal unity except for Pondus Operations B.V. as the Group's shareholding in this entity is only 90%.

The effective tax rate decreased to 23.2% in 2022 compared to 26.3% in 2021. The lower effective tax rate is mainly the result of non-deductible expense items (2022: (0.4%); 2021: 2.0%) and the effect of unrecognised and unused tax losses. The effect of unrecognised and unused tax losses in 2022 mainly relates to fiscal tax losses incurred by Pondus Operations B.V. The effect of previously unrecognised and unused tax losses in 2022 relates to future expected taxable profits of Pondus R&D B.V.

RESULT FOR THE YEAR

Result for the year decreased by €5.4 million, from €26.8 million loss in the year ended 31 December 2021 to €32.2 million loss in the year ended 31 December 2022. This decrease was driven by gross margin detoriation.

EARNINGS PER SHARE

Earnings per share increased from negative €0.56 per share in 2021 to negative €0.54 per share in 2022. The average number of shares outstanding amounted to 59.0 million (2021: 47.5 million). At year end 2022 59.0 million shares were outstanding (2021: 59.0 million).

LIQUIDITY AND CAPITAL RESOURCES

OVERVIEW

The Group's primary use of liquidity is for the day-to-day operation of its business relating to the production and assembly of buses, capital expenditures and other investments is further detailed below and on the next pages.

CASH FLOWS

The following table presents a summary of the Group's cash flows for the periods indicated, which have been extracted from the Financial Statements.

	Year ended 31 December	
(€ thousands)	**2022**	**2021**
Net cash flows from operating activities	(99,058)	(19,390)
Net cash flows from investment activities	(8,496)	(27,284)
Net cash flows from financing activities	(5,172)	227,734
(Decrease)/Increase in cash and cash equivalents	**(112,726)**	**181,060**
Exchange gains/(losses) on cash and cash equivalents	15	1
Cash and cash equivalents at the start of the period	207,923	26,862
Cash and cash equivalents at the end of the period	**95,212**	**207,923**

COMPARISON OF THE YEARS ENDED 31 DECEMBER 2021 AND 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Net cash outflow from operating activities for 2022 was negative €99.1 million, an increase of €79.7 million or 411% from net cash outflow of €19.4 million for 2021. Profit/(loss) before tax decreased from a net loss before tax of €36.4 million in 2021 to a net loss before tax of €41.9 million in 2022. Besides the loss before tax, the net cash outflow from operating activities was driven by movements in net working capital. Contract assets and liabilities increased by €40.8 million in 2022, inventories increased by €25.1 million and receivables from customers increased by €10.7. This was partly offset by an increase in payables to our suppliers by €12.0 million. In general, the net working capital increased by €64.6 million in 2022.

CASH FLOWS FROM INVESTING ACTIVITIES

Net cash outflow from investing activities for 2022 was €8.5 million, a decrease of €18.8 million from net cash outflow of €27.3 million for 2021. This decrease in cash outflow from investing activities was due to the considerations with regards to the additional 60% acquisition of the voting rights of Pondus Holding B.V. in April 2021.

CASH FLOWS FROM FINANCING ACTIVITIES

Net cash outflow from financing activities for 2022 was €5.2 million, a decrease of €232.9 million compared to 2021. In 2021, the company received net proceeds from the issuance of share capital and listing on Euronext in October 2021 of € 316.1 million to fund future growth, international expansion and increase of manufacturing capacity. The cash inflow from the IPO proceeds was partly used for the net repayment of loans and borrowings of €64.0 million and the repayment of a convertible loan (€0.8 million).

Payment of principal portion of lease liabilities increased by €0.2 million to €1.5 million in 2022 mainly due to the expansion of office- and production facility space rented and indexation of leased buildings and cars in 2021 and 2022.

FREE CASH FLOW

Free cash flow decreased by €81.9 million from minus €25.6 million in 2021 to minus €107.5 million in 2022. This decrease is mainly caused by the cash outflow from operating activities, which decreased by €99.1 million.

For further information and calculation of the free cash flow, reference is made to the non-IFRS measures on page 169.

NET WORKING CAPITAL

The Group calculates net working capital as inventories, including contract assets, plus trade receivables minus trade payables and contract liabilities.

As of 31 December 2022, the net working capital amounted to €106.3 million (31 December 2021: €41.3 million). The increase in net working capital of €65.0 million is largely driven by the increase in contract assets and liabilities of €40.8 million and inventories of €25.1. The Group recognises a contract asset for services performed for a customer to which the Group has a right to receive consideration. Contract assets represent the work-in-progress assets for the production of zero emission buses. The Group reclassifies contract assets to trade receivables when performance obligations are satisfied and the right to consideration becomes unconditional.

For further information and calculation of net working capital, reference is made to the non-IFRS measures on page 170.

CAPITAL EXPENDITURE

	Year ended 31 December	
(€ thousands)	**2022**	**2021**
Investments in property, plant and equipment	5,847	4,164
Investment in intangible assets	3,878	796
Capital expenditure	**9,725**	**4,960**

Investments in property, plant and equipment increased by €1.6 million from €4.2 million in 2021 to €5.8 million in 2022, mainly including investments in equipment related to the set-up of the blueprint facility in Deurne for the manufacturing of the Ebusco 3.0 and investments for development of own demo and prototype buses.

Investments in intangible assets increased by €3.1 million from €0.8 million in 2021 to €3.9 million in

2022. This increase was mainly driven by the development of energy containers (€1.2 million) and the investment in a new ERP system (€1.2 million).

NET (CASH)/DEBT

The Group's net cash position, excluding lease liabilities, per 31 December 2022 was €94.7 million, a decrease of €112.5 million or 54% compared to a net cash position of €207.2 per 31 December 2021. The decrease in the net cash position was mainly due to an increase in net working capital (€64.6 million), the net loss before tax in 2022 (€41.9 million) and an increase in capital expenditures (€4.5 million).

The following table presents the Group's net (cash)/debt (including and excluding lease liabilities) as per 31 December 2021 and 2022.

(€ thousands)	31 December 2022	31 December 2021
Debts to credit institutions	486	215
Debts to other related parties	-	463
Sub-total loans and borrowings	**486**	**678**
Lease liabilities	7,761	8,382
Cash and cash equivalents	(95,212)	(207,923)
Net (cash)/debt including lease liabilities	**(86,965)**	**(198,863)**
Lease liabilities	(7,761)	(8,382)
Net (cash)/debt excluding lease liabilities	**(94,726)**	**(207,245)**

For further information and calculation of the net (cash)/debt, reference is made to the non-IFRS measures on pages 169-170.

EQUITY

Total equity decreased by €30.5 million to €273.5 million as at 31 December 2022, mainly due to the net loss for the year of €32.2 million

CAPITAL EMPLOYED

Capital employed decreased by €31.8 million from €311.7 million as at 31 December 2021 to €279.9 million as at 31 December 2022 as a result of an increase of current liabilities with €19.7 million and a decrease of total assets with €12.1 million.

For further information and calculation of capital employed, reference is made to the non-IFRS measures on page 170.

CONTRACT ASSETS AND LIABILITIES

The contract assets and liabilities increased by €40.8 million from €13.3 million as at 31 December 2021 to €54.1 million as at 31 December 2022. The increase is mainly driven by BVG, Connexxion and Barcelona. BVG represents 90 buses, expected to be delivered during the first half of 2023. This contract amounts to €28.4 million as per 31 December 2022 (31 December 2021: nil). Connexxion represents 39 buses, expected to be delivered during the first half of 2023. This contract amounts to €14.7 million as per 31 December

2022 (31 December 2021 €1.7 million). Barcelona represents 21 buses, expected to be delivered during the first half of 2023. This contract amounts to €8.6 million as per 31 December 2022 (31 December 2021 nil).

DIVIDEND POLICY AND PROPOSED DISTRIBUTION

Pursuant to article 31 of the articles of association of the Company, the Management Board, with the approval of the Supervisory Board, may decide that profits or losses realised during a financial year are fully or partially appropriated to increase and/or decrease from reserves (article 31.1). The profits remaining shall be put at the disposal of the General Meeting. The Management Board, with the approval of the Supervisory Board, shall make a proposal for that purpose. A proposal to pay a dividend shall be dealt with as a separate agenda item at the General Meeting of Shareholders (article 31.2).

The Company does not intend to declare or pay dividends for the financial year ending 31 December 2022 or in the medium term. The Company anticipates that for the foreseeable future, it will retain all its future earnings for use in the development of its business, its international expansion and growth strategy to create shareholder value, to maintain a healthy financial structure and for general corporate purposes.

The net loss for 2022 of €32.2 million (2021: net loss of €26.7 million) will be deducted from the retained earnings.

OUTLOOK

Based on the current order book, ongoing tender activity and anticipated manufacturing and deliveries in 2023, management expects a significant increase in its revenue in 2023 compared to 2022.

Ebusco is however not immune to the geopolitical uncertainty as a result of the invasion of Ukraine, and the continued strain on the global supply chain which are the key external risks we need to navigate.

In view of our international rollout and growth strategy, capital expenditures are expected to ramp up significantly to increase the manufacturing capacity of our 3.0 buses. We will start assembling the 3.0 buses in France from 2024 onward. Nevertheless, we will continue to seek and assess production facilities throughout Europe to further increase our manufacturing capacity.

The management team has identified three key strategic priorities for 2023 which should support the company's growth going forward.

1. Production ramp up including attracting skilled personnel
2. Optimisations in the supply chain to improve parts availability and gross margin
3. Product innovation to drive commercial momentum

A BIGGER BUS FOR BIGGER IMPACT

REVEALING THE EBUSCO 3.0 18-METER

Constantly searching for lightweight solutions is something that never ends. Only a year after the first delivery of the Ebusco 3.0, the 18-meter version was revealed. As the 18-meter is the first articulated lightweight bus in the world, Ebusco is once again writing history.

Build on the foundation of the ground-breaking Ebusco 3.0 12-meter, the 18-meter is the epitome of efficiency. Thanks to the use of composites, the Ebusco 3.0 18-meter with a starting weight of just 14,500 kg is ground-breaking in terms of weight. Combining the lightweight body with efficient battery packs of 350+ and 500+ kWh, the articulated bus has a range of up to 700 kilometers on a single charge.

The composite body is the ultimate foundation to drive innovation: the lightweight material allows the downsizing of other systems to save additional energy. For example using only a single tyre at the middle of the vehicle, rather than the usual double tyres.

With already 184 articulated 3.0 buses in order per 31 December 2022, the 18-meter is proof Ebusco knows how to master the Total Cost of Ownership for operators.

OUR RESPONSIBILITY

SUSTAINABILITY STRATEGY

Ebusco wants to play a leading, innovative and guiding role in the energy transition in public transportation all around the world. Our ambition is fully aligned with the challenges of our planet and societies.

We have started on our ESG journey, which integrates our contribution to four priority SDGs, the material topics identified in our materiality assessment and current sustainability priorities.

Milestones included:

- Appointing a dedicated sustainability manager
- Our first materiality assessment
- Designed and set out a first list of sustainability key performance indicators (KPIs)
- Developed a roadmap for sustainability topics
- Commissioned our first carbon footprint study

In the next year, we plan to formalise our sustainability strategy even further and engage with all stakeholders to set priorities and implementation plans.

EBUSCO'S PERFORMANCE ACCOUNTABILITY FOR MATERIAL TOPICS

We take accountability for our impact, and the risks and opportunities associated with the material topics that we identified for Ebusco this year. Read more about our materiality assessment on pages 40-42 and our key drivers for sustainability from page 43.

OUR MATERIALITY ASSESSMENT

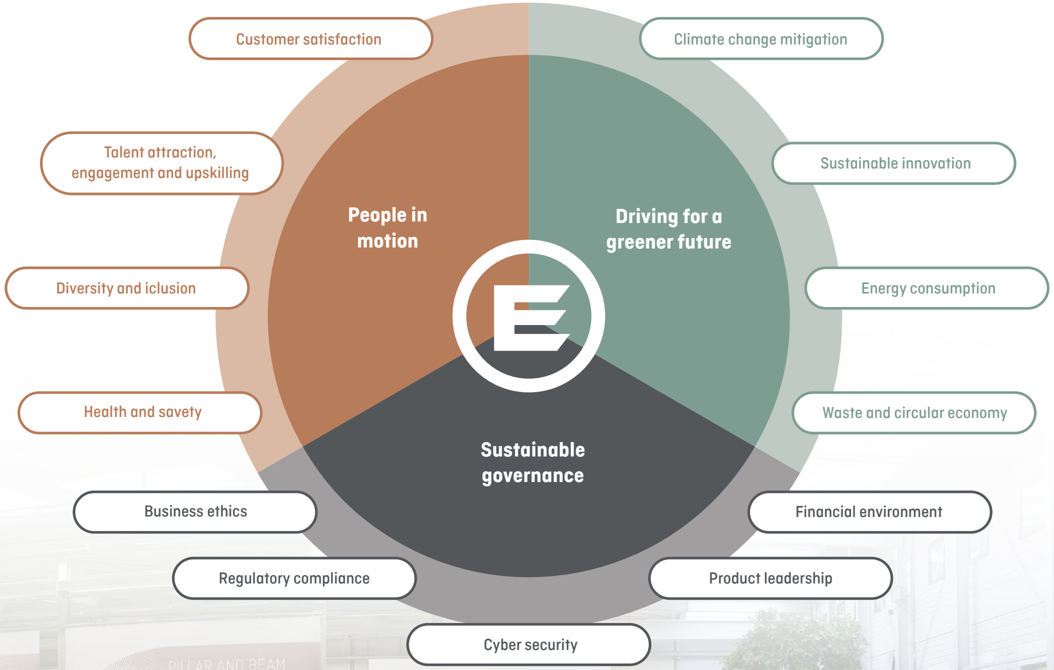
We are committed to making Ebusco a truly sustainable entity and have the ambition to further integrate ESG governance, measurement and reporting into the Ebusco DNA.

Over the course of FY22 Ebusco conducted its first materiality assessment and embarked upon a broader ESG reporting journey. The outcome of the assessment has been validated by the Ebusco management team and it provides the foundation to further develop Ebusco's ESG reporting ambitions.

The upcoming regulatory changes in Europe in the form of amongst others the Corporate Sustainability Reporting Directive (CSRD) and the EU Taxonomy, are increasingly directing stakeholder attention to sustainability.

Now more than ever, it is critical that companies clearly articulate their material issues in a balanced and non-biased way, taking into account both the impact of the organization on society and the environment, and vice versa.

Within the management team and the broader organization there is commitment and energy to further integrate ESG governance, measurement and reporting into the DNA of Ebusco. This enables a transparent communication on the impact Ebusco is already making through its product portfolio.



OUR MATERIALITY PROCESS

The desk research based on the stakeholders listed above yielded the longlist of 21 topics. These topics and the corresponding financial and impact materiality were subsequently tested with both internal and external stakeholders through surveys, interviews and internal workshops. The stakeholders indicated that this list of topics is complete.

The materiality process highlighted the following:
- The process allowed Ebusco to engage with stakeholders and assess their key concerns.
- Outcomes in this round were largely driven by internal stakeholders, indicating the need to engage further with external stakeholders.
- We recognise this is a process to embed and repeat as we grow and respond to changing stakeholder insights on Ebusco's impact, risk and opportunities.

1 RESEARCH

Desk research on Ebusco's activities, business relationships and context. We identified, ranked and prioritised 21 topics based on their impact and financial materiality.

2 SURVEY

A survey was sent out to Ebusco's internal and external stakeholders. Based on this we developed a draft materiality matrix.

3 INTERVIEWS

We conducted interviews with employees and an investor. The interviews covered the most material topics identified in the draft materiality matrix.

4 WORKSHOP

A workshop with key internal stakeholders was held to validate the matrix and define next steps for the most material topics.

5 APPROVAL

The Management Board approved the materiality matrix and material topics on December 2022.

The materiality assessment was based on the draft ESRS-2 published in April 2022. For future years we plan to expand our engagement and assessment towards the draft disclosure requirements as addressed by ESRS-2 published in November 2022. We will in the future assess material sustainability risk and opportunities, including the prioritising of positive and negative impact that reflect their relative severity and likelihood. Following this assessment Ebusco will consider how initiatives can be incorporated to modify our strategy and business model in order to reduce or eliminate the risk or to benefit from the opportunity.

EBUSCO'S MATERIALITY MATRIX

MATERIALITY AND KEY PERFORMANCE INDICATORS

Based on the identified material topics, we launched a process to identify related key non-financial performance indicators as one of the ways in which to measure progress against our strategic ambitions. We conducted interviews to establish existing data sources, governance structures, owners and to match the available information with potential internal and external reporting requirements. We also looked at validation opportunities and informal controls to be formalised. These will ensure that we position data collection and reporting to be complete, accurate and aligned to future assurance requirements.

In preparation for the upcoming requirements of the EU Corporate Sustainability Reporting Directive (CSRD), the key performance indicators consider the current draft standards, and boundaries have been identified for each. We confirmed all key performance indicators used in this report during a series of internal workshops. We have a formal plan to mature and expand these measures and controls for future reports and CSRD readiness.

In the table below, we summarise our intent and accountability in managing Ebusco's performance in terms of each topic. While we made significant progress in 2022, we acknowledge that we are in the process of maturing our sustainability-related performance measures.

While this report focuses on 2022, we intend to move to integrated reporting in the future.

DRIVING FOR A GREENER FUTURE	OUR ACCOUNTABILITY AND COMMITMENT
Climate change mitigation	Selected metrics related to climate change mitigation (including scope 1 and 2 greenhouse gas emissionsemissions) will be disclosed in the Ebusco 2022 sustainability report which will be published in 2023. Additional metrics will be developed in preparation for the upcoming CSRD requirements. Our goal is to limit GHG emissions throughout Ebusco's value chain by reducing the use of fossil fuels, electrifying operations and expanding supplier assessment and engagement.
Energy consumption	Selected metrics related to energy consumption (including total and relative renewable/non-renewable energy consumption) will be disclosed in our Ebusco 2022 sustainability report. Additional metrics will be developed in preparation for the upcoming CSRD requirements.
Waste and circular economy	Addressing waste and enabling the circular economy are core elements of Ebusco's strategy and business model. We describe our impact in the annual report and will be included in our 2022 sustainability report. Additional metrics will be developed in preparation for the upcoming CSRD requirements.
Sustainable innovation	Sustainability innovation is considered key to Ebusco's strategy and business model. Based on the outcome of the internal KPI identification workshops, we prioritised the disclosure of qualitative information to demonstrate progress made. We continue to identify eligible capital expenditures in accordance with the EU Taxonomy.
PEOPLE IN MOTION	**OUR ACCOUNTABILITY AND COMMITMENT**
Health and safety	Health and safety information is of utmost importance to enable employees to work without risk to their health and safety, as well as designing products with the highest standard of customer safety in mind. A selection of health and safety KPIs will be included in the 2022 Ebusco sustainability report. Additional metrics in alignment with the CSRD will be included in the next report.
Customer satisfaction	We have a number of initiatives in place to better understand the levels of customer satisfaction at Ebusco. Our customers are considered a significant stakeholder group. In Ebusco's 2022 sustainability report, we will use qualitative descriptions to explain our customers' key expectations of Ebusco.
Human rights	We have a plan in place and created capacity at Ebusco to start identifying, managing and addressing human rights impacts across our value chain. This is in addition to the existing Ebusco Code of Conduct. Our plan is aligned with the anticipated human rights-related regulations, including the EU Taxonomy.
Talent attraction, engagement and upskilling	Qualitative descriptions to indicate the importance and initiatives related to talent attraction, engagement and upskillingare included in the people in motion chapter in this report. A selected number of KPIs will be disclosed in the 2022 Ebusco sustainability report and relate to hiring and retention. Additional metrics will be developed in preparation for the upcoming CSRD requirements including for example measures relating to training and skills development.
Diversity and inclusion	Diversity and inclusion information will be included in the 2022 Ebusco sustainability report. Additional metrics will be developed in preparation for the upcoming CSRD requirements including for example measures relating to equal pay.
SUSTAINABLE GOVERNANCE	**OUR ACCOUNTABILITY AND COMMITMENT**
Product leadership	Product leadership is important in ensuring best-in-class products that do not compromise on passenger experience and are developed with sustainable practices in mind. We will use qualitative information to describe product leadership in our 2022 sustainability report.

Other governance topics that are considered material will be described in more detail in the 2022 Ebusco sustainability report and include: business ethics, regulatory compliance, financial environment and cyber security.

The disclosed ESG key performance indicators are company specific. Where possible we have aligned the definitions with (future) reporting criteria, such as the CSRD.

FUTURE PRIORITIES

WHAT WE INTEND TO KEEP DOING

- We will continue developing our sustainability strategy and formalising Ebusco's statements and policies on ESG.
- We will maintain our investment in the safety and development of our employees to protect and strengthen the Ebusco culture and support our rapid growth and international expansion.
- We plan to enhance our product leadership and safety based on lightweight design and the use of lithium ferro phosphate (LFP) batteries which have a lower impact on the environment and higher safety compared to other options. Human rights impacts of battery production in general are included in our 2023 plan.

NEW INITIATIVES

- Following the EU Taxonomy eligibility assessment done this year, we are in the process of doing a technical alignment screening against the European Union Green Taxonomy and working on our alignment with the European Taxonomy Regulation (EU 2020/852) during 2023.
- We are working with our suppliers to further implement value chain risk analyses, including moving towards compliance with minimum safeguards to protect human rights as part of the EU Taxonomy.
- We are collecting data on scope 3 GHG emissions to understand potential opportunities to reduce emissions.
- We initiated an independent verification based on ISO 14040/14044 as part of further work on the life cycle assessment of the Ebusco 3.0 bus
- We are identifying and developing a broader spectrum of key performance indicators and will be setting targets once we have established a reliable baseline.

DRIVING FOR A GREENER FUTURE

Ebusco is committed to contributing to achieving the ambitious targets set by the EU to tackle air pollution and climate change. By the very nature of our transport and energy solutions, we support the Paris Agreement's objective to keep global temperature rise to well below 2°C.

BY DRIVING FOR A GREENER FUTURE, WE CONTRIBUTE TO:

SDG 3: Ensure healthy lives and promote well-being for all at all ages

SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all

SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable

- Ebusco's zero-emission buses contribute to cleaner air in cities and thus reduce the public health burden caused by emissions.
- Ebusco's energy storage systems, charging infrastructure and grid-balancing solutions contribute to the energy transition in public transport.
- Our dedicated engineering and product development teams are continuously driving innovation, often geared at further improving the sustainability profile of our offering.

As it is so closely linked to our core business, climate change and adaptation is often regarded by Ebusco as "business as usual" and did not rank among our top material topics. However, it is a core principle and commitment for the business and our stakeholders.

Ebusco's licence to operate is linked to environmental commitments and enablers. Our zero-emission buses help transport operators to reduce their impact through winning factors such as lightweight composite bodies and optimal energy use. We also enable battery reuse and support recycling. Further, the insights from our first life cycle assessment helped us to prioritise future environmental impact improvements.

We have looked beyond the development of buses and have launched our in-house developed Energy Storage Systems in 2022. These systems are based on knowledge gained from our decade-long experience with industrial batteries in operating battery electric buses and battery management systems. These systems use new batteries but are designed to also give a second life to batteries that have been used in our electric buses.

Our zero-emission buses contribute to a rapid curve in reducing emissions, and we anticipate demand to increase exponentially in the next ten years. While we scale up production, we continue to innovate for even more impact, using our experience in green solutions.

Our contribution to environmental impact focuses on reduced energy consumption, lower maintenance and longer life spans for our buses. Although most of our customers are already using green energy, we provide them with solutions to further lower their footprint.

REDUCED ENERGY CONSUMPTION

After leading the market in terms of energy consumption and range with the Ebusco 2.2, Ebusco has taken the next step through the introduction of the Ebusco 3.0.

The lightweight composite body of our Ebusco 3.0 bus (33% lighter than the Ebusco 2.2) combined with a highly efficient driveline and high isolation value results in industry-leading low energy consumption per kilometer driven. This leads to the Ebusco 3.0 being able to deliver a longer range compared to the competition or the same travel range with a significantly smaller battery pack.

LOWER MAINTENANCE COST:

We offer predictive maintenance based on digital, real-time fleet management systems to monitor Ebusco buses and gain as much information as possible to avoid buses being out of operation. As part of our service concept, we offer to take over the lifetime maintenance responsibility for customers if this adds value for them.

LONGER LIFESPAN

Effective integration of composite material minimises the use of steel. Composites do not age nearly as quickly as steel. This takes the potential lifespan of our casco to 25 years, which is more than double that of conventional buses. Bus interior and batteries will need to be refurbished, however, the cost and environmental impact will be significantly below that of assembling a new bus. Damage to the body can be repaired simply and cheaply by either the operator at their own workshop or by Ebusco.

Public transportation is considered a major source of pollution and emissions. With 75% of Europe's citizens living in cities, urban mobility is responsible for 23% of the EU's greenhouse gas emissions from transport[1].

Public bus transit has been a focus for most governments as this is an area where change is easier to implement when compared to rail or subways. Policy and regulatory initiatives, as well as ESG investments, create a favourable environment for zero-emission buses.

To comply with the Paris Agreement in limiting global warming and reducing greenhouse gas emissions, the EU adopted a 2030 climate and energy framework. The framework sets an emission reduction target of 30% between 2021 and 2030 for heavy-duty vehicles.

Further, in its Clean Vehicle Directive, the EU has set a target for at least 45% of newly registered city buses to be equipped with alternative powertrains by the end of 2025 and 50% – 65% by 2030, depending on the country. According to the proposed revised EU CO2 emission standards for heavy-duty vehicles that was released in February 2023, heavy-duty vehicles, such as trucks, city buses and long-distance buses, are responsible for more than 25% of GHG emissions from road transport in the EU and account for over 6% of total EU GHG emissions.

New proposed targets require that emissions be cut by 45% in 2030, 65% in 2035, and 90% in 2040, demanding high shares of zero-emission vehicles. It also extends the scope of vehicles regulated from 60% to 90% of Europe's heavy-duty sales and introduces a phase-out for combustion bus sales by 2030.

New city buses in the EU will all have to be zero emissions (100% share of zero-emission vehicles) as of 2030. Several cities are planning to go to fully zero-emission public transport well before 2030 and some EU countries have already set an earlier target at national level.

A group of European civil society organisations and cities, including Rotterdam, have also called on the European Commission to set a deadline of 2027 to end the sale of carbon-emitting buses. By that time, they want only zero-emission buses to be sold on the continent.

The Paris Agreement is driving public policy initiatives for all signatory governments, which means that all will put measures in place to switch from internal combustion engines to zero-emission buses over time.

For example, in the Netherlands, under the Voluntary Agreement on Zero Emission Bus Transport, all new buses must use 100% renewable energy or fuel from 2025 onwards. All buses must be fully emission-free from 2030.

To drive the transition, EU governments have made incentives and funding available.

[1] https://www.transportenvironment.org/discover/europes-cities-falling-short-on-clean-transport-new-ranking-shows/

THE TRANSPORT TRANSITION PROBLEMS THAT EBUSCO SOLVED

Although diesel buses have been, and still are, one of the biggest polluters of inner cities, public transport authorities and operators want electric buses to be comparable with diesel counterparts on key indicators (see below) as a minimum requirement.

Our challenge was for Ebusco buses to outperform conventional buses, keeping in mind that electrification should not affect existing operations such as route alignment or timetables. We solved the following:

- Range and range anxiety
- Number of passengers
- Total cost of ownership
- Time to recharge
- Outside temperature impact on performance

In addition, we are also working on the number of raw materials we use and how to reduce those.

Governments worldwide realise that public transport is much easier, cost-effective and quicker to electrify than individual cars and other modes of transport. Whereas there is still much work to be done on creating a functional infrastructure for cars, buses have the advantage of set routes and depots that seldom change. Ebusco offers an efficient, safe and sustainable solution for a zero-emission future.

EBUSCO'S DIRECT IMPACT ON THE ENVIRONMENT

We strive continuously to minimise the impact of Ebusco's activities on the environment through the responsible use of raw and ancillary materials and by reducing waste, water discharge and emissions. We challenge ourselves and our suppliers in this regard.

We started designing and manufacturing buses in Deurne in 2019, which allowed us to avoid the burden of legacy assets and processes. This means that we have been able to set up our processes for minimum energyand water use.

Our internal assembly processes do not use water. Our annual water use of 2,283 m3 at the Deurne facility is procured from the municipal water supplier and relates to regular water use by employees, including sewage.

Our energy use is equally low, which means that Ebusco would, for example, be able to continue with an estimated 75% of manufacturing in the case of a blackout. We use electricity from the grid at our plant in Deurne, part of which is compensated through green certificates from our landlord.

In the event of an environmental incident, our employees know they must immediately report it to both their manager and the customer service department and take appropriate measures to avoid a dangerous situation. In such situations, employees must always follow the instructions of the in-house or external emergency response officer. Employees complete compulsory safety trainings before starting their jobs and have access to a health and safety manual as further guidance.

Should anybody (employee, contractor or supplier) become aware of or reasonably suspect a violation of environmental legislation, or an action designed to conceal such a violation, we have procedures in place under which the person can report violations anonymously if necessary. In the event of such claims being made, we have external advisors to judge and assist in proper handling.

PEOPLE IN MOTION

Our employees' knowledge and skills are applied in developing, producing and bringing the mobility solutions of the future to market.

Ebusco continues to invest to remain a future-proof organisation that is responsive to its stakeholders. Our DNA features the kind of energy and commitment that drives impact.

BY KEEPING PEOPLE IN MOTION, WE CONTRIBUTE TO

SDG 3: Ensure healthy lives and promote well-being for all at all ages

SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all

SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable

- We provide specialist training for electric bus drivers on road safety, including safety features such as cameras replacing mirrors which, for example, improve visibility in bad weather, at night, and help avoid blind spots. Our low-weight buses, with batteries located in the floor, have a low point of gravity, which reduces braking distance and lowers impact during collisions.
- Superior design and functional elements like reduced interior noise and fully flat and low flooring ensure passenger convenience, disability access and optimal flow throughout the bus.
- We work with customers to optimise their entire electric vehicle ecosystem. This includes adjacent industries where we offer, for example, energy solutions and heavy-duty batteries for use in ferries, barges and other shipping vehicles.
- We recruited key personnel from leading technology companies to perfect our existing product offering and accelerate the development and commercialisation of new solutions.

We believe in transparent communication and collaboration and aspire to create "social safety on the work floor".

The health and safety of our employees and the users of our products are always top of mind, followed by a commitment to ensure customers remain satisfied.

OUR EMPLOYEE DEMOGRAPHICS

We have 607 full-time employees in 8 countries, of which 95.9% works in the Netherlands. Our workforce represents 31 nationalities.

	The Netherlands		Other territories	
	Male	Female	Male	Female
Full-time employees	331	72	13	1
Full-time contractors	166	13	8	3
Total	497	85	21	4
% of total	**81.9%**	**14.0%**	**3.5%**	**0.6%**

As described in Ebusco's Code of Conduct, diversity of Ebusco's employees is a winning feature. Ebusco is committed to offering equal opportunities in all aspects of employment and will not tolerate any discrimination on the basis of race, skin colour, religion, gender, national origin or any other protected class. Ebusco does not allow any direct or indirect employment of children with reference to ILO Conventions 138 (the Minimum Age Convention) and 182 (the Worst Forms of Child Labour Convention).

Ebusco offers employees a safe and pleasant working environment. Employees are expected to contribute to a working environment without any form of undesirable behaviour or attitudes such as sexual harassment, aggression and violence, discrimination, stalking, bullying, abuse of power, insults and slander.

WE EMPLOY
- Best-in-class leaders, engineers and product developers
- Entrepreneurs and innovators who develop proprietary intellectual property
- Fast decision-makers who work best in a flat organisation
- New-generation thinkers who are not limited by manufacturing and engineering legacy burdens
- Craftsmen and women who are proud of their work every single day

WE CREATE VALUE FOR EMPLOYEES
- We have an informal, non-hierarchical culture with the Management Board visible, accessible and engaging.
- Ebusco strives to reflect the diversity of society in our workforce.
- Ebusco is in touch with the Employee Insurance Agency and municipalities about contributing to the reintegration of people with WAO disability benefits or WIA (partially unfit for work) status.
- Employees have solid career growth prospects: 59 employees have been promoted in 2022 (2021: 26 employees).
- We invest in the growth and development of our employees through the Ebusco Academy and personal coaching by the managers, including Management Board members.
- We invest in creating a healthy working environment by providing fresh fruit daily, having plants and trees throughout the office and production hall as well as organising events to have fun together. Employees are able to work from home if it contributes to their wellbeing.
- We provide transparency of information on matters such as benefits and remuneration.
- We have a defined contribution pension scheme for employees in the Netherlands.

In accordance with our Diversity Policy, gender balance is one of the key areas. With this table, we disclose the balance between male and female of our own employees (excluding contractors), spread over age groups.

Age	Male	Female	Total
15 – 19	1.6%	0.2%	1.8%
20 – 29	22.1%	6.9%	29.0%
30 – 39	20.3%	6.9%	27.2%
40 – 49	15.6%	3.4%	19.0%
50 – 59	15.4%	0.9%	16.3%
60 – 69	5.6%	0.0%	5.6%
70+	0.9%	0.2%	1.1%
Total	**81.5%**	**18.5%**	**100%**

DIVERSITY AND INCLUSION

We invited employees to participate in our first diversity and inclusion survey this year. 204 employees completed the survey with the results showing that most employees feel included in the workplace.

Awareness levels about diversity and inclusion were high, with managers at 84% showing higher awareness than employees at 64%. The survey contributed to increasing levels of awareness.

There was overall strong agreement that employees liked working in a diverse workplace and saw the benefits of working in a company with a lot of diversity. This was supported by the fact that less than 2% feel left out.

Employees confirmed that the treatment they get from managers and colleagues is seen as fair and makes them feel involved, resulting in a strong team experience. Results confirmed that colleagues take differences between team members into account and respect these differences.

The onboarding of new employees also reflects a positive outcome: employees rate the speed at which they feel at home at Ebusco as 7.46 on a scale of 1 to 10, where 10 is quickly.

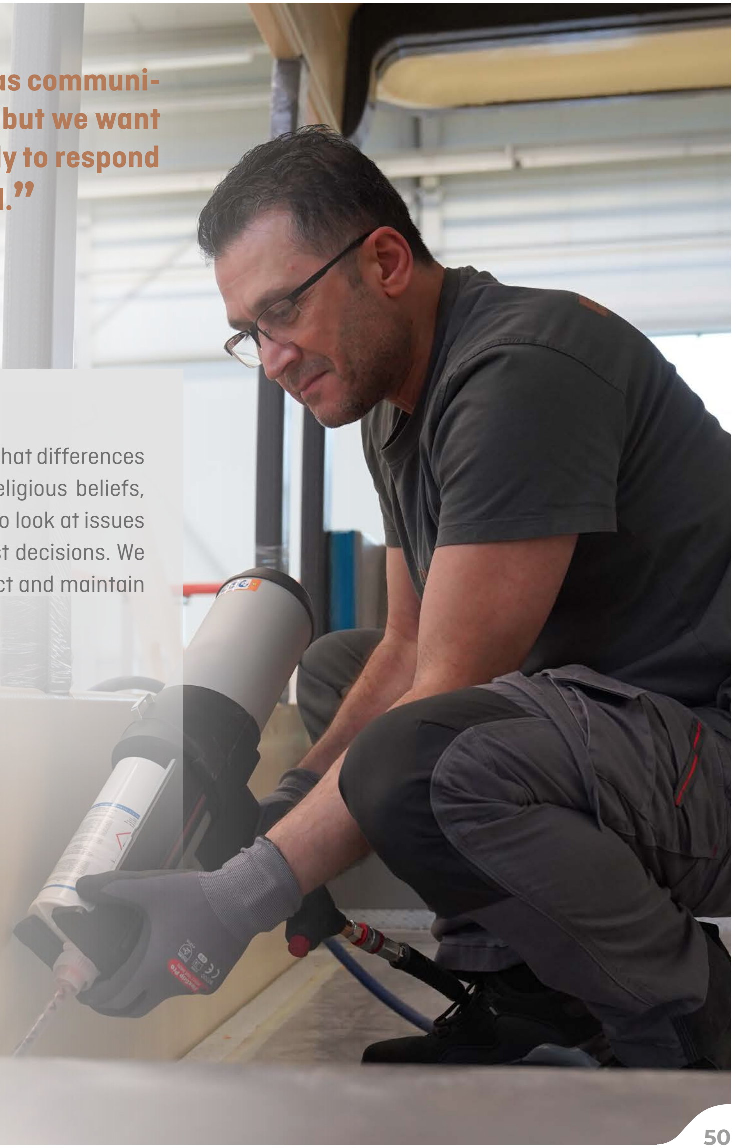
Areas of improvement include addressing the fact that some people feel that they are not always heard in their team and do not feel that their manager and company policies always support inclusiveness.

“In the past, we have done quick employee surveys on topics such as communication or onboarding. Next year we want to do something bigger, but we want to prepare and do this well. If you do a survey and you are not ready to respond with real changes, it can achieve the opposite of what you wanted.”

Judith Beurskens, Group HR Director

DIVERSITY POLICY

Ebusco’s **Diversity Policy** confirms that we value and promote diversity and recognises that differences in skills, experience, background, nationality, age, race, gender, sexual orientation, religious beliefs, physical ability and other characteristics of people are important. Diversity enables us to look at issues and solve problems differently, respond differently to challenges, and take more robust decisions. We know that diversity drives innovation and accelerates growth, enabling Ebusco to attract and maintain the best talent.



HEALTH AND SAFETY

We want to enable employees to work without risk to their health and safety while designing products according to the highest standard of customer safety.

Our approach to health and safety is set out in the Ebusco Code of Conduct. All employees are jointly responsible for health, safety and the environment at the sites where they normally perform their work activities. This means being aware of their conduct and how it might impact other team members. As such, employees receive formal training and know they should suspend work in unsafe situations and report this to their managers – set out in the health and safety manual and the internal reporting process. With the start of the inhouse assembly of the Ebusco 3.0 more activities take place on our own facilities. Over the year 2022, we regrettably have seen a few of safety related incidents which had a profound impact on our employees and the organization as a whole. We have taken several steps to enhance safety awareness with the aim of creating a safe work place for all employees.

In our operations, safety risks relate mainly to using high-voltage electricity, chemicals such as epoxy resin, working at heights and hot surfaces. Employees must take special care in moving machinery and heavy parts. Because we work with composites, employees are also exposed to carbon fibre dust. The use of personal protective equipment (PPE) is therefore required at certain work sites or zones to minimise risk and is indicated in working instructions.

The following internal arrangements support health and safety instructions:

INSTRUCTIONS

Employees have access to voluntary consultations aimed at preventing health problems

A full risk inventory and evaluation is done at least every four years or more frequently when extensive production changes are implemented

Employees undergo preventative medical examinations carried out by the relevant health and safety authority

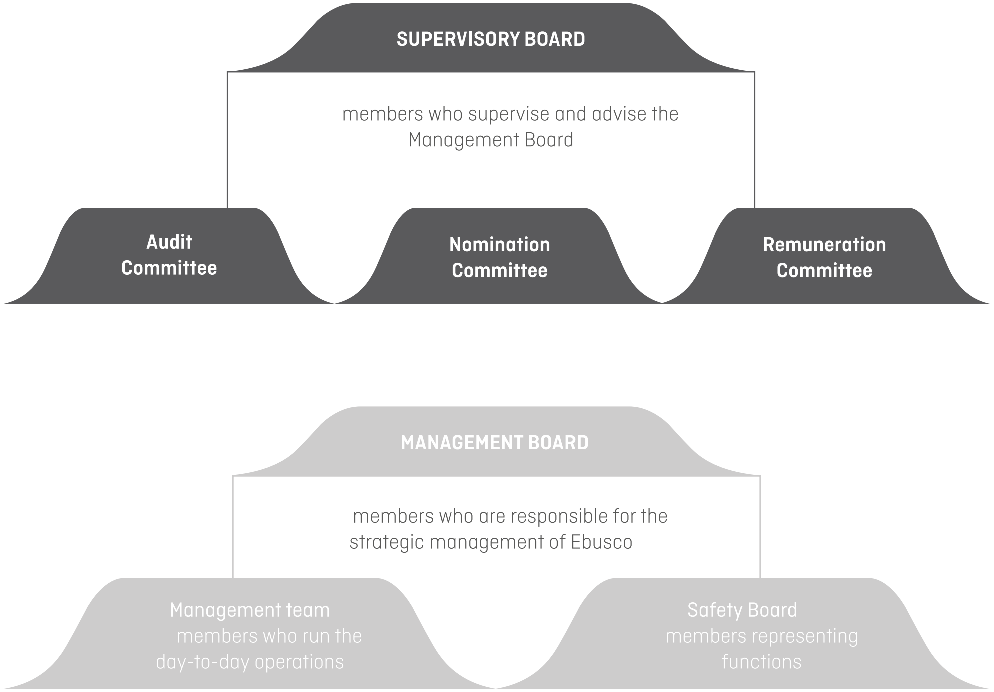
An emergency response team consists of trained employees that are able to implement Ebusco's emergency roadmap

"We use customer feedback to expand our quality inspection checklist. They often bring their own experts when investigating our buses, so we are also able to learn more about what is important to them."

Geoffrey Heger, Health and Safety Officer

SUSTAINABLE GOVERNANCE

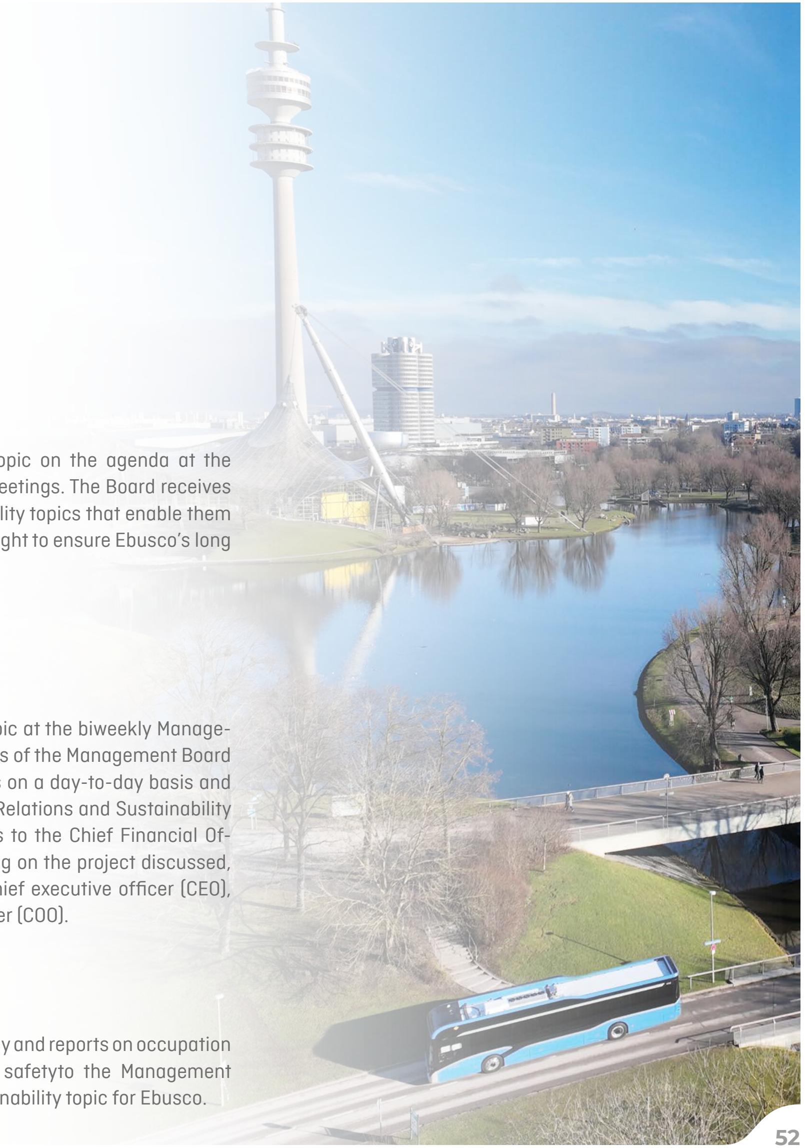
Ebusco complies with the Dutch Corporate Governance Code and is committed to ethical, sustainable business practices. Governance oversight of sustainability is fully integrated into governance structures, processes and practices.



Sustainability is a standing topic on the agenda at the quarterly Supervisory Board meetings. The Board receives reports that include sustainability topics that enable them to provide the necessary oversight to ensure Ebusco's long term sustainability.

Sustainability is a standing topic at the biweekly Management Board meetings. Members of the Management Board manage sustainability aspects on a day-to-day basis and are supported by the Investor Relations and Sustainability Manager, who formally reports to the Chief Financial Officer (CFO). However, depending on the project discussed, there are direct lines to the chief executive officer (CEO), CFO and chief operations officer (COO).

The Safety Board meets monthly and reports on occupation as well as technical product safetyto the Management Board. This is a material sustainability topic for Ebusco.



Members of both the Supervisory and Management boards have to act in Ebusco's interest, which extends to the interest of all stakeholders. No director may participate in deliberations or decision-making if they have a direct or indirect personal interest conflicting with the interests of Ebusco.

With respect to the Supervisory Board, the Act on a more balanced ratio of men and women on management and supervisory boards" (Wet evenwichtige verhouding man/ vrouw in het bestuur en de raad van commissarissen), stipulates that any vacancy should be filled by a member of the sex not already equally represented. In the case of Ebusco that means that the first new member of the Supervisory Board has to be female.

With respect to the Management Board, it is noted that the present composition is not yet balanced in terms of men/women. Ebusco strives to improve the gender balance in the Management Board. The Nomination Committee shall take this into consideration when proposing a candidate member of the Management Board. The composition of all managers in Ebusco is reasonably diverse.

Supervisory Board	Management Board
The Supervisory Board supervises the Management Board and focuses on the effectiveness of Ebusco's internal risk management and control systems and the integrity and quality of Ebusco's financial reporting. The Supervisory Board is responsible for the composition of the Management Board and determines the rules for the appointment of the CEO, CFO and COO.	The Management Board's responsibilities include developing a view on long-term value creation, developing the strategy accordingly and managing the associated risks. The CEO is the chair of Management Board meetings. The Management Board appoints a Safety Board from among its members. The Safety Board receives safety incident reports, identifies safety issues and remediates those issues. The Chief Technology Officer (CTO) is the chair of the Safety Board.

We have a Sustainability Manager who is the key coordinator and support resource for all sustainability matters. Teams within Ebusco use the Sustainability Manager to align, test and comply with sustainability-related regulations.

30% of the short-term incentives for the Management Board is linked to personal or non-financial strategic objectives.

MANAGING OUR SUSTAINABILITY RISKS

Our approach to risk management is about finding the right balance between maximising business opportunities while effectively managing potential sustainability risks. In a highly dynamic operating context, we aim to be flexible, responsible and keep our stakeholders' interests in mind.

The Management Board is responsible for the organisation, implementation and functioning of the internal risk management and control systems.

Sustainability risks are integrated into the process of identifying, categorising and mitigating risk.

Business (including sustainability) risks Events that may prevent Ebusco from delivering on our purpose		**Process risks** Minimum standards of internal control to safeguard our assets, people and reputation	
STRATEGIC	OPERATIONAL	REPORTING	COMPLIANCE
Are we doing the right things?	Are we doing things in the right way?	Do we have accurate measures to track?	Do we comply with laws and regulations?

Ebusco's sustainability risks and opportunities	Read more
Supply chain disruptions, supply shortages and rising raw material prices	Page 69
Environmental, Social and Governance	Page 69
Geopolitical environment	Page 69
Competitive environment	Page 69
IT & Security	Page 70
Safety & Incidents	Page 70
Expansion of production capacity	Page 70
Staff	Page 70

Ebusco aims to be a thought and product leader and has a reputation that we need to build and protect. As we develop a sustainable sourcing strategy focused on local markets, we plan to further integrate social and environmental criteria in the supplier engagement process.

We are a maturing organisation that wants to maintain its innovative and entrepreneurial character. This implies that we have to balance the development and implementation of, for example, new organisational structures, new policies and KPI setting against remaining agile and reducing the time to market.

"One of the challenges of growing so fast is that it becomes more difficult to control things. In the past, all our relationships were personal; now we have to set up a system and deal with more risk."

Paul van Beers, Chief Financial Officer

BUSINESS ETHICS

We want to develop a governance and risk management structure to ensure that employees, contractors and suppliers comply with all laws and regulations in terms of corruption, bribery, human rights, tax and anti-competition.

Ebusco's Code of Conduct sets out our intent to achieve competitive advantage through superior performance and never through unethical or unlawful business practices. Ebusco's policy is to comply with all applicable legislation and regulations in terms of competition and monopolies.

No Ebusco employee or service provider is allowed to offer, promise, give, provide or demand bribes or other inappropriate benefits, directly or indirectly, to win or retain business. This includes giving civil servants or supplier employees an inappropriate monetary or other advantage.

Ebusco requires directors, Supervisory Board members, members of the management team and all other employees to confirm in writing that they have read and taken due note of the Code of Conduct, understand it and will comply with it. Non-compliance may lead to disciplinary measures being imposed by the Supervisory Board.

Our suppliers' general terms and conditions include an ethical code of conduct section. Suppliers are required to use the highest ethical business standards when conducting business.

CODE OF CONDUCT

The Ebusco **Code of Conduct** guides employees, managers and directors in Ebusco, all wholly owned Ebusco businesses and all joint ventures under Ebusco's control, on working in accordance with its core values and general business principles. It is a guideline to ensure integrity in Ebusco's dealings and decisions. It gives direction on how to interact, serve customers and relate to significant stakeholders. The rules of conduct cover legislation, fair competition, accounting and financial control, discrimination and bullying, health and safety, quality assurance, environment, use of company assets and politics. It also sets out enforcement steps.

HOW TO SPEAK UP

If an employee, client or supplier discovers an event or behaviour that is in conflict with our Code of Conduct or any legal requirements, they have several options to report this. We encourage them to raise concerns. Internally, this can be done via their line manager, colleagues they trust or the company secretary.

Employees can also use a special reporting website, www.ebusco.com/speak-up/, where they can log a report anonymously. The website also provides details for internal and external confidential advisers.

The whistleblowing facility and speak up policy were launched this year and communicated via a video from the CEO.

No whistleblowing reports were received this year. Should Ebusco receive a report, the company secretary will establish a team to investigate, depending on the nature of the report. External assistance can be sourced if needed. The Supervisory Board has to be informed of any whistleblowing reports.

RELATED PARTY TRANSACTION POLICY

Ebusco's **related party transaction policy** implements best practices regarding transactions between Ebusco and certain stakeholders by setting out a procedure for notification, approval and disclosure.

INSIDER TRADING POLICY

The **insider trading policy** guides employees in terms of the ownership of, and transactions in, Ebusco shares. It also requires Ebusco to keep a list of persons who, on a regular or incidental basis, may have insider information. The policy promotes compliance with the relevant obligations and restrictions under the applicable securities law and limits reputational risk that can harm Ebusco's business integrity.

TAX POLICY

The Ebusco **tax policy** serves as a guideline for the conduct, responsibilities and transparent interaction with external parties such as tax and customs authorities and external tax consultants. We consider tax as a contribution to the community in which we operate and are aware that the success of our business is dependent on public infrastructure, access to skilled labour and public administration. At Ebusco, tax follows the business instead of the other way around.

SPEAK UP POLICY

The **speak up policy** explains when, how and where stakeholders can raise concerns about a suspected violation of law, company policies or any unethical behaviour in confidence, with respect for their privacy and without fear of retaliation.

REGULATORY COMPLIANCE

We want to ensure full compliance with regulations applicable geography-wide and sector-wide.

According to the EU Commission's directorate on mobility and transport, the main objectives of European public transport policy are to provide safe, efficient and high-quality passenger transport services through regulated competition. It considers social, environmental and regional development factors to guarantee transparency and performance.

Ebusco's zero-emission buses are fully aligned with the EU objectives. In addition to this, compliance with the law, both the letter and the spirit, is a basic principle for everyone who represents Ebusco.

We require all employees to respect and comply with the national and international laws, regulations, and instructions of cities, states and countries where Ebusco is active.

We established an international network to assist Ebusco with compliance as we implement our internationalisation strategy. Once we identify a new market, we do extensive research to determine compliance requirements across a broad spectrum from design to environmental issues. Our compliance universe is therefore becoming increasingly complex and onerous.

As we plan our first expansion out of the Netherlands, we also invested time and effort to identify and comply with regulatory and other risks in relation to France.

COMPLIANCE IN OUR VALUE CHAIN

According to Ebusco's general terms and conditions, suppliers must operate in full compliance with applicable legislation and generally accepted international norms and regulations. This includes goods supplied in accordance with procedures that comply with the requirements of ISO 9001 and ISO 14001. All products have to be supplied in accordance with all rules and regulations regarding safety, environmental and working conditions, such as REACH, RoHS and Conflict Minerals regulations. As the supply chain of the Ebusco 3.0 matures and COVID-19 related travel restrictions have been lifted, a formal supplier audit plan, including site visits, has been drawn up.

THE EU TAXONOMY REGULATION

The EU Taxonomy is set up to provide all stakeholders appropriate definitions for which economic activities can be considered environmentally sustainable. In this way, it should create security for investors, protect private investors from greenwashing, help companies to become more climate-friendly, mitigate market fragmentation and help shift investments where they are most needed.

The Taxonomy Regulation establishes six environmental objectives and the EU has adopted the first two delegated acts on climate change mitigation and adaptation.

1. Climate change mitigation (CCM)
2. Climate change adaptation (CCA)
3. The sustainable use and protection of water and marine resources
4. The transition to a circular economy
5. Pollution prevention and control
6. The protection and restoration of biodiversity and ecosystems

Under the requirements of the EU Taxonomy, companies currently in scope of Directive 2014/95/EU on the disclosure of non-financial information, need to disclose for reporting period 2022 the proportion of Taxonomy-aligned and non-Taxonomy aligned economic activities in their total Turnover (hereafter referred to as revenue), capital expenditures (capex) and operating expenses (opex) including certain qualitative information.

Ebusco does not meet the criteria of Directive 2014/95/EU on the disclosure of non-financial information during this reporting year 2022 as the company had less than 500 employees on average during 2022. However, given the expectation that the company will be in scope in 2023 Ebusco initiated a workstream on EU Taxonomy focused on assessing the eligibility of its activities and the analysis on alignment.

For an economic activity to be classed as 'environmentally friendly' under the EU Taxonomy, it must first be determined whether it is 'Taxonomy-eligible' and then whether it is 'Taxonomy-aligned'. Only activities that are described in the delegated act are 'Taxonomy-eligible'. Next, the second step is to conduct an analysis to establish whether or not an activity is aligned. This alignment determines whether or not the eligible activities are in fact sustainable.

To evaluate Ebusco's eligible activities, the complete list of activities listed in the EU taxonomy Delegated Act related to climate change mitigation (CCM) and climate change adaption (CCA) have been assessed and compared to Ebusco's core activities:

Activity	Description	Ebusco	KPI
3.3 Manufacture of low-carbon technologies for transport	Manufacture, repair, maintenance, retrofitting, repurposing and upgrade of low carbon transport vehicles, rolling stock and vessels.	Ebusco develops and produces fully electric city and regional buses (PRODCOM code: 29.10.30) and contracts for ancillary services and goods, which support the customer's use of zero-emission buses (aftersales)	Revenue Opex Capex
3.6 Manufacture of other low carbon technologies	Manufacture of technologies aimed at substantial GHG emission reductions in other sectors of the economy, where those technologies are not covered in Sections 3.1 to 3.5 of this Annex.	Ebusco offers the installation of the charging stations for clients which are manufactured to allow the operation of their zero-emission buses. Furthermore, Ebusco's Energy Storage Systems (ESS) for both land and marine use and charging products.	RevenueOpex Capex
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	Purchase, financing, renting, leasing and operation of vehicles designated as category M1, N1, both falling under the scope of Regulation (EC) No 715/2007 of the European Parliament and of the Council234, or L (2- and 3-wheel vehicles and quadricycles).	Ebusco's company cars, owned or leased under IFRS 16 correspond with this category 6.5	Opex Capex
7.7 Acquisition and ownership of buildings	Buying real estate and exercising ownership of that real estate.	Ebusco's buildings, owned or leased under IFRS 16 correspond with this category 7.7	Opex Capex

Ebusco considered the 3.3 related elements like the bus chargers to be 3.6. and the Energy Storage System as 3.6. as well as no clear description is available in sections 3.1-3.5. We have considered the capex and opex directly related to our Taxonomy-eligible economic activities as well as the capex and opex as mentioned in category c of section 1.1.2.2 and 1.1.3.2 resp related to purchases of output from Taxonomy-eligible activities.

The EU Taxonomy reporting is based on the financial figures if 2022. The Taxonomy-eligible KPIs have been calculated as:

- Taxonomy-eligible revenue KPI = eligible revenue / total revenue
- Taxonomy-eligible capex KPI = eligible capex / total capex
- Taxonomy-eligible opex KPI = eligible opex / total opex

The denominator for the eligibility KPIs has been defined as:

- Total revenue as stated in Note 6 Revenue, cost of materials and segment reporting of the Annual Report.
- Total capex (additions) as stated in Note 12 Property, plant and equipment, Note 13 Intangible assets and note 22 Leases of the Annual Report.
- Total opex related to R&D, building renovation measures, short term lease, repair and maintenance and other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment.

Ebusco allocated the revenue, capital expenditures and operational expenditures to the Taxonomy-eligible activities (the nominator of the Taxonomy-eligibility KPIs). This allocation is based on the general ledger description of the financial system, which also forms the basis for Ebusco's external financial reporting. The below table reflects the percentage of ourrevenue, capital expenditure and operational expenditures related to these eligible activities:

(€ thousands)	Revenue	Capex	Opex
Scope of activity	111,617	10,504	7,641
of which:			
Eligible	100.0%	80.9%	100.0%
Non Eligible	0.0%	19.1%	0.0%
Total	**100.0%**	**100.0%**	**100.0%**

The detailed outcome of the EU Taxonomy assessment 2022 is reflected in the EU Taxonomy tables on pages 60-62. In 2022, we have focused on our EU Taxonomy-eligibility assessment, and we have not yet formalized all our EU Taxonomy-alignment processes such as the minimum safeguards. In addition, the current "substantial contribution" condition for Activity 3.6 requires that the contribution to GHG emission reductions be measured using a life-cycle GHG emission savings calculation that demonstrates the savings compared to the best-performing alternative technology, product or solution available on the market. At this stage it is unclear how to define the best-performing alternative on the market, for Ebusco's energy storage system and electrical vehicle chargers. More clarification of the technical screening criteria of 3.6 and examples is preferably needed to assess the substantial contribution for these specific products. Furthermore, during 2022, we have focused on our EU Taxonomy-eligibility assessment, and we have not yet formalized all our EU Taxonomy-alignment processes such as the minimum safeguards. Therefore, we concluded that we are not yet EU Taxonomy-aligned per 2022.

Ebusco will continue to assess its eligibility and the extent of EU Taxonomy alignment in 2023. The EU Taxonomy regulation is maturing and evolving, as such reporting against the taxonomy is currently subject to interpretation. We will change and expand our reporting according to the developments in the regulation.

“Every day I work with an amazing proto-team on innovations for the future.”

Theo
Lead Proto Mechanic

EU TAXONOMY REVENUE

				Substantial contribution criteria						**DNSH criteria** (Does Not Significantly Harm)										
Economic activites (1)	**Code(s) (2)**	**Absolute turover (3)**	**Proportion of turnover (4)**	**Climate change mitigation (5)**	**Climate change adaption (6)**	**Water and marine resources (7)**	**Circular economy (8)**	**Pollution (9)**	**Biodiversity and ecosystems (10)**	**Climate change mitigation (11)**	**Climate change adaption (12)**	**Water and marine resources (13)**	**Circular economy (14)**	**Pollution (15)**	**Biodiversity and ecosystems (16)**	**Minimum safeguards (17)**	**Taxonomy aligned proportion of turnover, year N (18)**	**Taxonomy aligned proportion of turnover, year N-1 (19)**	**Category (enabling activity or) (20)**	**Category (transitional activity) (21)**
		Euro	%	%	%	%	%	%	%	Y/N	Y/N	YN/	Y/N	Y/N	Y/N	Y/N	Percent	Percent	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmental sustainable activities (Taxonomy-aligned)																				
No taxonomy-aligned activities yet																				
Turnover of environmental sustainable activities (Taxonomy-aligned (A.1)		**0**	**0.0%**																	
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities)																				
Manufacture of low-carbon technologies for transport	3.3	110,485	99.0%													N				
Manufacture of other low carbon technologies	3.6	1,132	1.0%													N				
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**111,617**	**100.0%**																	
Total (A.1 + A.2)		**111,617**	**100.0%**																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities (B)		**0**	**0.0%**																	
Total (A + B)		**111,617**	**100.0%**																	

EU TAXONOMY CAPEX

				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)										
Economic activites (1)	Code(s) (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Climate change mitigation (5)	Climate change adaption (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaption (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy aligned proportion of CapEx, year N (18)	Taxonomy aligned proportion of Capex, year N-1 (19)	Category (enabling activity or) (20)	Category (transitional activity) (21)
		Euro	%	%	%	%	%	%	%	Y/N	Y/N	YN/	Y/N	Y/N	Y/N	Y/N	Percent	Percent	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmental sustainable activities (Taxonomy-aligned)																				
No taxonomy-aligned activities yet																				
CapEx of environmental sustainable activities (Taxonomy-aligned (A.1)		**0**	**0.0%**																	
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities)																				
Manufacture of low-carbon technologies for transport	3.3	5,480	52.2%													N				
Manufacture of other low carbon technologies	3.6	1,715	16.3%													N				
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	738	7.0%													N				
Acquisition and ownership of buildings	7.7	566	5.4%													N				
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**8,499**	**80.9%**																	
Total (A.1 + A.2)		**8,499**	**80.9%**																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-non-eligible activities (B)		**2,005**	**19.1%**																	
Total (A + B)		**10,504**	**100.0%**																	

EU TAXONOMY OPEX

				Substantial contribution criteria						**DNSH criteria** (Does Not Significantly Harm)										
Economic activites (1)	**Code(s) (2)**	**Absolute OpEx (3)**	**Proportion of OpEx (4)**	**Climate change mitigation (5)**	**Climate change adaption (6)**	**Water and marine resources (7)**	**Circular economy (8)**	**Pollution (9)**	**Biodiversity and ecosystems (10)**	**Climate change mitigation (11)**	**Climate change adaption (12)**	**Water and marine resources (13)**	**Circular economy (14)**	**Pollution (15)**	**Biodiversity and ecosystems (16)**	**Minimum safeguards (17)**	**Taxonomy aligned proportion of OpEx, year N (18)**	**Taxonomy aligned proportion of OpEx, year N-1 (19)**	**Category (enabling activity or) (20)**	**Category (transitional activity) (21)**
		Euro	%	%	%	%	%	%	%	Y/N	Y/N	YN/	Y/N	Y/N	Y/N	Y/N	Percent	Percent	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmental sustainable activities (Taxonomy-aligned)																				
No taxonomy-aligned activities yet																				
OpEx of environmental sustainable activities (Taxonomy-aligned (A.1)		**0**	**0.0%**																	
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities)																				
Manufacture of low-carbon technologies for transport	3.3	2,448	32.0%													N				
Acquisition and ownership of buildings	7.7	5,193	68.0%													N				
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**7,641**	**100.0%**																	
Total (A.1 + A.2)		**7,641**	**100.0%**																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OpEx of Taxonomy-non-eligible activities (B)		**0**	**0.0%**																	
Total (A + B)		**7,641**	**100.0%**																	

RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT GOVERNANCE

In conducting our business, we face many risks that may interfere with our business objectives. It is important to understand the nature, likelihood and potential impact of these risks. The company sees adequate risk management as an integral element of good business practice. The Management Board is responsible for the organization, implementation and functioning of the internal risk management and control systems that are geared to Ebusco's business activities. The Management Board is aware that risk management and control systems cannot provide an absolute guarantee with respect to achieving the business objectives and preventing significant errors, losses, fraud or the violation of laws or regulations.

The scope of the Supervisory Board's supervision includes the design and operation of the internal risk management and control systems as well as the monitoring of the effectiveness of the internal control system. The Audit Committee supports the Supervisory Board in the performance of this supervision. The Management Board and the Supervisory Board consider effective risk management to be a critical success factor achieving the company's mid- and long-term objectives. There can be no absolute assurance that our risk management will avoid or mitigate all risks that Ebusco faces. The material risks are described in Risk Overview.

RISK PROFILE

Ebusco's approach to risk management is aimed at finding the right balance between maximizing the business opportunities while at the same time managing the risks involved. The most important risks have been identified and clustered into four categories: strategic risks, operational risks, financial and reporting risks and compliance risks.

BUSINESS RISKS
Events that may prevent the organisation from achieving it's business objectives

PROCESS RISKS
A minimum standard of internal control will secure the safeguard of our assets and reputation and ensures reliable information.

STRATEGIC	OPERATIONAL	FINANCIAL REPORTING	COMPLIANCE
Are we doing right things?	Are we doing the things right?	Do we have accurate (financial) reporting?	Do we comply with laws and regulations?

The company is prepared to accept risks associated with doing business in the continuously changing market environment in a responsible and well-considered way, as well as in line with the interests of its internal and external stakeholders.

It is the duty of the Management Board to weigh the business opportunities against the expectations and interests of employees, shareholders, financial institutions, supervisors and other strategic stakeholders. Decisions regarding changes or fine-tuning of our business models are taken by the Management Board in accordance with the risk appetite of the company. Considering strategic risks, a balance is explicitly sought between acceptable risk on the one hand and the entrepreneurship conducted in the context of long-term value creation on the other hand. Operational risks must be controlled as good as possible, and the company will review the effectiveness and efficiency of its operational processes for this purpose. Next to this, financial and reporting risks need to be controlled as well to avoid errors in our financial reporting. The risk appetite in terms of compliance is 'to avoid', meaning that all laws and regulations must be adhered to.

RISK MANAGEMENT SYSTEM

Ebusco's risk management policies are being developed to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, to monitor risks and adherence to limits and to assess the effectiveness of the internal controls. Risk management policies and systems are reviewed to reflect changes in market conditions and our activities. The internal control processes support management to identify and address risks in a timely and consistent way. Our risk management objective is that the risks we face are properly evaluated and mitigated, and that management is provided with the information necessary to make informed decisions in a timely manner. Ebusco's risk management system consists of quality controls, management information systems, policies and an internal control framework.

QUALITY CONTROLS

The company has adopted an integrated, end-to-end approach to quality control, meaning that the company performs multiple quality inspections during both the production and the pre-delivery inspection (PDI) phase, and the company continuously provides feedback of the outcome of quality checks to its development and engineering teams to increase quality in the design and production process. The company has strategies and a dedicated team using the FRACAS system to identify and correct any defects at each stage of the design, supplier development, production, and field performance of Ebusco's zero emission buses.

MANAGEMENT INFORMATION SYSTEMS

The heart of our internal risk management and control system on our periodic performance is formed by our reporting cycle and management information systems. Our mid-term plan and objectives form the basis on which our yearly budget is made. This annual budget is a bottom-up approach and the result of a diligent process.

POLICIES

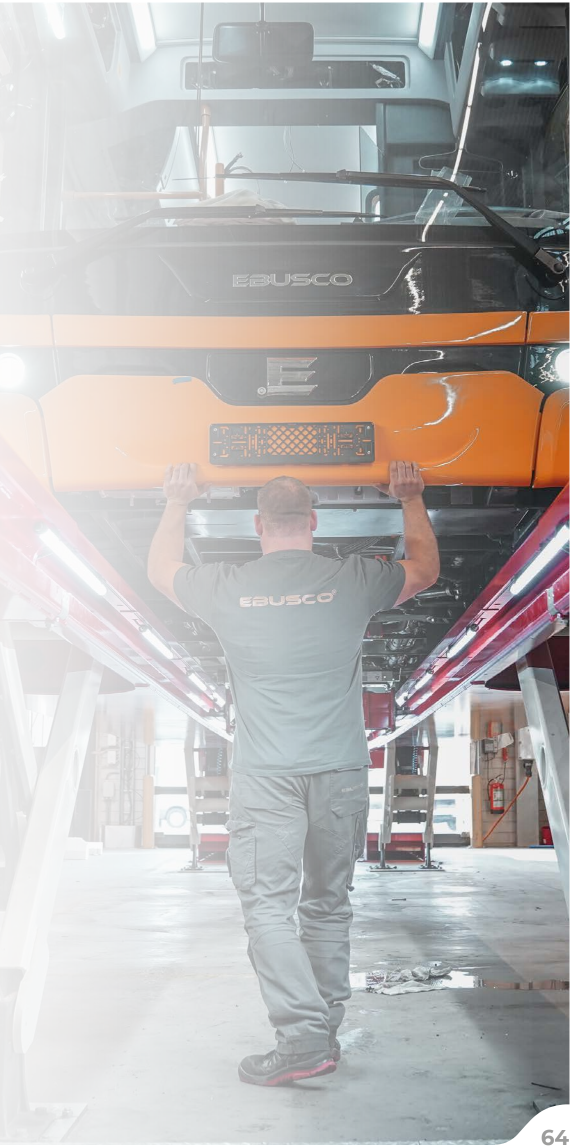
Ebusco has a Code of Conduct that has been determined by the Management Board and approved by the Supervisory Board. The Code of Conduct applies to all Ebusco employees, including temporary employees, and is published on the corporate website. In addition, Ebusco has a Speak Up policy that has been published on the corporate website and ensures that possible violations of existing policy and procedures can be reported without any negative consequences for the person reporting the violation. This policy explains when, how and where employees can raise concerns about a suspected violation of law, company policies or any unethical behavior in confidence, with respect for privacy and without fear of retaliation.

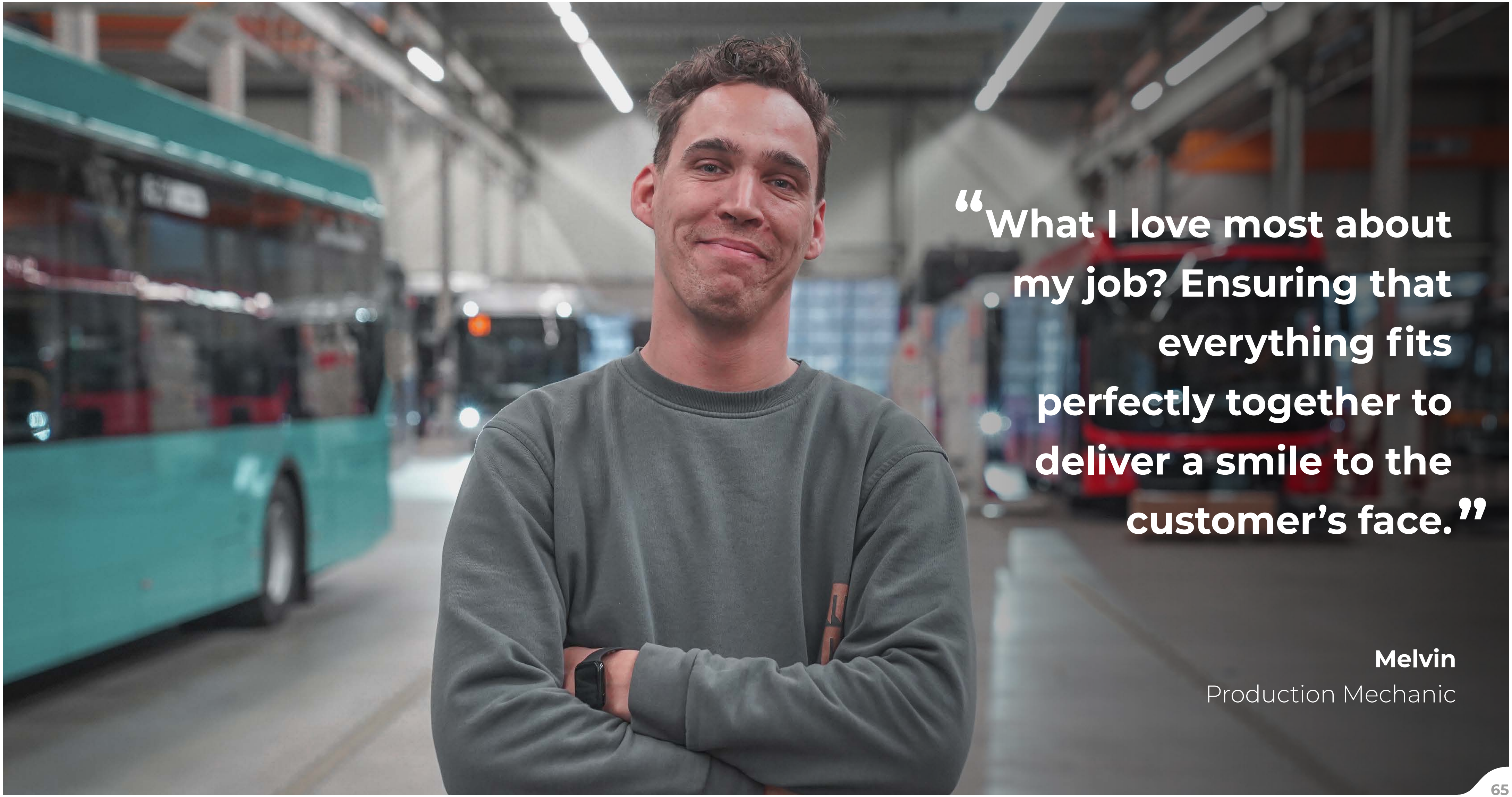
Our diversity policy, which has been published on our corporate website, encourages and promotes diversity in the Supervisory Board, Management Board and also in the company as a whole.

EBUSCO'S INTERNAL CONTROL FRAMEWORK

The Ebusco Internal Control Framework (ICF) sets the standard for Internal Control over Financial Reporting at Ebusco. The key objective of the ICF is to maintain integrated management control of Ebusco's operations to ensure the integrity of the financial reporting, as well as compliance with laws and regulations.

The company started implementing the ICF in the course of 2022. Both key processes and process flows have been determined. The processes are based on the defined key risks. For each risk controls, including minimum requirements, have been determined. Finally, process narratives have been documented.





“What I love most about my job? Ensuring that everything fits perfectly together to deliver a smile to the customer’s face.”

Melvin
Production Mechanic

Throughout 2022, a portion of the key controls have been implemented (and documented periodically). The remainder of the key controls is scheduled to be implemented in the course of 2023.

INTERNAL AUDIT

The company has appointed an internal auditor as specified in best practice provision 1.3.1 of the Dutch Corporate Governance Code. The company appointed an audit firm for fulfilling the internal audit function. The objective for 2023 is to fully implement the ICF and monitor the key controls periodically, as agreed upon with the Management Board and Supervisory Board.

FOCUS IN 2023 AND BEYOND

In order to bring the organisation to the next level of sound risk management and internal control, Ebusco will, together with external advisors, implement the ICF and assess the effectiveness of the ICF, by means of periodical review of controls documentation.

RISK APPETITE

Our risk appetite depends on the nature of the risk, the likelihood and the potential impact on our business. Ebusco's risk appetite, the level of risk Ebusco is willing to accept to achieve its objectives, may vary based on specific risks and is divided into five levels: very low, low, medium, high and very high. Our approach is geared toward mitigating the risks to the levels defined in our risk appetite. Ebusco's risk appetite is visualized in the table below. The risk categories are not classified in order of importance.

RISK OVERVIEW – OUR KEY RISKS

The table on the next page is a summary of key risks that, alone or in combination with other events or circumstances, could have a material adverse effect on the company's business, financial condition, results of operations or prospects. Although management believes that the risks and uncertainties described below are the most material risks, they are not the only ones Ebusco may face. All of these risk factors and events are contingencies which may or may not occur. The company may face a number of these risks described below simultaneously and some risks described below may be interdependent. In making the selection, the company has considered circumstances such as the probability of the risk materialising on the basis of the current state of affairs, the potential impact which the materialisation of the risk could have on the company's business, financial condition, results of operations or prospects, and the attention that management would, on the basis of current expectations, have to devote to these risks if they were to materialize.

The detailed overview of risks, which can be found on pages 69-73, provides a more in-depth analysis of the risks, the internal controls and the opportunities these risks could offer to Ebusco. The opportunities are relevant to strategic and operational risks only. We consider the financial and reporting and compliance risks not as special, and as such, for these risks no opportunities have been defined.

RISK APPETITE	VERY LOW	LOW	MEDIUM	HIGH	VERY HIGH
Behaviour towards risk	**Averse**	**Prudent**	**Balanced**	**Considerable**	**Seeking**
Strategic					
Operational					
Financial & reporting					
Compliance					

RISK AREA	RISK	RISK DESCRIPTION	RISK TREND	RISK APPETITE
Strategic	Supply chain disruptions	Supply chain disruptions or shortages and other events that may affect the Group's supply chain may materially adversely affect the Group's business and profitability.	equal	low
	ESG	ESG and its perfromance are important to the company. Any failure to meet objectives could impact the reputation of the company and its long-term growth and profitability.	increased	low
	Geopolitical environment	Influence of global economic and geopolitical developments on the execution of the strategy and financial position and results of Ebusco.	increased	medium
	Competitive environment	The Group faces strong competition in the transit bus market from both new and established competitors alike. If it were not able to compete successfully against them, the Group's revenue growth and market share could be materially adversely affected.	equal	medium
Operational	IT & Security	Risk of breach of data availability.	increased	low
	Safety & Incidents	An accident or safety incident involving one of the Group's zero emission buses could expose the Group to significant liability and a public perception that its zero emission buses are unsafe or unreliable.	equal	low
	Expansion of production capacity	A slower expansion of production capacity could result in not meeting customer demand, and as a consequence, could impact the company's long-term growth and profitability.	equal	low
	Staff	The Group's success depends on its ability to retain, attract and hire individuals for its Management Board and other highly skilled personnel.	increased	low
Financial and reporting	Currencies	Volatility of currencies which put pressure on profit margins.	increased	medium
	Inflation	Infliation could impact the company's long-term growth and profitability.	increased	medium
	Reporting	Risk that Ebusco's reporting contains material errors.	equal	low
Compliance	Legal & regulatory	Damage (including reputation) due to violation of legislation and regulations including export and sanctions regulations, unfair competition, fraud, corruption and bribery.	equal	avoiding
	Tax	Damage (including reputation) due to violation of tax legislations and regulations.	equal	avoiding

▲ increased = equal ○ avoiding ● low ● medium


“Constantly coming up with new solutions keeps my job exciting, challenging and most of all diverse.”
Frans
Production Mechanic

STRATEGIC RISKS

increased | equal | avoiding | low | medium

SUPPLY CHAIN DISRUPTIONS

Risk trend	equal
Risk appetite	medium

Risk

Ebusco is exposed to the risk of supply disruptions and shortages, including due to epidemics or pandemics of diseases, geopolitical factors, governmental changes, financial distress experienced by suppliers, power outages, production difficulties of suppliers, natural or man-made disasters and restrictions, tariffs or other unforeseen circumstances. In the course of 2022, the supply chain has to a large extent recovered and parts availability and lead times are improving. However, on a small number of parts the supply chain has not fully returned to the pre COVID-19 state. This continued to impact our operations and let to longer production times, higher costs and inefficiencies.

Internal controls

To withstand supply chain shocks, Ebusco continues to hold significant safety stock enabling continuation of production albeit at the expense of working capital efficiency. Next to supporting current production schedule, the safety stock also allows the company to take in new orders for shipment in 2023 well into the next year. Ebusco continues to work on optimising its supply chain with a strong focus on identifying dual source suppliers to lower risks and using scale advantages to lower the cost of goods sold.

Opportunities

Besides optimizing our safety stock, we have an agile Supply chain organisation to cope with the current, global supply chain challenges. Our supply chain strategy contains a dual-source supplier base, to mitigate the risk of shortages.

ESG

Risk trend	increased
Risk appetite	low

Risk

This year we treated ESG as a seperate risk, given its increasing importance to our overall strategic and operational objectives. We are committed to making Ebusco a truly sustainable entity and have the ambition to further integrate ESG governance, measurement and reporting into the Ebusco DNA.

We believe that sound corporate governance is critical to helping us achieve our goals, including with respect to ESG. We continue to evolve a governance framework that exercises appropriate oversight of responsibilities at all levels throughout the company and manages its affairs consistent with high principles of business ethics.

Internal controls

In order to implement our ESG strategy, we have hired an ESG officer responsible for embedding ESG in our strategy. In addition, we have defined and implemented a sustainability governance structure. The governance oversight of sustainability is fully integrated into governance structures, processes and practices. We completed our first double materiality assessment in 2022 as we formalise our strategic ESG journey.

We have issued our first sustainability report which relates to the financial year from 1 January to 31 December 2022. This report reflects our commitment to being transparent and responsive to the information needs of our stakeholders while addressing the growing interest in the business's environmental, social and governance impacts.

Opportunities

As a pioneer and frontrunner in the development of electric buses and charging systems, Ebusco has a competitive advantage. Ebusco wants to play a leading, innovative and guiding role in the energy transition in public transportation all around the world. Although most of our customers are already using green energy, we provide them with solutions to further lower their footprint.

GEOPOLITICAL ENVIRONMENT

Risk trend	increased
Risk appetite	medium

Risk

Ebusco's results of operations can be impacted by geopolitical changes and economic cycles globally and in its key markets. Unforeseen circumstances resulting from the current conflicts surrounding Ukraine, Russia, China and Taiwan, could possibly lead to sustained disruption of the global supply chain. The factors described above, or other factors which may impact conditions relevant to Ebusco's business environment, are difficult to predict and may have a material adverse impact on Ebusco's business, financial condition and operating results. They can also make it more difficult to budget and make reliable financial forecasts.

Internal controls

Ebusco monitors economic, political and general societal changes and, where necessary, develops response strategies to such events, including pandemics (e.g. COVID-19). High-risk markets (i.e. exposed to high volatility) are regularly assessed for emerging risks. Ebusco is active in multiple countries and this will grow over the next years. Local presence allows us to quickly adjust to geopolitical uncertainties or changes by adapting our proposition to local market needs and activate them locally.

Opportunities

The changing geopolitical environment is enforcing Ebusco to optimize its integrated supply chain organisation, supplier base and manufacturing footprint from a global perspective, and to enable agile responses to large and rapid shifts in demand and supply globally.

COMPETITIVE ENVIRONMENT

Risk trend	equal
Risk appetite	medium

Risk

Many of the company's current and potential competitors are traditional automobile and bus suppliers with strong brand recognition, loyal customer bases, longer operating histories with established track records of service and greater financial, marketing and other resources than the company has and these competitors may be able to devote greater resources to the design, development, manufacturing, assembly, distribution, promotion, sale and support of their battery electric bus segment. Moreover, Ebusco's competitors that also produce diesel-hybrid and compressed natural gas vehicles may have an advantage with existing and prospective customers that are interested in exploring diesel alternatives without committing to zero emission vehicles or that wish to pursue a gradual zero emission or electrification strategy with the same supplier.

Internal controls

In order to cope with the increasing competitive environment, Ebusco continuously focuses on product optimalisation (through Engineering and Research & Development). Furthermore, we not only explore new products and markets but these are being launched.

Opportunities

On one hand, we see competition increasing due to international, national and local laws and regulations with respect to zero-emission policies. An example is the EU's ambition to be climate-neutral by 2050. These green initiatives also provide opportunities for Ebusco. In the Nordics, the human rights clauses have become effective, resulting in less competition (e.g. Chinese manufacturers have to abandon this region). Furthermore, we have entered the market for energy storage purposes which enhanced our competitive position.

OPERATIONAL RISKS

increased | equal | avoiding | low | medium

IT & SECURITY

Risk trend	increased
Risk appetite	low

Risk

Despite the measures that we have implemented, including those related to cybersecurity, our systems could be breached or damaged by computer viruses and systems attacks, natural or man-made incidents, disasters or unauthorized physical or electronic access. Cybersecurity threats are constantly evolving. We remain potentially vulnerable to additional known or yet unknown threats, as in some instances, we, our customers, and our suppliers may be unaware of an incident or its magnitude and effects. We also face the risk that we expose our customers to cybersecurity attacks through the systems we deliver to our customers, including in the form of malware or other types of attacks as described above, which could harm our customers. Furthermore, the Covid-19 pandemic has increased the level of remote working within our organization, which increases the risks of cybersecurity incidents.

Internal controls

We invest significant time and resources in the security of our systems and data. We have established an internal control framework, where we frequently assess our internal controls, both internally and externally. In 2022, we made significant progress regarding our security roadmap. Our security roadmap is build on five pillars: Identify, Protect, Detect, Response and Recover. For each pillar we have identified several projects, which are partly completed or in progress. Examples of completed projects are Vulnerability Scanning, Awareness programs, Phising campaigns and testing, Incident repsonse plan and Back-up and Business continuity plans.

Opportunities

The need and availability of all kinds of data bear a significant responsibility, but on the other hand, provide us with a competitive advantage. The need for data enables us to make data-driven decisions and to optimize the engineering of our product portfolio.

SAFETY & INCIDENTS

Risk trend	equal
Risk appetite	low

Risk

In our operations, safety risks relate mainly to using high-voltage electricity, chemicals such as epoxy resin, working at heights and hot surfaces. Ensuring healthy lives and promote well-being of all of our employees is one of our sustainability priorities. The international expansion can increase our vulnerability in this domain. Increasingly specific expertise and training capacity are required, in order to protect us against this.

Internal controls

Our approach to health and safety is set out in the Ebusco Code of Conduct. All employees are jointly responsible for health, safety and the environment at the sites where they normally perform their work activities. Employees receive formal training and know they should suspend work in unsafe situations and report this to their managers.

Opportunities

Health and safety is our first priority enabling an attractive working environment. Not just by saying but by doing. Ensuring a healthy and safe working environment results in high retention rates and an effective recruitment and hiring process.

EXPANSION OF PRODUCTION CAPACITY

Risk trend	equal
Risk appetite	low

Risk

Ebusco plans to significantly increase manufacturing, production and assembly capacity in a short amount of time to meet Ebusco's expected international expansion plan and the production of its Ebusco 3.0 buses on time for the delivery dates to customers. The Group's ability to achieve its manufacturing and assembly plant expansion plans will depend upon many factors, including obtaining additional financing to complete its international expansion strategy beyond 2023. Ebusco's international expansion strategy and production of its Ebusco 3.0 will also depend on its ability to execute its plans to assemble the Ebusco 3.0 at plants in various jurisdictions and deploy maintenance and other services for these vehicles.

Internal controls

In order to ensure sufficient capacity for the manufacturing of the 3.0 bus, the Deurne facility is scaling up to reach a capacity of 500 buses per annum. Next, we will open a manufacturing facility in Rouen, France in the first half of 2024. This location is expected to be fully operational as of 2024, having a capacity of 500 buses per annum.

Opportunities

During 2022, we continued to ramp up our manufacturing capacity at the Deurne location and remain on track with our ramp-up plans. As parts availability improved, we have taken additional leaps forward on the learning curve. In relation to the facility in France, the project is moving forward as planned. This team works together with a project team of the facility owner to enable Ebusco to move into the facility during the second quarter of 2023. Following the further refurbishment of the factory, installation of the manufacturing equipment, training and hiring of staff, the facility is expected to be operational in the first half of 2024. Once fully operational the Rouen facility will have a manufacturing capacity of 500 buses per annum.

STAFF

Risk trend	increased
Risk appetite	low

Risk

Ebusco's success depends, in part, on its continuing ability to identify, hire, attract, train, develop and retain other highly skilled personnel, such as composite engineers, electrical engineers, industrial engineers, automotive engineers, production employees, and tender and sales personnel. Since Ebusco is one of the early producers of zero emission buses within Europe, the company has a number of experienced employees who have worked on the development of Ebusco's technology for several years. Furthermore, as the demand for zero emission vehicles like Ebusco's electric buses continues to increase, the competition for experienced employees with skill sets needed for the company's business increases.

Furthermore, the international expansion of production capacity requires additional staffing. The success of this expansion depends on recruitment and availability of skilled staff.

Internal controls

There is a lot of interest in employers that enable the green transition: candidates responded well to our invitation to visit Ebusco facilities and engage with us. We use a variety of tools in our recruitment process and, invest heavily in employer branding. We make it easy for people to apply, including reaching out via instant messaging platforms and social media. Innovation is driven by having an open mind and the ability to voice one's thoughts, therefore diversity is a winning feature of the Ebusco teams. We offer equal opportunities in all aspects of employment, and we do not tolerate any discrimination based on race, skin colour, religion, gender, national origin or any other protected class.

Opportunities

Our growing, international organisation and enhanced product portfolio demands new skills and change of responsibilities. We have a an ever-improving mix of experienced cultural bearers and relatively new employees, who collectively balance the transformation well towards an organization that is ready to realize our international ambition, while retaining the Ebusco culture.

“Every day I enjoy working on the buses, as I can completely unleash my creativity on them”

Marc
Lead Mechanic

FINANCIAL & REPORTING

▲ increased ═ equal ○ avoiding ◎ low ● medium

CURRENCIES

Risk trend	▲
Risk appetite	●

Risk

Foreign exchange risk is the part of the market risk that arises due to exposure of the Group to foreign currencies. This exposure arises from the Group's involvement in foreign operations or trade in foreign currency (buy and sell).

Internal controls

The Group has risk management policies and procedures in place for managing its foreign exchange risk. The foreign currencies the Group has exposure to are the Chinese Yuan (Renminbi) (RMB), Norwegian Krone (NOK), Australian Dollar (AUD), Danish Krone (DKK) and Canadian Dollar (CAD). The group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 24-months period for hedges of forecasted purchases and sales.

INFLATION

Risk trend	▲
Risk appetite	●

Risk

Inflation risk is the part of the market risk that arises due to (unexpected) price increased of goods and services purchased by the Group. Ebusco is exposed to inflation for costs of goods and materials, transport and wages as a result of supply shortages which may impact our profitability. Currently, supply chain constraints have resulted in higher-than-normal inflation. The conflict between Ukraine and Russia has significantly increased the risk on high inflation. Any unforeseen high inflation may have a material adverse impact on Ebusco's business, financial condition and operating results.

Internal controls

The ongoing inflation is resulting in an increase in cost levels for the Group. The Group is continuously monitoring the development or purchase prices for goods and services required on the short, medium and long-term basis. On the other hand, the Group is also able to recharge (a part of) the increase in cost levels to its customers via increased sales prices.

REPORTING

Risk trend	═
Risk appetite	◎

Risk

Accurate reporting and disclosures provide internal and external stakeholders with significant information for a better understanding of Ebusco's business. Failures in reporting and/or disclosure notes, could create market uncertainty regarding the reliability of the information (including financial data) presented and could have a negative impact on the price of Ebusco shares. In addition, the reliability of revenue and expenditure data is key for steering the business and for managing top-line and bottom-line growth. The long lifecycle of bus sales, from order acceptance to accepted delivery by the customer, together with the complexity of the accounting rules for when revenue can be recognised in the accounts, presents a challenge in terms of ensuring consistent and correct application of the accounting rules.

Internal controls

In order to mitigate the risk of incomplete or inaccurate reporting, Ebusco has developed and implemented company-specific accounting guidelines, which set the standard for proper accounting. Key components of our guidelines are our accounting principles and checklist, both IFRS compliant. Next to the company-specific accounting guidelines, we educate our Finance staff periodically to ensure keeping up with international accounting principles.

COMPLIANCE

▲ increased ═ equal ○ avoiding ● low ● medium

LEGAL & REGULATORY

Risk trend	═
Risk appetite	○

Risk

Non-compliance due to violation of legislation and regulations and internal guidelines can result in damage (including to reputation). In recent years, Ebusco has grown significantly in terms of sales, operations, employees and our business infrastructure. Consequently, the complexity of complying with rules and regulations has increased. Changes in regulations that apply to our business can increase compliance costs and the risk of non-compliance. Furthermore, additional regulations could impact or limit our ability to sell buses in specific jurisdictions.

Internal controls

The role of the Internal Audit function is to assess and test the Risk & Control framework and, next, to assess the systems of internal controls by performing independent procedures such as risk-based IT audits, operational audits and compliance audits. The Internal Audit function reports directly to the Audit Committee and Management Board.

TAX

Risk trend	═
Risk appetite	○

Risk

Ebusco is exposed to tax risks which could result in double taxation, penalties and interest payments. The source of the risks could originate from local tax rules and regulations as well as international and EU regulatory frameworks. These include transfer pricing risks on internal cross-border deliveries of goods and services, as well as tax risks relating to changes in the transfer pricing model. The risks may have a significant impact on local financial tax results, which, in turn, could adversely affect Ebusco's financial condition and operating results.

Internal controls

Ebusco's tax policy, strategy and planning provides overarching governance. The corporate Tax department designs and implements this and provides tax advice, ensures tax compliance, including accounting and reporting, and deploys our tax risk management and control framework to ensure adherence to up-to-date tax policies. The corporate Tax department is in charge of establishing, maintaining and overseeing the tax policies.

“Together with a driven project team and enthusiastic clients, I make the world a little greener every day.”

Tom
Project Manager

SENSITIVITY ANALYSIS

As the Management Board, in close cooperation with the Supervisory Board, we closely monitor the (potential) impact of different internal and external risk factors on our strategy and operations. The objective on our sensitivity analysis is to assess the risks in the context of the company's current strategy to determine their impact on our business and the viability of our business model, as well as on our ability to meet our financial liabilities and other obligations.

The following are four risk scenarios related to our strategy that, according to our sensitivity analysis, are considered severe but possible. Neither of these scenarios individually threaten the viability of the company; however, the compound impact of these four scenarios has been evaluated as the most severe stress scenario.

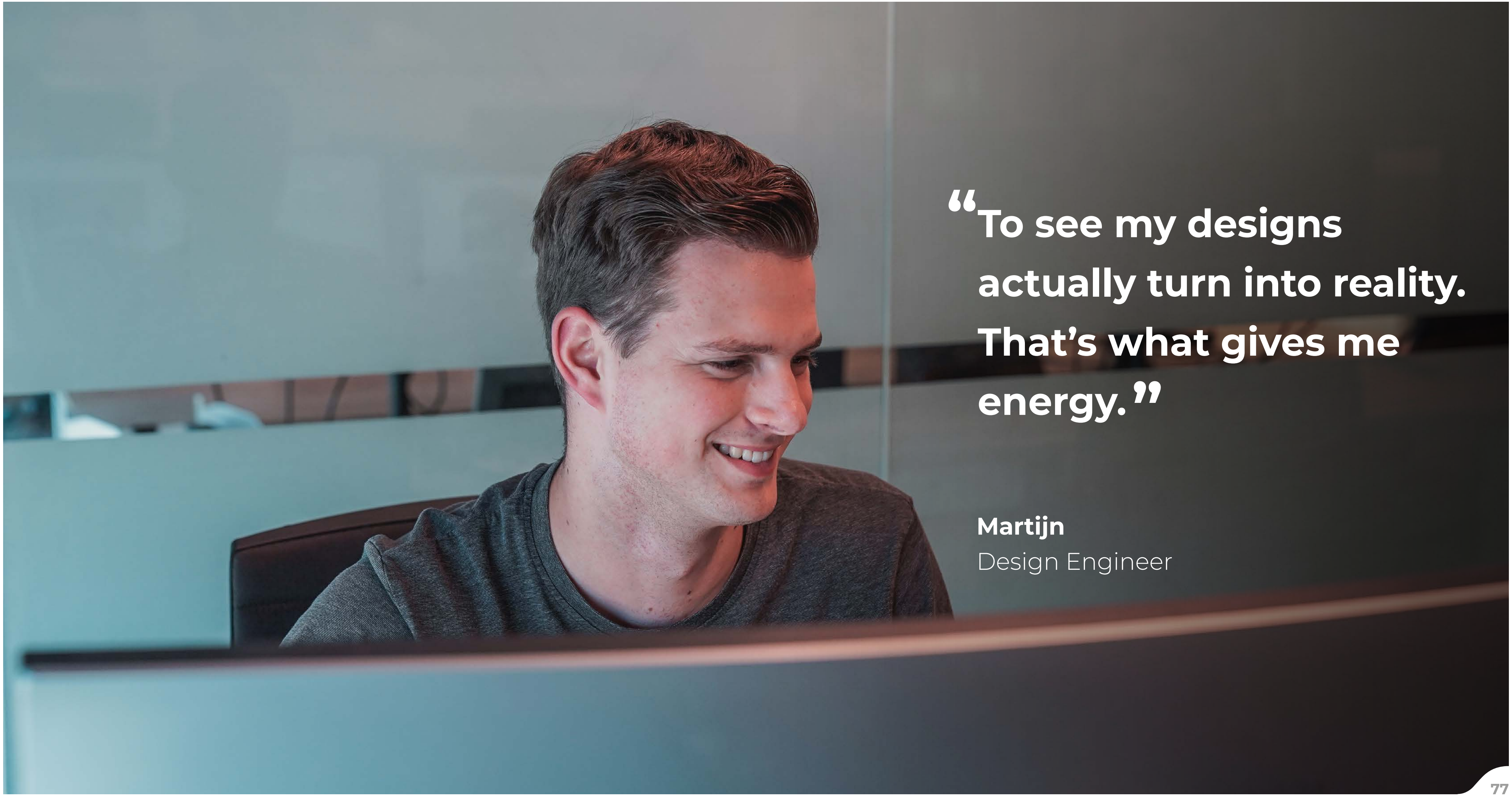
SCENARIO	ASSOCIATED RISK	DESCRIPTION
Embargoes against China	**Geopolitical environment**	In the event of a full embargo against China, the company could be subject to a shortage of bus supplies, resulting in a loss of customers and impacting our corporate reputation. Moreover, it could lead to legislation (in breach of customer contract). These factors may have a material adverse effect on the company's financial position, results of operations and liquidity.
Our ESG practices do no meet expectations	**ESG**	While our mission is to accelerate the transition to sustainable energy, if our ESG practices do not meet investor or other industry stakeholder expectations, which continue to evolve, we may incur additional costs and our brand, ability to attract and retain qualified employees and business may be harmed.
Loss of competitive advantage	**Competitive environment**	A strategic failure related to product innovation and product development could lead to an inability to adapt to new market dynamics driven by public and/or consumer behaviors and competition and result in a loss of market share to new market entrants or existing competitors. These factors may have a material adverse effect on the company's financial position, results of operations and liquidity.
Breach of data availability, confidentiality and integrity (including Intellectual Property 'IP')	**IT & Security**	In the event of a successful data breach, the company could be subject to material monetary penalties, loss of customers and damage to our corporate reputation; it could also lead to potential litigation. A serious breach could also impact the operation of significant business processes and result in non-availability of products for production or for customers and the inability to operate the day-to-day business.

NEXT STOP: METROPOLE ROUEN

RAMPING UP PRODUCTION CAPACITY IN FRANCE

On its road to international expansion, Metropole Rouen will be Ebusco's next stop. Ebusco has elected the Renault Cléon site to set up its French production facility. In July 2022 the company has signed a letter of intent to lease 21,000m2 in the Metropole Rouen to facilitate its future growth ambitions in France and Southwest Europe.

To ramp up the production capacity of the Ebusco 3.0, the new factory will enable the assembly of 500 buses per year. Currently, the Ebusco 3.0 is manufactured and assembled at the company's facility in Deurne, which serves as a blueprint for future expansion. The new production facility in France will be the first step towards the company's geographical diversification and is expected to be operational in the first half of 2024.



“To see my designs actually turn into reality. That’s what gives me energy.”

Martijn
Design Engineer

MANAGEMENT STATEMENT

The Management Board is responsible for the design and effectiveness of the internal systems for risk management and control. The purpose of these systems is to identify and effectively manage significant risks to which the company is exposed. However, they can never provide an absolute guarantee that the company will achieve its objectives and cannot entirely prevent major errors or losses, incidents,fraud or actions in breach of laws and regulations.

The Management Board has assessed the strategic, operational, financial and reporting risks and compliance risks, as well as the design and effectiveness of the internal risk management and control systems as described in the section on 'Risk Management'.

During the year under review, the company has worked on the further development and implementation of an Internal Risk & Control Framework. The Management Board is responsible for the establishment and adequate functioning of a system of governance, risk management and internal controls in the company. This key responsibility has led to the development and implementation of an Internal Risk & Control Framework. By the end of 2022, the Risk & Control Framework has been defined and approved by the Management Board. We recognise that our controls as per 2022 were not fully implemented or documented. While we have identified a further need for improvement, we will continue to roll-out the Internal Control framework. The framework is expected to be fully implemented at the end of 2023. Once fully implemented, controls will be tested on effectiveness periodically and the Management Board will report on internal risk management and control systems to the Supervisory Board and its Audit Committee.

The Supervisory Board has reviewed and approved Ebusco's 2022 financial statements as prepared by the Management Board.

The Audit Committee reviews and approves the audits planned for the financial year. Furthermore, the Audit Committe monitors compliance with European and Dutch independence rules on permitted services provided.

The external auditor attends all Audit Committee meetings. The external auditor's findings are discussed at these meetings. The Audit Committee reports to the Supervisory Board on the topics discussed, including the independent auditor's report with regards to the audit of the financial statements as well as the content of the annual report. Furthermore, the external auditor may attend the Supervisory Board meeting in which the annual external audit report is discussed. The external auditor may also attend Supervisory Board meetings in which the monthly or quarterly financial results are discussed.

The Audit Committee is informed without delay in case irregularities are discovered in the content of the audit of the financial reports.

The role of the Internal Audit function is to assess and test the Risk & Control framework and, next, to assess the systems of internal controls by performing independent procedures such as risk-based IT audits, operational audits and compliance audits. The Internal Audit function reports directly to the Audit Committee and Management Board.

Based on the financial results for the 2022 financial year, the financial position of the company and

the prospects for the year 2023 and beyond, and considering current market conditions, the Management Board has assessed the company's assumptions of going concern.

The effectiveness and functioning of the internal risk management and control systems have been discussed with the Audit Committee and the Supervisory Board. Taking into account the aforementioned risks and the measures designed to manage them, and in accordance with the best practice provision 1.4.3. of the Dutch Corporate Governance Code, the Management Board declares that to the best of its knowledge:

- the report provides sufficient insights in the effectiveness of the internal risk management and control systems and into any failings thereof;
- the aforementioned systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies;
- there is a reasonable expectation that Ebusco will be able to continue its operations and meet its liabilities for at least twelve months. Based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis; and
- the section on risk management in the report states those material risks and uncertainties that are relevant to the expectation of the company's continuity for the period of twelve months after the preparation of the report.

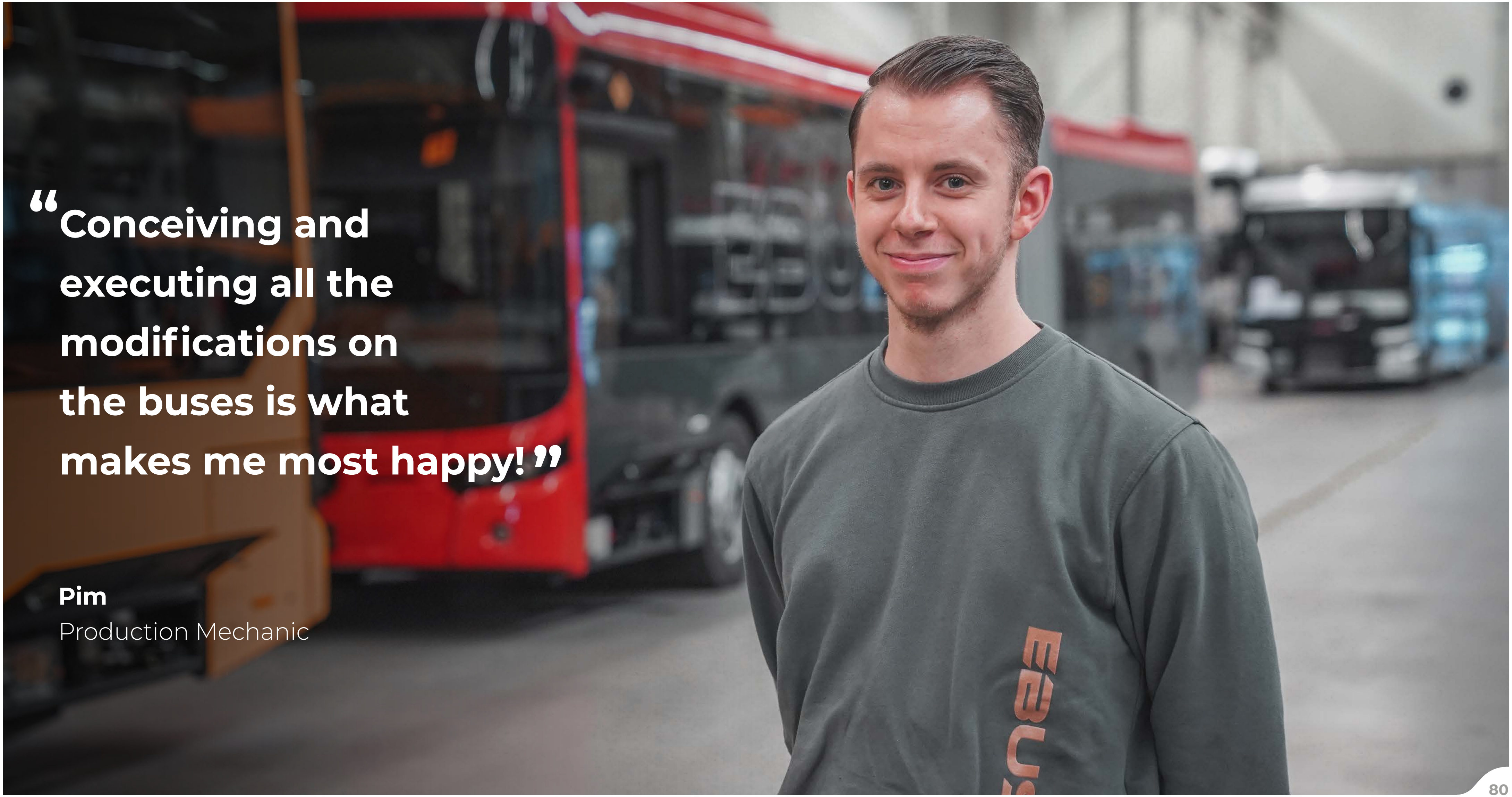
With reference to Section 5:25c paragraph 2, sub c of the Financial Markets Supervision Act (Wet op het financieel toezicht), the Management Board declares that to the best of its knowledge:

- The financial statements provide a fair view of the assets, liabilities, financial position and profit or loss of Ebusco and of the companies included in the consolidation taken as a whole.
- The Management Board Report provides a fair view of the situation on 31 December 2022 and of the developments during 2022 of Ebusco and of its affiliated companies whose information has been included in the consolidated financial statements; and that the Management Board Report describes the material risks and uncertainties that Ebusco faces.

Deurne, the Netherlands, 29 March 2023

Management Board

P.H.A.M. Bijvelds, *Chief Executive Officer*
P. van Beers, *Chief Financial Officer*
B.H.M.J. Fleuren, *Chief Operational Officer*


“Conceiving and executing all the modifications on the buses is what makes me most happy!”
Pim
Production Mechanic

GOVERNANCE

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CORPORATE GOVERNANCE

INTRODUCTION

Ebusco is a public limited liability company (naamloze vennootschap) under the laws of the Netherlands. The company is domiciled in the Netherlands and has its registered seat in Deurne, the Netherlands.

Ebusco is listed on the Euronext Amsterdam, ticker EBUS:AS. It has a two-tier board structure, with a Management Board and a Supervisory Board. The company's highest authority is the General Meeting of Shareholders, which is convened at least once a year.

As a responsible corporate citizen, Ebusco acknowledges the importance of good corporate governance and open and transparent communications with all its stakeholders.

CAPITAL STRUCTURE

The company's authorised share capital amounts to €2,200,000, divided into 220,000,000 ordinary shares with a nominal value of €0.01. The company's issued share capital was €590,393.80 on 31 December 2022, consisting of 59,039,380 ordinary shares.

Each ordinary share carries one vote. A shareholder may cast their vote in person, by proxy or at the General Meeting of Shareholders. Ebusco has not issued any shares to which special rights of control are attached and there are no restrictions on the voting rights attached to the shares in Ebusco.

All ordinary shares have equal entitlement to the profits and general reserves attributable to the shareholders.

Ebusco does not cooperate with the issuance of depository receipts for its shares, nor does the company apply any restrictions on the transfer of its shares. The company is to the best of its knowledge not aware of any agreement between shareholders of the company which could result in a possible restriction on the transfer of shares or voting rights.

All resolutions of the General Meeting of Shareholders are passed with an absolute majority of the votes cast, unless a larger majority is required by law or pursuant to the company's Articles of Association.

The articles of association of the company do not include specific provisions with respect to so-called protection measures in case of a take-over bid.

The company has not entered into agreements pursuant to which a change of control would have an effect. All operational agreements have been concluded by a participating company, in most cases Ebusco B.V.

The shareholders of the company prior to IPO, each having an interest of 10% or more, entered into a cooperation agreement. Pursuant to this agreement, every single shareholder having at least 10% of the outstanding shares is entitled to nominate a candidate for the Supervisory Board which agreement is still valid.

The management service agreements between Ebusco Holding N.V. and each of the members of the board do not provide for a payment, either in cash or otherwise, in the event of the conclusion of an offer on all or part of the shares in the company or a subsidiary.

ISSUANCE OR ACQUISITION OF SHARES

A remuneration scheme is in place under which members of the Management Board are entitled to receive rights to acquire shares in the capital of the company. The Supervisory Board has set the material terms which must be met for the respective members of the Management Board to receive these rights. Considering that most material terms are subject to certain financial goals, the granting of these rights is subject to the approval by the General Meeting of Shareholders of the annual accounts for the year under review.

Currently, the company has an Employee Stock Option Plan in place for a limited number of employees. These plans have been granted in February 2022 to the individuals and will vest in February 2024, pending the employment of the individual at vesting date. The Members of the Management Board are entitled to shares pursuant to the Long-Term Incentive (LTI) bonus scheme. For the financial year 2022, the Management Board waived their right to shares or options on shares pursuant to the LTI for the Company given the performance of company.

The company is entitled to acquire its own fully paid-up shares with due observance of the relevant legal and statutory provisions.

Acquisition of own shares is only permitted if the General Meeting of Shareholders has authorised the Management Board to do so. Such authorisation will be valid for a period not exceeding 18 months. This authorisation is provided during the General Meeting of Shareholders in May 2022. In the resolution the General Meeting of Shareholders must determine the number of shares that the Management Board may acquire for valuable consideration, the manner in which they may be acquired, and the limits within which the price must be set. In addition, the approval of the Supervisory Board is required for any such acquisition. The company may, without authorisation by the General Meeting of Shareholders, acquire its own shares for the purpose of transferring such shares to employees of the company or of a group company under a scheme applicable to such employees.

SHAREHOLDERS' MEETINGS

General Meetings of the Shareholders are convened by the Management Board or the Supervisory Board. A legal term of at least 42 calendar days applies between the convocation date and the actual date of the meeting. A meeting must be convened by posting the notice and relevant materials required for consideration and decisions by the shareholders on the company's website.

At least one General Meeting of Shareholders is to be held within six months following the close of the financial year of the company. In 2022, the General Meeting of Shareholders took place on 25 May. In 2023, the General Meeting of Shareholders is scheduled for 17 May.

Other General Meetings of Shareholders will be held whenever and as often as the Management Board or the Supervisory Board deems necessary. General Meetings of Shareholders will also be held if the Management Board or Supervisory Board is requested to that effect in writing by one or more shareholders individually or jointly representing one-tenth or more of the company's issued capital, specifying in detail the subjects to be discussed, unless such a request is unreasonable. If neither the Management Board nor the Supervisory Board have taken the necessary steps to ensure that a General Meeting can be held within eight (8) weeks of receiving such a request, the requesting shareholder(s) may seek authorization from a judge of the court to convene a General Meeting.

Each shareholder, either in person or by written proxy, is entitled to attend, speak and vote at a General Meeting of Shareholders. Those shareholders who individually or jointly represent at least three percent (3%) of the company's issued share capital may request items to be added to the agenda of the General Meeting of Shareholders. Such a request is granted if it is received in writing at least 60 days before the meeting, stating the reasons for said request.

Each share carries one vote. The company cannot vote on shares that it holds in its own capital.

The Management Board and Supervisory Board must ensure that the General Meeting of Shareholders is adequately provided with all information required for a shareholder to decide and vote on the subject matter presented.

The draft minutes of the General Meeting of Shareholders must be published on the company's website within three months of the date of the meeting. Shareholders are invited to submit comments to the draft minutes within this three-month period. After this period the Chairman and Secretary of the General Meeting of Shareholders will formally adopt and subsequently sign the minutes, taking into consideration any comments received.

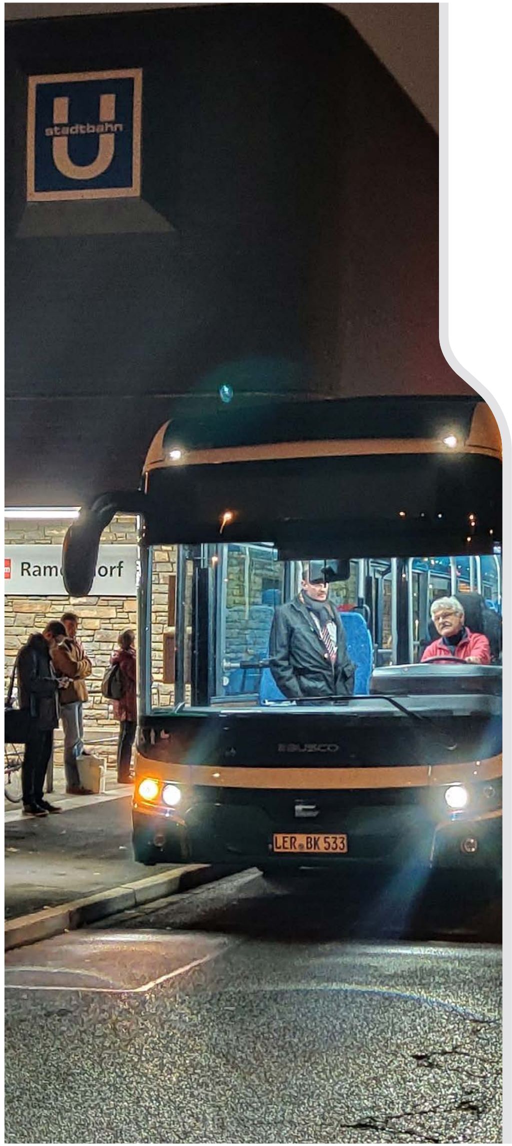
MANAGEMENT BOARD

RESPONSIBILITIES AND REPORTING LINE

The Management Board is the executive body entrusted with the management of the company and responsible for ensuring its continuity under the supervision of the Supervisory Board. The Management Board's responsibilities include setting the company's management agenda, developing a view on long-term value creation, enhancing the performance of the company, developing a strategy, identifying, analysing, and managing the risks associated with the company's strategy and activities, and establishing and implementing internal procedures which safeguard that all relevant information is made known to the Management Board and the Supervisory Board in a timely manner.

In fulfilling their responsibilities, the members of the Management Board must act in the interest of the company and pay specific attention to the relevant interests of the company's employees, shareholders, lenders, customers, suppliers, and other stakeholders.

The Management Board reports to the Supervisory Board and the General Meeting of Shareholders.



COMPOSITION, DIVISION OF DUTIES AND REMUNERATION

The number of members of the Management Board is determined by the Supervisory Board in consultation with the Management Board. At the time of the initial public offering, the number of members of the Management Board was set at three which is now still applicable.

The members of the Management Board are appointed by the General Meeting of Shareholders. The Supervisory Board will nominate one or more candidates for a vacant position for the approval of the General Meeting of Shareholders. In turn, the General Meeting of Shareholders may resolve to appoint someone other than the person(s) nominated by the Supervisory Board, provided an absolute majority of the votes cast representing at least one-third of the outstanding capital. If a proposal to appoint a person not nominated by the Supervisory Board is supported by an absolute majority of the votes cast, but this majority does not represent at least one-third of the outstanding capital of the company, a new meeting can be convened in which the resolution can be adopted by an absolute majority of the votes cast, irrespective of the percentage of the company's issued capital present or represented at that meeting.

Any new member of the Management Board is appointed for a maximum period of four years per term. Members of the Management Board may be reappointed for a term of no more than four years at a time, which reappointment should be arranged in a timely fashion. The company's diversity policy, as drawn up by the Supervisory Board, will be considered in the event of an appointment or reappointment.

Currently, no seats are taken by women on the Management Board. During 2022, the Supervisory Board set a gender balance target for the Management Board to have at least one female and one male Management Board member in 2026. In the extended Management Board, one seat is taken by a woman and five by men. When setting the gender balance target for the Management Board and Extended Management Board, the Supervisory Board has considered the technology environment Ebusco operates in, with a thinly populated engineering talent pool, making it challenging to recruit female talent. Nonetheless, the Supervisory Board set a gender balance target for the extended Management Board to have at least one-third female in 2026. The plan to achieve these targets for the Management Board and extended Management Board is currently not final yet and in preparation by the Supervisory Board.

The Articles of Association of the company stipulate that a member of the Management Board may be suspended or dismissed by the General Meeting of Shareholders. A resolution of the General Meeting of Shareholders to suspend or remove a member of the Management Board other than pursuant to a proposal by the Supervisory Board requires an absolute majority of the votes cast representing at least one-third of the company's issued capital. If a resolution as referred to in the previous sentence is supported by an absolute majority of the votes cast, but this majority does not represent at least one-third of the company's issued capital, a new meeting can be convened in which the resolution can be adopted by an absolute majority of the votes cast, irrespective of the percentage of the Company's issued capital represented at the meeting.

A member of the Management Board may be suspended by the Supervisory Board. A suspension by the Supervisory Board may be reversed by the General Meeting of Shareholders.

From 7 October 2021, the Management Board comprises of the following individuals:

Name	Position	Nationality	Gender	End of Term
P.H.A.M. Bijvelds	CEO	Dutch	Male	2025 AGM
P. van Beers	CFO	Dutch	Male	2023 AGM
B.H.M.J. Fleuren	COO	Dutch	Male	2024 AGM

The Management Board is collectively responsible for all actions of each individual member of the Management Board. The division of duties within the Management Board as well as the Management Board's operating procedures are set out in the company's Articles of Association and the Management Board By-laws. The Articles of Association and the Management Board By-laws are published on the company's website.

Per the 2023 AGM, the appointment term of Paul van Beers, CFO, will expire. Mr. Van Beers has informed the Supervisory Board that he is not available for reappointment and will retire per the 2023 AGM, upon completion of his current term. In view of the upcoming expiration of the term of Paul van Beers, the Supervisory Board engaged in multiple sessions with the CEO to determine the optimal composition of the Management Board and intends to nominate a successor at the General Meeting of Shareholders in May 2023.

The Remuneration Policy and based thereon, the remuneration and terms and conditions of the members of the Management Board have been established by the General Meeting of Shareholders prior to the company being listed. Since the date of the initial public offering, the Supervisory Board has reviewed the remuneration and other terms and conditions for each member of the Managing Board. Any remuneration or amendment there to as established by the Supervisory Board will be in compliance with the company's Remuneration Policy. Any amendment thereto will require a resolution of the General Meeting of Shareholders by an absolute majority of the votes cast. At least every four (4) years, the Remuneration Policy will be submitted to the General Meeting of Shareholders for approval.

SUPERVISORY BOARD

RESPONSIBILITIES AND REPORTING LINE

The Supervisory Board supervises the Management Board's management of the company, the company's general course of affairs, and its affiliated business. The Supervisory Board is accountable for these matters to the General Meeting of Shareholders. The Supervisory Board also provides advice to the Management Board. In performing their duties, the members of the Supervisory Board are required to focus on the effectiveness of the company's internal risk management and control systems as well as the integrity and quality of the company's financial reporting. In the fulfillment of their duties, the members of the Supervisory Board must act in the interest of the company and pay specific attention to the relevant interests of the company's employees, shareholders, lenders, customers, suppliers, and other stakeholders.

The Supervisory Board monitors the internal control structure and procedures and the assessment of the risks faced by the company and its subsidiaries. In 2022, the company enhanced its internal control systems and procedures. Several key controls have been implemented and tested on effectiveness periodically. The remainder of the key controls will be implemented in the first half of 2023. The effectiveness of the full internal control framework will be assessed and documented on a monthly basis.

In accordance with the Supervisory Board By-laws, the Supervisory Board is responsible for decision-making in dealing with transactions (1) that constitute an existing or potential conflicts of interest between an individual member of the Management Board, or an individual member of the Supervisory Board on one hand, and the company on the other hand, or (2) which are between the company and a shareholder having at least one percent (1%) of the outstanding issued capital. Both types of transactions are qualified as related party transactions pursuant to the provisions of the Dutch Financial Supervision Act (Wet op het financieel toezicht) and EU-IFRS. Said regulations also state the requirement of market conformity of these transactions.No related party transactions occurred in the course of the 2022 financial year.

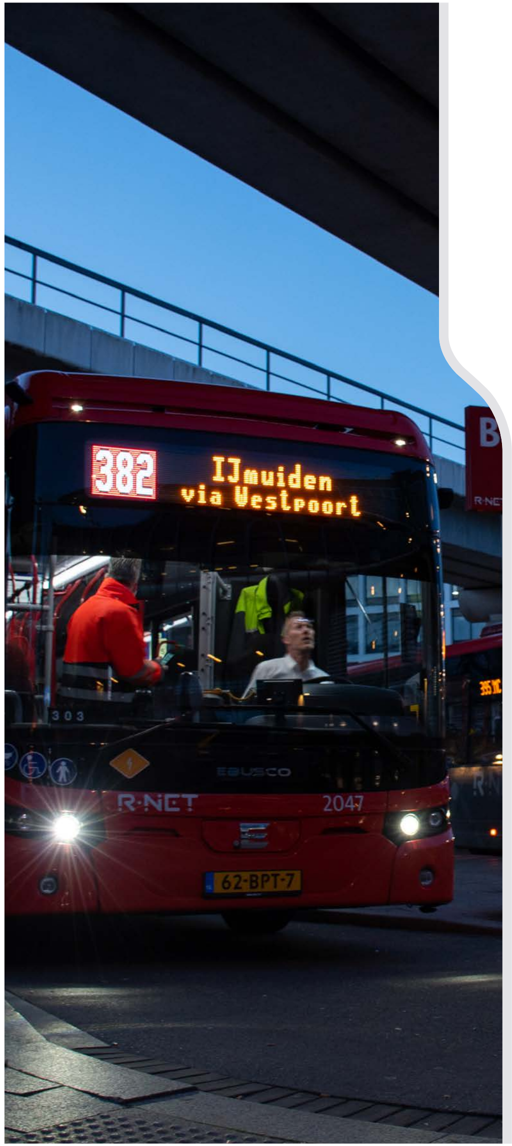
The Supervisory Board reports to the General Meeting of Shareholders.

COMPOSITION, DIVISION OF DUTIES AND REMUNERATION

In accordance with the Company's Articles of Association, the Supervisory Board consists of at least three natural persons who are appointed by the General Meeting of Shareholders. The actual number of members is established by the Supervisory Board. On 26 October 2021, the date at which Ebusco became a public limited liability company, the Supervisory Board comprised five members. As of AGM 2023, this will be six members.

The Supervisory Board is composed in such a way that its members can operate independently and be critical of each other, the Management Board, and any interest group, even if a member of the Supervisory Board is nominated by an individual shareholder who is authorised to nominate a member of the Supervisory Board without instruction or consultation.

Two members of the Supervisory Board are qualified as independent within the meaning of best practice



provision 2.1.8. of the Dutch Corporate Governance Code. Three members of the Supervisory Board were nominated by a respective shareholder authorised to nominate a candidate for appointment by the General Meeting of Shareholders. These three members are considered to not be independent within the meaning of the Dutch Corporate Governance Code. A pre-IPO shareholder holding with at least ten percent (10%) of the outstanding issued capital has the right to nominate a candidate for the Supervisory Board. Any nomination should in itself qualify, taking into consideration the composition of the Supervisory Board and its committees, the company's diversity policy, the profile for a specific position within the Supervisory Board, and any other criteria deemed relevant by the Supervisory Board at any time.

The members of the Supervisory Board are appointed by the General Meeting of Shareholders. The Supervisory Board nominates one or more candidates for each vacant position. Each nomination for appointment or proposal for reappointment of a member must be supported on sufficient grounds, and in the event of a reappointment the performance and operation of the member up for reappointment must also be taken into consideration. The Articles of Association and Supervisory Board By-laws stipulate that a member can be appointed for a term not exceeding four years and reappointed once for a similar term. After this period a member can be reappointed once more, albeit for a term not exceeding two years, as well as for one subsequent term not exceeding two years.

A resolution of the General Meeting of Shareholders to appoint a Supervisory Board member other than in accordance with a nomination by the Supervisory Board requires a majority of the votes cast representing at least one-third of the company's issued capital. If a proposal to appoint a person not nominated by the Supervisory Board is supported by an absolute majority of the votes cast, but this majority does not represent at least one-third of the company's issued capital, a new meeting can be convened in which the resolution can be adopted by an absolute majority of the votes cast, irrespective of the percentage of the company's issued capital represented at the meeting.

Supervisory Board members may be suspended or removed by the General Meeting of Shareholders at any time. A resolution of the General Meeting of Shareholders to suspend or remove a Supervisory Board member other than pursuant to a proposal by the Supervisory Board requires an absolute majority of the votes cast representing at least one-third of the company's issued capital. If a resolution as referred to in the previous sentence is supported by an absolute majority of the votes cast, but this majority does not represent at least one-third of the company's issued capital, a new meeting can be convened in which the resolution can be adopted by an absolute majority of the votes cast, irrespective of the percentage of the company's issued capital represented. Any suspension may be extended one or more times but may not last longer than three months in the aggregate. If at the end of that period, no decision has been taken on termination of the suspension or on removal, the suspension is lifted.

The Supervisory Board members will retire their membership in accordance with a rotation plan drawn up by the Supervisory Board.

From 26 October 2021 up to now, the Supervisory Board comprised the following individuals:

Name	Position	Nationality	Gender	End of Term
Derk Haank	Chair	Dutch	male	2025 AGM
Jeroen Drost	Vice-chair/ Nomination Committee chair	Dutch	male	2024 AGM
Carin Gorter	Member/Audit Committee chair	Dutch	female	2024 AGM
Ruud Spoor	Member	Dutch	male	2025 AGM
Roelf de Boer	Member/ Remuneration Committee chair	Dutch	male	2023 AGM

The current term of Roelf de Boer, Supervisory Board member, will end per the 2023 AGM. The Supervisory Board intends to nominate Roelf de Boer for re-appointment as member of the Supervisory Board effective from the 2023 AGM and for the duration of one year, until AGM 2024.

The members of the Supervisory Board are remunerated in accordance with the Remuneration Policy. The Remuneration Policy is approved by the General Meeting of Shareholders. It can be amended by the General Meeting of Shareholders upon a proposal from the Supervisory Board. The Remuneration Policy is published on the company's website.

SUPERVISORY BOARD COMMITTEES

The Supervisory Board has established three committees, being

- the Audit Committee;
- the Nomination Committee; and
- the Remuneration Committee.

THE AUDIT COMMITTEE

The function of the Audit Committee is to assist in the decision-making of the Supervisory Board. According to its charter, the Audit Committee undertakes preparatory work for the Supervisory Board's decision-making regarding the supervision of the integrity and quality of the company's financial reporting and the effectiveness of the Company's internal risk management and control systems.

The Audit Committee is specifically responsible for:

a monitoring the financial reporting process and drafting proposals to safeguard the integrity of the process;
b monitoring the effectiveness of the internal control system, the internal audit system (if applicable), and the risk management system in relation to the company's financial reporting;
c monitoring the statutory audit of the financial statements;
d reviewing and monitoring the independence of the external auditor or audit firm, in particular, the provision of additional services to the company;
e adopting a procedure for the selection of the external auditor and the nomination for appointment of the external auditor with respect to the statutory audit of the financial statements;
f and performing preparatory work for the Supervisory Board's decision-making regarding the supervision of the integrity and quality of the company's financial reporting and the effectiveness of the company's internal risk management and control systems.

Since 26 October 2021, the Audit Committee consists of Carin Gorter (chair) and Ruud Spoor (member).

THE NOMINATION COMMITTEE

The purpose of this committee is to assist in the decision-making of the Supervisory Board. According to its charter, the Nomination Committee undertakes preparatory work for the Supervisory Board's decision-making regarding the selection and appointment of members of the Management Board and Supervisory Board.

The Nomination Committee is specifically responsible for:

a drafting selection criteria and appointment procedures for members of the Management Board and Supervisory Board;
b assessing at least once a year the size and composition of the Management Board and Supervisory Board;
c making proposals for the Supervisory Board profile;
d assessing at least once a year the functioning of each individual member of the Management Board and Supervisory Board, and reporting their findings to the Supervisory Board;
e drafting a plan for the succession of members of the Management Board and Supervisory Board aimed at retaining a balance in the requisite expertise, experience, and diversity;
f making proposals for the appointment (and reappointment) of members of the Management Board and Supervisory Board;
g supervising the policy of the Management Board on the selection criteria and appointment procedures for senior management;
h and performing preparatory work for the Supervisory Board's decision-making regarding (i) the acceptance by a member of the Management Board of membership to the Supervisory Board or to the position of non-executive director of a listed company and (ii) with regard to any conflict of interest that may arise from Supervisory Board members accepting ancillary positions.

Since 26 October 2021, the Nomination Committee consists of Jeroen Drost (chair) and Derk Haank (member).

THE REMUNERATION COMMITTEE

The purpose of this committee is to assist in the decision-making of the Supervisory Board. According to the Remuneration Committee's charter, the Remuneration Committee undertakes preparatory work for the Supervisory Board's decision-making regarding the remuneration policy.

The Remuneration Committee is specifically responsible for:

a submitting a clear and understandable proposal to the Supervisory Board for the remuneration policy to be pursued for the members of the Management Board;
b making proposals concerning the remuneration of the individual members of the Management Board in accordance with the remuneration policy;
c preparing the company's remuneration report, and
d making proposals to the Supervisory Board for the remuneration of the individual members of the Supervisory Board.

Since 26 October 2021, the Remuneration Committee consists of Roelf de Boer (chair) and Derk Haank (member). The Supervisory Board intends to nominate Roelf de Boer for reappointment as Chairman of the Remuneration Committee effective from the 2023 AGM and for the duration of one year, until AGM 2024.

CORPORATE GOVERNANCE

With respect to the 2022 financial year, Ebusco is reporting on compliance with the Governance Code. Ebusco fully endorses the core principles of the Governance Code and is committed to fully complying with the Governance Code's best practices where possible within the organisation. However, in consideration of the company's own interests and the interests of its stakeholders, we deviate from a limited number of best practice provisions, as specified and explained below.

Best Practice Provision	Non-compliance	Measures to address non-compliance
1.6.3: assignment of external auditor by Supervisory Board	The external auditor was appointed by the shareholders prior to the establishment of the Supervisory Board on 26 October 2021.	With respect to the audit of the 2024 fiscal year, the Company will act in accordance with best practice provision 1.6.3. The Audit Committee has initiated and finalised an audit tender for the financial years 2024-2026. The nomination and appointment of the external auditor for the financial years 2024-2026 will be put to vote at the General Meeting of Shareholders in May 2023.
2.1.6: composition of Supervisory Board in compliance with the "Act on a more balanced ratio of men and women on management and supervisory boards" (*Wet evenwichtige verhouding man/vrouw in bestuur en raad van commissarissen*)	The present composition of the Supervisory Board is not in compliance with the Act on a more balanced ratio of men and women on management and supervisory board, effective from 1 January 2022. Whilst composing the Supervisory Board, the need to attract members with a strong professional background and fit was deemed of paramount importance above achieving a balanced ratio of men to women	The nomination committee shall take the Act on balanced ratio men/women in the Supervisory Board in consideration in order to comply with the growth criterium of said Act in the medium-term future. With the nomination of Saskia Schatteman, we will be compliant from 2023 onwards.
2.1.7ii: majority of Supervisory Board is independent	The composition of the Supervisory Board is not in compliance with best practice provision 2.1.7 (ii) which requires that more than half of the Supervisory Board members are independent as defined in the Governance Code. Under the existing Relationship Agreement, each of the current shareholders holding ten percent (10%) or more in the total outstanding issued capital has the right to nominate a candidate for the Supervisory Board. Three shareholders qualify, each of whom has made use of the right to nominate, meaning that three of the five members of the Supervisory Board are not independent within the context of the Governance Code.	The nomination right of a shareholder having at least 10% of the outstanding capital will cease once the shareholder's interest falls below that threshold. This is, however, outside the company's control. Considering the nomination of Saskia Schatteman, as an independent member of the Supervisory Board, 50% of the Supervisory Board members are independent.

DIVERSITY POLICY

Ebusco has a Diversity Policy in place, the purpose of which is to ensure that the composition of the Supervisory Board and Management Board is diverse within the meaning of the policy. The purpose of the Diversity Policy is to achieve that the composition of the Supervisory Board, Management Board, and the employees of the company as a whole is as diverse as possible, taking into consideration a variety of non-discriminatory factors.

The Diversity Policy is aimed not only at achieving a balance in terms of gender but also in a more general sense in terms of skills, experience, background, nationality, age, ethnicity, sexual orientation, religious beliefs, physical ability, and other characteristics.

With respect to the Supervisory Board, the Act on a more balanced ratio of men and women on management and supervisory boards" (Wet evenwichtige verhouding man/vrouw in het bestuur en de raad van commissarissen), stipulates that any vacancy should be filled by a member of the sex not already equally represented. In the case of Ebusco that means that the first new member of the Supervisory Board has to be female.

EXTERNAL AUDITOR

For the 2022 financial year, Ernst & Young Accountants LLP has been appointed as the company's external auditor by the General Meeting of Shareholders prior to the listing of the company and consequently the installation of the audit committee. The appointment of the auditor was done without a tender and selection process as is appropriate for listed companies. Therefore, the company has executed and finalised a tender and subsequent selection of an auditor for the financial years 2024 – 2026. The recommendation is to continue the engagement with Ernst & Young Accountants LLP. The recommended selection of the auditor will be put to vote at the General Meeting of Shareholders in May 2023. The external auditor may be questioned by shareholders and people representing a shareholder at the General Meeting of Shareholders on matters regarding its independent auditor's report. The external auditor is therefore obliged to attend, and allowed to address, the General Meeting of Shareholders.

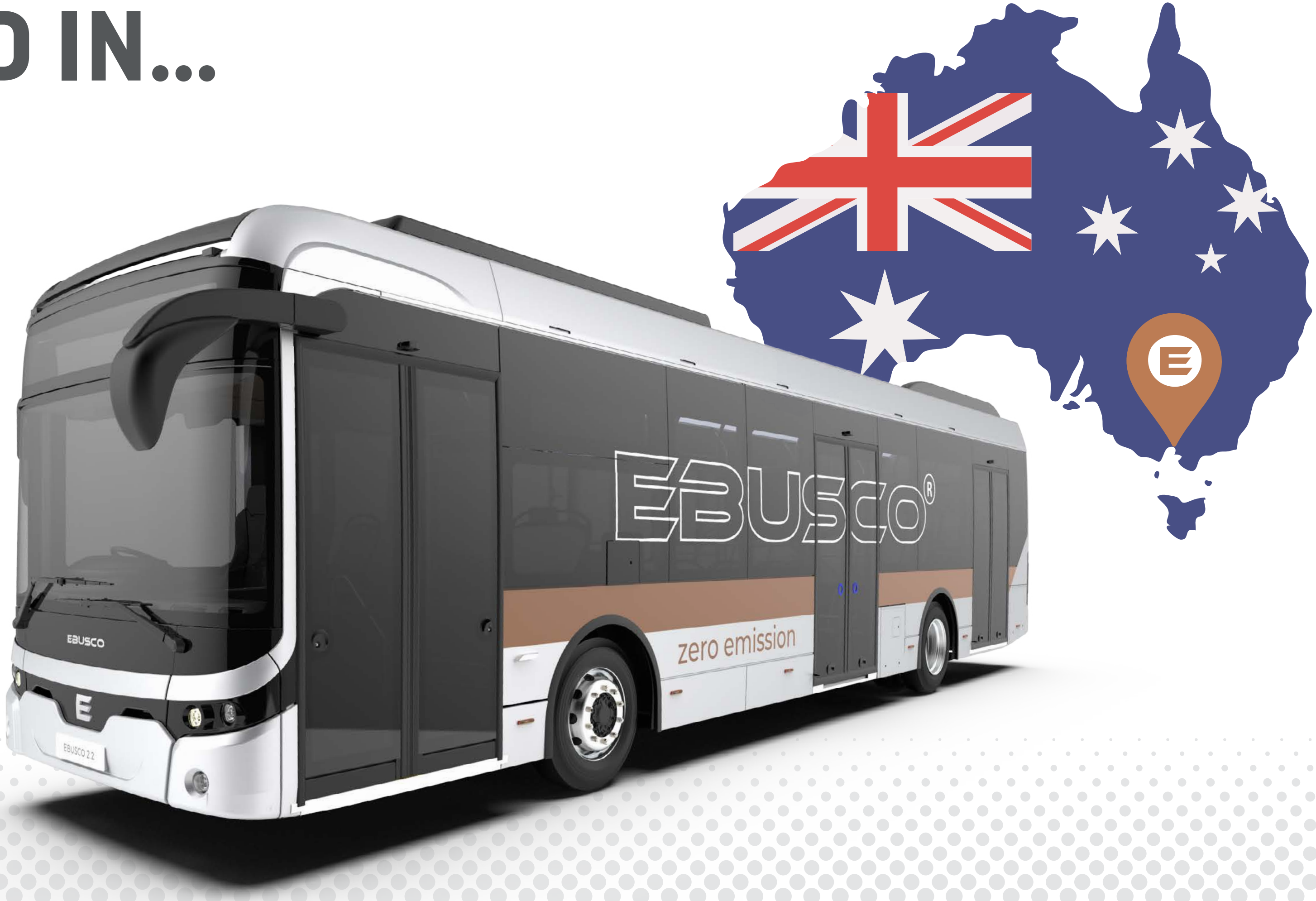
CORPORATE GOVERNANCE STATEMENT

The Governance Code requires companies to publish a statement concerning their approach to corporate governance and compliance with the Dutch Corporate Governance Code. This is referred to in Article 2a of the Decree on additional requirements for board reports ('Besluit inhoud bestuursverslag'), as last amended on 29 August 2017. The information required to be included in this Corporate Governance Statement as described in articles 3, 3a, 3b and 3d of the Decree can be found in this annual report under the Corporate Governance and Shareholder Information chapters.

Deurne, the Netherlands, 29 March 2023

P.H.A.M. Bijvelds, *Chief Executive Officer*
P. van Beers, *Chief Financial Officer*
B.H.M.J. Fleuren, *Chief Operational Officer*

ON THE ROAD IN... AUSTRALIA



LAUNCHING THE FIRST RIGHT-HAND DRIVE

On its route to zero-emission public transport, Ebusco has taken its next step. In September 2022 the company launched its first right-hand-drive Ebusco 2.2 in Australia. With this model, Ebusco is offering a new way of zero-emission traveling in Australia with a spacious design and a quiet and smooth operation that is synonymous with electric buses.

After initially developing the Ebusco 2.2 in 2017, the launch of the extreme right-hand drive is proof of the company's continuous commitment to innovation. With a range of up to 450 kilometers on a single charge, the extremely efficient Ebusco 2.2 is well-fitted for a broad range of climate and weather conditions. The demo right-hand drive will stay on the road for the next 12-18 months to drive commercial momentum in Australia.

SUPERVISORY BOARD

DERK HAANK

Chair, member of the Nomination Committee, member of the Remuneration Committee

Derk Haank was CEO of Springer Nature, a worldwide publishing firm of scientific journals. Prior to that, he was CEO of academic publishing company Elsevier and a board member of Reed Elsevier (both predecessors of publicly listed RELX Group), and CEO of publishing company Misset. He currently is the chair of the supervisory board of navigation technology developer TomTom and a non-executive board member at online gaming and advertising company Azerion.

Derk Haank holds a bachelor's degree in Economics and a master's degree in Business Administration, both from the University of Amsterdam in the Netherlands.

JEROEN DROST

Vice-chair, chair of the Nomination Committee

Jeroen Drost is the CEO of Dutch trading company SHV Holdings, in which role he also sits on several boards of SHV-related companies. He started his career at ABN AMRO where he held various positions in the Netherlands and internationally. Subsequently he was CEO of Dutch commercial bank NIBC and CEO of investment firm NPM Capital. He currently is a member of the general management of VNO-NCW, the largest employers' organisation in the Netherlands.

Jeroen Drost holds a bachelor's degree in Economics and a master's degree in Business Economics, both from the Erasmus University in Rotterdam in the Netherlands.

CARIN GORTER

Member, chair of the Audit Committee

Carin Gorter started her career at a predecessor of accountancy firm EY Nederland. Subsequently, she held various management positions at Rabobank and ABN AMRO. She currently holds various supervisory board positions including, technology firm TKH Group, gym chain Basic-Fit (both Dutch listed companies), legal and financial services provider DAS Holding and Dutch insurance company TVM Verzekeringen.

Carin Gorter holds a master's degree in Business Economics and a postgraduate degree in Accountancy, both from the University of Groningen in the Netherlands. Furthermore, she is external Audit Committee member of the Ministry of Justice and Security and Supervisory Board member of Nederlandse Transplantatie Stichting.

RUUD SPOOR

Member, member of the Audit Committee

Ruud Spoor is CEO of Trackwise Investment Management, a Dutch investment management, and consultancy firm. His 40 years of experience in banking and finance include ten years in private equity. He started his career at ABN AMRO and subsequently held positions at various investment and consultancy firms.

Ruud Spoor holds a Bachelor of Commerce degree from the HES Rotterdam in the Netherlands.

ROELF DE BOER

Member, chair of the Remuneration Committee

Roelf de Boer started his career as an officer in the Royal Netherlands Marine Reserve Corps, and subsequently held various positions in the port and transport industry, amongst others at Royal Nedlloyd Group. Furthermore, he held various public and semi-public positions including as minister of Transport, Public Works and Water Management of the Netherlands and president of the Rotterdam Chamber of Commerce.

Roelf de Boer is currently chair of the Supervisory Board of logistics services provider Verbrugge International.

REPORT OF THE SUPERVISORY BOARD

INTRODUCTION

MESSAGE FROM CHAIR OF THE SUPERVISORY BOARD

"I'm very proud of what the entire Ebusco team has accomplished in 2022"

DERK HAANK
CHAIR

Looking back at my first full year as chair of the Supervisory Board, I'm proud of what all associates of Ebusco have accomplished and what opportunities lie ahead of us. The listing end of the financial year 2021 was a major milestone, enabling our international expansion plan. A highlight of this year was the signing of the Letter of Intention for an assembly location in Rouen, France. This facility will contribute to expanding our production capacity in Europe. Another important milestone is the contract Ebusco signed for the delivery of nine Mobile Energy Containers, with the option for another eleven. This contract proves that Ebusco's expertise and know-how are not limited to buses but can be utilized throughout the complete transportation sector. Lastly, I would like to address the reveal of the Ebusco 18-meters 3.0 bus. This took a lot of effort, but we are proud of what the entire Ebusco team has accomplished and are confident that this bus will be a success.

We are pleased to announce that we will nominate Saskia Schatteman for appointment at the Annual General Meeting of Shareholders in May 2023 to further strengthen the Supervisory Board for a period of four years (AGM 2027). At the same time, Roelf de Boer will be nominated for re-appointment for one year (AGM 2024).

Looking ahead to 2023, and beyond, supply chain disruptions and inflation will continue to be a challenge. However, I strongly believe that the entire Ebusco team will overcome these challenges and will enter the next phase in accomplishing our international expansion plan. The opening of our new production facility in France will significantly improve our assembly footprint in Europe.

I would like to thank the Management Board, but above all the Ebusco associates, who work very hard in achieving our long-term strategy. Without these skilled and motivated associates, Ebusco would not be on track with its international expansion plan. I look very much forward to continue to work with the Management Board and the Ebusco associates.

On behalf of the Supervisory Board,
Derk Haank

GENERAL

This report provides an overview of the approach and activities undertaken by the Supervisory Board in the year under review. In addition to supervising the general course of affairs, an important part of the Supervisory Board's activities was focused on ensuring Ebusco's successful listing and an appropriate governance structure.

In carrying out its duties, the Supervisory Board is guided by the Dutch Civil Code, the Dutch Corporate Governance Code, the company's Articles of Association, the Management Board By-laws, insofar specific tasks and duties are designated to the Supervisory Board, the Supervisory Board By-laws, the charters of the respective committees of the Supervisory Board, the various company policies and the overall interests of the entire Ebusco group, the enterprises associated with it and its various stakeholders.

COMPOSITION, INDEPENDENCE AND EDUCATION

The Supervisory Board consists of knowledgeable individuals with outstanding reputations and experience in supervisory roles who actively support the Management Board, providing it with guidance and advice.

The Supervisory Board profile is aligned with the profile and strategy of Ebusco, with a balanced distribution of specific expertise in relation to its business activities, strategy and long-term goals. Ebusco aims to have a balanced Supervisory Board.

Effective 2022, Dutch law provides a mandatory gender quota, requiring that at least one-third of the Supervisory Board members are women and at least one-third are men (for calculation purposes, a total number of board members that cannot be divided by three, must be rounded up to the next number that can be divided by three). The quota is applicable to (i) the appointment of new Supervisory Board members, and (ii) the re-appointment of acting board members after eight years following their initial appointment. Ebusco realizes that it currently does not meet the gender diversity quota for the Supervisory Board. Diversity, including in terms of gender, is an important consideration in the selection process for the appointment and reappointment of members of the Supervisory Board. The quota is that at least one third (1/3) of the total number of members of the Supervisory Board is woman. At present this is one-fifth (1/5th), however considering the nomination of Saskia Schatteman the ratio increases to 1/3 and subsequently, if and when another vacancy arises in the coming years, the Supervisory Board will take into account the Supervisory Board profile, Dutch law and the Governance Code in order to ensure the Supervisory Board is brought in line with the diversity requirements of the Governance Code.

The members of the Supervisory Board attended induction sessions aimed at informing them about Ebusco's strategy, financial reporting, risk and audit, HR, marketing, legal and governance-related affairs. All members of the Supervisory Board visited the operational site in Deurne to gain a deeper knowledge and understanding of the company's operations, opportunities and challenges.

SUPERVISORY BOARD COMPOSITION

Name	Nationality	Gender	Financial expertise	Number of supervisory board* positions held
Derk Haank (1953)	Dutch	Male		2
Jeroen Drost (1961)	Dutch	Male	yes	3
Carin Gorter (1963)	Dutch	Female	yes	5
Ruud Spoor (1958)	Dutch	Male	yes	1
Roelf de Boer (1949)	Dutch	Male		2

* Number of current supervisory board positions at listed and large entities, including Ebusco.

Name	First appointment	Term expiration	Ebusco Supervisory Board Committee
Derk Haank	26 October 2021	AGM 2025	Nomination Committee, Remuneration Committee
Jeroen Drost	26 October 2021	AGM 2024	Nomination Committee (chair)
Carin Gorter	26 October 2021	AGM 2024	Audit Committee (chair)
Ruud Spoor	26 October 2021	AGM 2025	Audit Committee
Roelf de Boer	26 October 2021	AGM 2023	Remuneration Committee (chair)

Supervisory Board members Carin Gorter and Derk Haank are considered independent members of the Supervisory Board, as defined in best practice provision 2.1.8 of the Dutch Corporate Governance Code. Pursuant to the existing Relationship Agreement entered into on the date of listing of Ebusco, all shareholders having ten percent (10%) or more of the total outstanding shares in the company have the right to nominate a candidate for the Supervisory Board.

Consequently, three (3) shareholders nominated a member of the Supervisory Board, thus the majority of the Supervisory Board is not qualified as independent as defined in best practise provision 2.1.8 of the Dutch Governance Code. Hence Ebusco does not comply with best practice provision 2.1.7 ii.

The Supervisory Board strongly believes the overriding principle for its composition is that its members make a valuable contribution in terms of experience and knowledge. In the opinion of the Supervisory Board, its size and composition meet the specifications laid down in the Supervisory Board profile, notwithstanding the above factors. The Supervisory Board profile forms an integral part of the Supervisory Board bylaws.

None of the Supervisory Board members were granted, nor do they own, any Ebusco shares or options on shares since their respective dates of appointment up to and including 31 December 2022.

EVALUATION

The Supervisory Board conducted a self-assessment in December 2022 to evaluate its own performance as well as the performance of its committees and individual members, including the interaction with the Management Board.

The overall outcome from the evaluation was positive. The composition of the Supervisory Board provided for a wealth of expertise and experience. The Supervisory Board was also positive about its relationship with management. All members of the Supervisory Board expressed the wish for site visits to learn more insights and get more familiar with the assembly process. Furthermore, the Supervisory Board expressed the wish to be updated on all relevant compliance laws and regulations. Finally, it was concluded that the diversity of the Supervisory Board and of the Company's leadership teams, in a broader sense, must remain a focus point in the coming years.

SUPERVISORY BOARD ENGAGEMENT 2022

The Supervisory Board met officially seven times in 2022. Except for a limited number of occasions, and for valid reasons, Supervisory Board members attended all Supervisory Board meetings in 2022. The entire Management Board was present during these meetings. Four meetings were held in Deurne, The Netherlands, whereas three meetings were held online. In addition, the chairman of the Supervisory Board was in regular and informal contact with the CEO and the chairman of the Audit Committee stayed in regular, informal, contact with the CFO.

The meetings addressed routine commercial, financial and operational matters, and focused on the implementation of the strategy. The Supervisory Board paid particular attention to the Related Party Transactions. The Supervisory Board approved all policies of the company which became applicable concurrent with the listing, including regulations governing the Management Board and Supervisory Board.

ACTIVITIES OF THE SUPERVISORY BOARD COMMITTEES

There are three committees that support the Supervisory Board: the Audit Committee, the Nomination Committee and the Remuneration Committee. Each committee addresses relevant topics and the chairman of the committee reports to the Supervisory Board on the discussions held within the committee and its main recommendations to the Supervisory Board as a whole.

AUDIT COMMITTEE

The Audit Committee consists of two members, Carin Gorter (chair) and Ruud Spoor. The Audit Committee has the appropriate level of knowledge and experience in terms of financial administration and accounting for listed companies. The committee's main role is to assist the Supervisory Board in monitoring the systems of internal control, the quality and integrity of the financial reporting process, and the content of the financial statements and reports; as well as in assessing and mitigating the company's business and financial risks.

SUPERVISORY BOARD MEETINGS

Month	Topics	Attendance rate
March	Formalisation Budget 2022 Draft Annual Report 2021 Speak-up policy Legal and compliance update Related party transactions	5 of 5
April	Approval Annual Report 2021 Approval press release	5 of 5 - online
June	Evaluation General Meeting of Shareholders 2022 Bussiness update Speak-up policy IT and Cybersecurity ERP implementation Tax update Treasury Management ESG strategy and reporting Insurance Related party transactions Replacement Corporate Secretary	5 of 5
August	Approval Q2-2022 interim results Approval press release Approval minutes of the General Meeting of Shareholders 2022 Business update	5 of 5 - online
October	Approval Q3-2022 press release Financing strategy and developments Business update	5 of 5
December	Self-assessment and capability matrix (own performance) Succession planning Supervisory Board Education and training Supervisory Board members Budget 2023 (no approval) Annual strategy session Annual evaluation of Code of Conduct Approval Internal Audit plan 2023 ESG reporting and developments Ramp-up plan Management letter 2022	4 of 5
December	Audit tender process and proposal	4 of 5 - online

The charter of the Audit Committee is available on the company's corporate website.

The Audit Committee met nine times in 2022. The Audit Committee members attended all Audit Committee meetings in 2022. All nine meetings were held in Deurne, The Netherlands. All these meetings were attended by the external auditor. In addition to the official meetings, both members of the Audit Committee have regular contact with the CFO and the Internal CFO, mainly in order to prepare for the Audit Committee meeting.

The Supervisory Board oversees management's monitoring of compliance using the company's risk management policies and procedures and reviews the adequacy of the risk management framework in terms of risks faced by the company. The further strengthening and development of the internal risk framework is a key point on the agenda of the Audit Committee. As part of these discussions, the audit committee obtained a clear picture of steps that have been taken to strengthen the IT security. The Audit Committee has been informed by the Management Board about the internal control framework and has been actively involved in the creation of the outsourced internal audit function.

The Audit Committee established that the auditor is independent. As it is appropriate for listed companies, the Audit Committee started and finalised a tender process regarding the nomination for the (re)appointment of the external auditor for the financial years

AUDIT COMMITTEE MEETINGS

Month	Topics	Attendance rate
January	Budget 2022 IT and cybersecurity Legal and compliance Tax Speak-up policy ESG	2 of 2
February	Status Annual Report 2021, including Financial Statements 2021 Budget 2022 IT and cybersecurity Legal and compliance Tax Speak-up policy ESG	2 of 2 - 1 additional Supervisory Board guest
March	Status Annual Report 2021, including Financial Statements 2021 Budget 2022 Internal audit External audit IT and cybersecurity Legal and compliance ESG Tax	2 of 2
May	Agenda General Meeting of Shareholders Preparation Q2-2022 interim report Press release Evaluation audit 2021, including audit fees	2 of 2
June	Q2-2022 interim report, including specific IFRS accounting positions Implementation ERP system Speak-up policy Internal risk management ESG Finance update Insurance Audit plan 2022, including audit fees Legal and compliance Tax	2 of 2 - 1 additional Supervisory Board guest
August	Q2-2022 interim report, including specific IFRS accounting positions Implementation ERP system ESG reporting	2 of 2 - 1 additional Supervisory Board guest
September	Audit tender process	2 of 2 - 1 additional Supervisory Board guest
October	Lost Time Injury Frequency (LTIF) Early warning audit topics	2 of 2 - 1 additional Supervisory Board guest
November	Planning Annual Report 2022 Management letter external auditor Medium- and long-term financing plan Forecast 2022 Evaluation Internal Auditor Internal audit plan 2022 Internal control framework Tax framework Related party transactions 2022	2 of 2

2024-2026, in the third quarter of 2022. The selection of the recommended external auditor will be put to vote on the General Meeting of Shareholders on 17 May 2023.

NOMINATION COMMITTEE

The Nomination Committee consists of two members: Jeroen Drost (chairman), and Derk Haank. The main responsibility of the committee is to assist the Supervisory Board and Management Board with the selection and appointment (and reappointment) procedures for members of the Supervisory Board and the Management Board.

The charter of the Nomination Committee is available on the company's corporate website.

Per the 2023 AGM, the appointment term of Paul van Beers, CFO, will expire. Mr. Van Beers has informed the Supervisory Board that he is not available for reappointment and will retire per the 2023 AGM, upon completion of his current term. The Supervisory Board extends its thanks to Mr. Van Beers for his valuable contribution over the past 18 months, during which the Supervisory Board has greatly benefited from his knowledge and experience.

In view of the upcoming expiration of the term of Paul van Beers, the Committee engaged in multiple sessions with the CEO to determine the optimal composition of the Management Board. The committee intends to appoint Bjorn Krook, currently Investor Relations Manager, as ad interim CFO.

The current term of Roelf de Boer, Supervisory Board member, will end per the 2023 AGM. The Supervisory Board intends to nominate Roelf de Boer for reappointment as member of the Supervisory Board effective from the 2023 AGM and for the duration of one year, until AGM 2024. He was first appointed in 2021 and has been a highly valued member of the Supervisory Board. Roelf de Boer also is the Chairman of the Remuneration Committee.

In addition, the Supervisory Board intends to nominate Saskia Schatteman as a new member of the Supervisory Board, effective from the 2023 AGM. The Supervisory Board expects that Saskia Schatteman will be a valuable contributor to the Supervisory Board, given her background and experience.

The Supervisory Board reviewed its relationship with the Management Board and it concluded that the relationship allows for open, in-depth discussions. The Supervisory Board emphasized the importance of obtaining the required information in a timely manner and the Management Board acknowledged this.

The Nomination Committee met twice in 2022. The Nomination Committee members attended both meetings in 2022. One meeting was held in Deurne, The Netherlands and the other meeting was online.

REMUNERATION COMMITTEE

The Remuneration Committee consists of two members: Roelf de Boer (chairman) and Derk Haank. The main responsibility of the committee is to assist the Supervisory Board and Management Board in the establishment of an appropriate remuneration scheme for members of the Supervisory Board, members of the Management Board and, if so desired by the Management Board, members of the Management Team or other key figures within the organisation.

The charter of the Remuneration Committee is available on the company's corporate website.

The Remuneration Committee met five times in 2022. The Remuneration Committee members attended all meetings in 2022. All meetings were held in Deurne, The Netherlands. For one Remuneration Committee meeting, the other members of the Supervisory Board participated.

NOMINATION COMMITTEE

Month	Topics	Attendance rate
September	Recruitment for new Supervisory Board member Policy review for selection and appointment of senior management	2 of 2
December	Self-assessment Supervisory Board, including capability matrix Succsion planning Supervisory Board Training requirements Supervisory Board members Evaluation of composition, performance and succession planning of Management Board	2 of 2

REMUNERATION COMMITTEE

Month	Topics	Attendance rate
January	Review of Remunration report 2021 Management Board remuneration 2022	2 of 2
February	Approval of Remuneration report 2021	2 of 2
March	Speak-up policy Whistleblower policy Remuneration Management Board 2022	2 of 2
October	Evaluation of shortand long term incentives (performance)	2 of 2 - 3 additional Supervisory Board guests
December	Evaluation remuneration Supervisory Board Draft Remuneration report 2022	2 of 2

Board attendance	Supervisory Board		Audit Committee		Remuneration Committee		Nomination Committee	
Number of meetings	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Derk Haank	7	7			5	5	2	2
Jeroen Drost	7	6	9	2	5	1	2	2
Carin Gorter	7	7	9	9	5	1		
Roelf de Boer	7	6	9	3	5	5		
Ruud Spoor	7	7	9	9	5	1		

ATTENDANCE 2022

Except for a limited number of occasions, and for valid reasons, Supervisory Board members attended all Supervisory Board meetings in 2022. In all cases, the Supervisory Board members who were not able to attend made sure they were represented. All Supervisory Board members made adequate time available to give sufficient attention to matters concerning the Company.

For all committee meetings, the supervisory Board members, not being members of the committee, received a standing invitation. For some occasions, supervisory board members made use of the invitation to participate as guests in these committee meetings.

INDEPENDENCE

The Supervisory Board confirms that, during 2022, as well as on the date of publication of this report, two Supervisory Board members were independent and three Supervisory Board members were considered not to be independent referring to best practice provision 2.1.8 vi of the Dutch Corporate Governance Code. Ruud Spoor has been nominated by the current CEO, as pre-IPO shareholder. Jeroen Drost has been nominated by ING, as pre-IPO shareholder. Roelf de Boer has been nominated by VDVI, as pre-IPO shareholder.

The Supervisory Board is under the opinion that the Board complies with the following articles of the best practice provisions of the Corporate Governance Code:

- 2.1.7 except for 2.1.7 ii
- 2.1.9

2022 FINANCIAL STATEMENTS

The Audit Committee reviewed and discussed the Management Board report and financial statements for the 2022 financial year. The financial statements for 2022 were audited and provided with an unqualified independent auditor's report by Ernst & Young Accountants LLP (see the independent auditor's report in other information pursuant to 2:392 Dutch Civil Code) and were extensively discussed by the Audit Committee in the presence of the Management Board and the independent auditor in March 2023. Following this discussion, the entire Supervisory Board discussed the financial statements with the Management Board in the presence of the auditors. The Supervisory Board is of the opinion that the 2022 financial statements meet all requirements for correctness and transparency. The 2022 financial statements are endorsed by all Management Board and Supervisory Board members and are included in this Annual Report. The Supervisory Board recommends that the General Meeting of Shareholders, to be held on 17 May 2023, adopt the 2022 financial statements. In addition, it recommends that the members of the Management Board and Supervisory Board be discharged from liability for their respective management and supervisory activities performed in 2022.

GRATITUDE

The past year was yet another exceptional year, where the company demonstrated progress on the international expansion plan to meet its long-term objectives.

We are grateful to Ebusco's shareholders for their continued trust in and support of the Company, its strategy and its management. Most of all, the Supervisory Board would like to express its gratitude to associates and management for their passion and dedication in delivering on Ebusco's promises to customers and all its other stakeholders.

Deurne, the Netherlands, 29 March 2023

Derk Haank
on behalf of the Supervisory Board

REMUNERATION REPORT

"On behalf of the Remuneration Committee, I am pleased to present the 2022 Remuneration Report."

ROELF DE BOER
CHAIR OF THE REMUNERATION COMMITTEE

MESSAGE FROM THE CHAIR OF THE REMUNERATION COMMITTEE

Dear Stakeholder,

"On behalf of the Remuneration Committee, I am pleased to present the 2022 Remuneration Report, providing a summary of the application of the remuneration policy for the Management Board and the Supervisory Board in 2022."

SUMMARY OF 2022 PERFORMANCE

Looking back on 2022, we are incredibly pleased to see that Ebusco experienced a strong revenue growth in a very dynamic environment. In addition, the order book increased significantly, and the order pipeline indicates further continuous growth. To meet current and future demand, Ebusco is actively adding and improving capacity. A good example is the new factory in Rouen, France. This factory is expected to be operational in the first half of 2024.

The supply chain situation continued to be a disruption, however its impact normalized over the third and fourth quarters. Nevertheless, Ebusco continues to experience late deliveries which sometimes leads to higher transport costs and inefficiencies during assembly.

The Supervisory Board is very supportive of Ebusco's long-term strategy and proud of what the Management Board and the entire organisation have achieved.

LOOKING AHEAD TO 2023

Ebusco strongly believes that sustainability is our license to operate. Sustainability will take an even more significant role by accelerating our environmental, social and governance targets for 2023.

In the period ahead, the Remuneration Committee will be closely monitoring developments in Sustainability reporting and Corporate Governance. The new Dutch Corporate Governance Code, effective as of 2023 and the development and growth of the Company, could have an impact on the remuneration policies of the Management Board and Supervisory Board to be operated going forward.

The geopolitical uncertainty coupled with supply chain shortages and the COVID-19 exposure will continue to disrupt the organization and its performance in 2023 but the Supervisory Board is very supportive of the mitigating actions taken by the Management Board.

I would like to thank our shareholders and other stakeholders for their engagement and for sharing their views on executive remuneration. We welcome feedback from our shareholders on this 2022 Remuneration Report. We hope the Remuneration Report provides a transparent view of executive remuneration as operated during 2022.

This report describes how the Remuneration Policies of the Management Board and Supervisory Board were implemented in 2022.

This report was prepared by the Management Board and the Remuneration Committee of the Supervisory Board. The Remuneration Committee makes recommendations to the Supervisory Board regarding the remuneration policy, as adopted by the General Meeting, for the Management Board and how to apply this policy to the remuneration of the individual Management Board members.

This remuneration report combines the requirements that the Remuneration Committee must adhere to when preparing a remuneration report in line with the best practice provisions of the Dutch Corporate Governance Code (the 'Code') with the requirements as contained in article 2:135b of the Dutch Civil Code. This remuneration report is published on the company's corporate website as part of the annual report and will be submitted to the Annual General Meeting of Shareholders (AGM) on 17 May 2023 for an advisory vote.

This remuneration report is based on the current remuneration policy that was approved by and became effective following the General Meeting on 17 October 2021, prior to the company's public listing on Euronext. Any subsequent changes to the remuneration policy are subject to the approval of the General Meeting of Shareholders.

During the 2021 AGM, the advisory vote on the 2021 Remuneration Report received 98.62% of the votes cast in favor. Given the short listing history on Euronext Amsterdam and considering this advisory vote result received, the Supervisory Board considered that no material changes are required at this stage with respect to the current remuneration policy.

Consistent with the best practice principles of the Code, the first part of this remuneration report describes the remuneration policy for the members of the Management Board, while the second part sets out how the remuneration policy was implemented in 2022. The report concludes with the details of the remuneration policy of the Supervisory Board and how this remuneration policy was implemented in 2022.

REMUNERATION POLICY

The remuneration policy aims to attract, retain and reward highly qualified executives with the required background, skills, and experience needed for a company the size and complexity of Ebusco. The policy is transparent and aligns with the interests of the company's shareholders and other stakeholders. Pursuant to the remuneration policy, the remuneration packages of the members of the Management Board consist of fixed and variable components. The variable remuneration is linked to predetermined, assessable, and influenceable targets, which are predominantly of a long-term nature. The remuneration policy is in keeping with the entrepreneurial culture of Ebusco and aims to achieve a good balance between fixed and variable income, whereby the base compensation is relatively low and the variable compensation, provided that targets have been achieved, relatively high. The rationale behind this balance is that the company is focused on achieving growth, which should be compensated fairly. In this context, the members of the Board are incentivized and motivated to focus on and achieve the projected growth of the company.

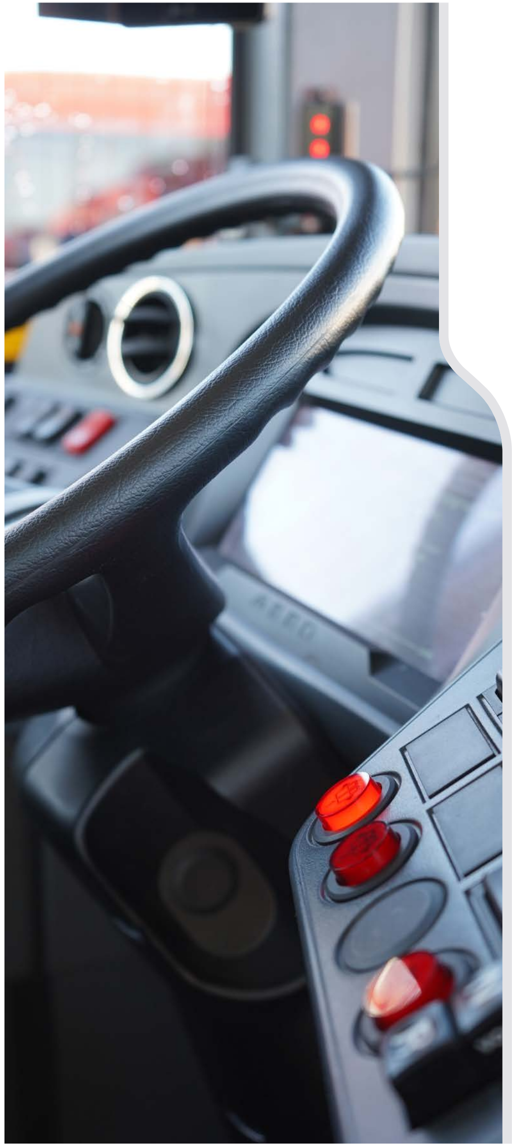
The remuneration of the Management Board consists of five elements:

- Fixed compensation - annual base salary
- Short-term incentive - annual cash bonus plan
- Long-term incentive – annual performance share plan
- Pension allowance and other benefits (e.g. expense reimbursements)
- Severance payments

PEER GROUP

In 2021, in anticipation of the listing, the company commissioned an independent remuneration consulting

	REMUNERATION MANAGEMENT BOARD	REMUNERATION SUPERVISORY BOARD	PAY RATIO CEO
	€1,134,056	€249,000	7.2
2021	€5,814,644	€62,250	4.7



firm to provide advice on the remuneration of the Management Board and Supervisory Board within the framework of the proposed remuneration policy. Based on this external advice Ebusco decided to set a base salary level around the median figure of the base salaries of the companies comprising the AScX Index whilst the annual cash bonus (STI) and performance share bonus (LTI) would be based upon the upper 25 percentile of the AScX Index companies. These compensation levels were consistent with the characteristics of Ebusco as well as in line with Ebusco's growth perspective.

FIXED REMUNERATION

The annual base salary of the Management Board members is a fixed compensation set by the Supervisory Board that considers a variety of factors. Based on the peer group benchmark, the fixed compensation of the members of the Management Board was adjusted on 17 October 2021. As a result, the annual base salary was set at €387,000 for the CEO and at €275,000 for both the CFO and COO, in line with the remuneration policy. For the financial year 2022, these annual base salaries remained unchanged.

VARIABLE REMUNERATION

SHORT-TERM INCENTIVE (STI)

The STI is an annual cash bonus. The objective is to incentivize strong financial and personal performance, in line with Ebusco's strategy and annually defined targets.

The bonus for the members of the Management Board may vary from 0% to 50% of the annual fixed base salary, with 30% being applicable when targets are achieved, for both financial and non-financial personal targets. The payout at the threshold level is 0%, and 50% in the event of outperformance, to be determined for each separate target. These bonus percentages are at the high end of the upper 25 percentile of the AScX companies. The underlying rationale is to reward the growth of Ebusco.

Targets are set annually by the Supervisory Board based on the budget and with a view to the company's strategic ambitions. Financial targets are linked to the Ebusco 3.0 international roll-out plan and comprise 70% of the bonus, while non-financial or individual targets make up the remaining 30%. These individual targets are related to the definition and implementation of new strategic projects or products within the company, with a focus on sustainable long-term growth.

A performance zone is set for each of the financial targets, with no bonus below the threshold level and the maximum bonus when the performance exceeds the upper end of the performance zone, in accordance with the following parameters:

Financial target		Payout % of base salary
Threshold	60% achievement of Roll-Out Plan target	15%
At Target	70% achievement of Roll-Out Plan target	30%
Out performance	100% achievement of Roll-Out Plan target	50%

The Supervisory Board may change the percentages and targets from time to time.

LONG TERM INCENTIVE (LTI)

The purpose of the long-term incentive plan is to align the interests of the company, shareholders and the Management Board for the medium and long term, to foster and reward sustainable performance and to provide an incentive for long-term commitment, thus promoting Management Board retention. Under the company's long-term incentive plan members of the Management Board may be awarded conditional performance share units from the 2022 financial year onwards. For all members of the Management Board the at-target value of the award may amount to 100% of their annual fixed base salary in the respective year.

Awards of performance share units will vest at the end of a three-year performance period subject to (i) the achievement of predetermined revenue growth targets consistent with the creation of long-term company value; and (ii) the continued service as a Management Board member with the company.

When considered appropriate, the Remuneration Committee may apply at its discretion a performance incentive zone between 0% and 150% of the at-target value of the award depending on the long-term and sustainable performance achieved during the performance period. Furthermore, the Remuneration Committee has the discretion to introduce a non-financial target as an underpin to ensure sustained long-term performance (e.g. relating to ESG).

Where required to ensure an appropriate reflection of performance, the Supervisory Board may at its discretion amend the level of vesting of performance share units, with the understanding that the award may not be increased in excess of the performance incentive zone. Any such discretionary amendment which would result in an increase in pay-out of more than 25% is subject to prior approval by the General Meeting of Shareholders.

During the financial year 2022 the Remuneration Committee decided to increase the threshold from 60 to 80% based on a benchmark study.

PENSION ALLOWANCE AND OTHER BENEFITS

The members of the board have been granted a pension allowance of an amount that is equal to approximately 16% of their base salary, excluding any allowances and bonus payments.

Other benefits include 25 days of paid vacation per calendar year. Furthermore, the members of the Management Board receive a car allowance or company car in accordance with the company's car policy. Apart from these benefits, no other benefits are granted.

Performance conditions measured over the 3 year performance period	PSU Vesting percentage
Threshold: <80% achievement of the company goals	**0%**
Between 80 - 100% achievement of the company goals	Between 1% and 100% on a straight-line basis
At target: 100% achievement of the company goals related to the Roll-Out Plan	**100%**
Between 100 -120 achievement of the company goals	Between 100% and 150% on a straight-line basis
Out performance: 120% achievement of the company goals related to the Roll-Out Plan	**150%**

SEVERANCE PAYMENT

The service agreements with the Management Board stipulate a notice period of six months and include a severance payment of six months of fixed base salary in the event of involuntary termination. No severance payment will be made in the event of serious imputable or negligent behaviour. This is compliant with the best practice provision of the Dutch Corporate Governance Code on severance pay.

CLAW-BACK AND ULTIMUM REMEDIUM

Variable remuneration may be adjusted or recovered from a member of the Management Board, in accordance with the relevant provisions in the Dutch Civil Code, as amended from time to time.

MANAGEMENT BOARD REMUNERATION 2022

The total remuneration of each individual member of the Management Board recognized and paid by the company in 2022 is as follows:

	Fixed Base Salary	Pension Allowance	STI	LTI	Other	TOTAL	Fixed compensation as % of Total	Variable compensation As % of Total
CEO	€387,000	€63,000	€0	€0	€9,996	€459,996	100.00%	0.0%
CFO	€275,000	€45,000	€0	€0	€18,000	€338,000	100.00%	0.0%
COO	€275,000	€45,000	€0	€0	€16,260	€336,260	100.00%	0.0%
TOTAL	**€937,000**	**€153,000**	**€0**	**€0**	**€44,256**	**€1,134,256**	**100.00%**	**0.0%**

The total remuneration of each individual member of the Management Board recognized and paid by the company in 2021 is as follows:

	Fixed Base Salary	Pension Allowance	Extraordinary Compensation	STI	LTI	Other	TOTAL	Fixed Compensation as % of Total	Variable Compensation As % of Total
CEO	€267,914	€12,024	€0	€0	€0	€6,663	€286,601	100.00%	0.0%
CFO	€295,880	€8,588	€5,000,000	€0	€0	€11,028	€5,315,496	100.00%	0.0%
COO	€182,516	€18,069	€0	€0	€0	€11,961	€212,546	100.00%	0.0%
TOTAL	**€746,310**	**€38,681**	**€5,000,000**	**€0**	**€0**	**€29,652**	**€5,814,643**	**100.00%**	**0.0%**

The pre-IPO shareholders have entered into a settlement agreement with PBE Support, in the context of the pre-IPO restructuring. PBE Support is wholly owned by Ebusco's CFO, Paul van Beers. A payment is due to PBE Support by the respective pre-IPO shareholder if a change in ownership of the shares held by the pre-IPO shareholders occurs. In 2022 one of the pre-IPO shareholders sold shares, which triggered a payment of €1.5 million by that respective shareholder. This transaction has no impact on Ebusco's balance sheet, income statement or cash-flows. Therefore, this transaction is not included in the CFO's remuneration as summarized above for both 2021 and 2022.

FIXED COMPENSATION

Prior to Ebusco's listing, the service agreements in place at the time with each of the respective Management Board members were terminated and new service agreements were concluded and came into effect. Therefore, all three members of the Management Board are included in the payroll administration of the company as from 22 October 2021. The fixed base salary for 2021 consists of both payments under the terminated service agreements and payments under the new service agreements. When drawing up the remuneration policy and determining the remuneration of the members of the Management Board, the Supervisory Board considered possible outcomes of the variable remuneration elements and how they may affect the remuneration of the members of the Management Board. These scenario analyses were considered when defining the structure of the policy.

The Remuneration Committee also reviewed whether the remuneration policy is still suitable for the level and size of the company, and more specifically, if the remuneration level is in line with the market. In 2022, the Remuneration Committee concluded that the remuneration of the members of the Management Board was in line with market practices and within the boundaries of the remuneration policy.

The Supervisory Board does not expect any significant modifications to the remuneration policy during the first three years after the company's listing.

In determining the remuneration of the Management Board, the Supervisory Board also considers the impact of the overall remuneration of the Management Board on the pay differential within Ebusco. In line with the Code Ebusco considered the internal pay ratios within the organization when formulating the remuneration policy and when determining the remuneration of individual members of the Management Board.

The Supervisory Board can make discretionary adjustments to the outcome of variable remuneration, if the outcome is deemed unfair. In that case, the Supervisory Board can deviate from the policies set out above, when the members of the Supervisory Board consider this necessary or desirable in specific individual cases.

SHORT-TERM INCENTIVE (STI)

The STI is an annual cash bonus. The objective is to incentivize strong financial and personal performances, in line with Ebusco's strategy and annually defined targets. Financial targets are linked to the Ebusco 3.0 international roll-out plan and comprise 70% of the bonus, while non-financial or individual targets make up the remaining 30%. These individual targets are related to the definition and implementation of new strategic projects or products within the company, with a focus on sustainable long-term growth.

Financial target		Payout (% of base salary)
Threshold	60% achievement of Roll-Out Plan target	15%
At Target	70% achievement of Roll-Out Plan target	30%
Out performance	100% achievement of Roll-Out Plan target	50%

The financial targets relate to:

- Orderbook (# of buses): The orderbook is defined as all orders for which a signed contract is in place, an option for another order within an existing contract and call-off contracts.
- Deliveries (# of buses): Deliveries are defined as delivery to and acceptance by the customer.
- Revenue: Revenue is defined as total revenues as per the financial statements

The non-financial personal targets relate to:

- Execution of the roll-out plan (non-financial): This is defined as the set-up for a greenfield/brownfield and decision for the Netherlands to support growth ambitions.
- Continuous cost price reduction: This is defined as a 20% cost reduction versus the base line (as per the end of a specific year).
- People, processes and procedures
  - Successfully execute the "Best in class project" and contribute to the achievement of ISO 9001;
  - ESG (Environmental, Social, Governance): Set op sustainability plan before end 2022;
  - Employee satisfaction: Retention rate not lower than year-end 2021 (87%) and set up survey 2023;
  - Set up Health and safety targets for 2023.
- Individual target

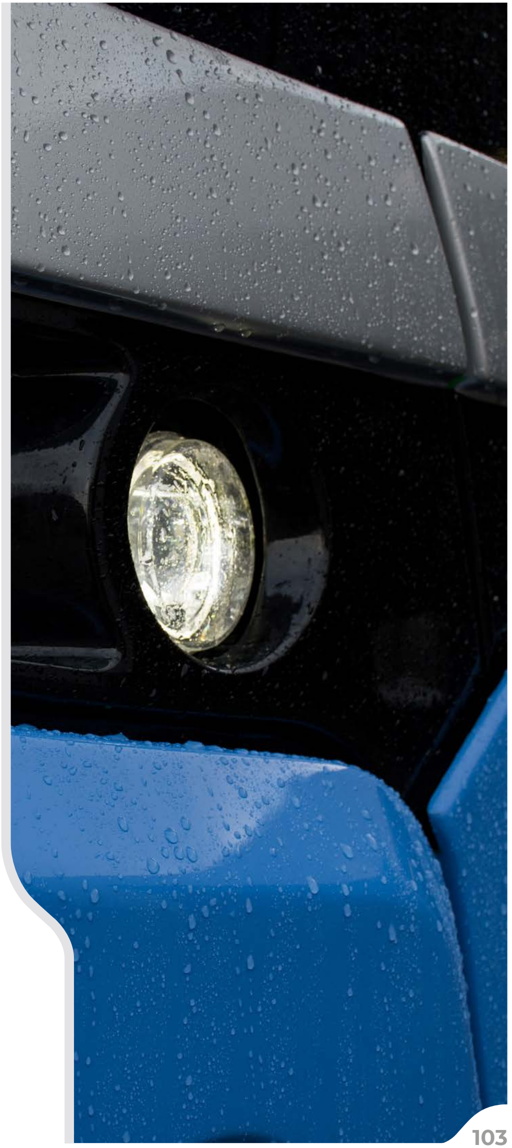
For 2022, no STI was granted due to the performance of company.

LONG-TERM INCENTIVE: PERFORMANCE SHARE PLAN PSU

As part of the remuneration policy, Ebusco has introduced a performance share unit plan (PSU) for the Management Board. The purpose of the PSU is to align the interests of the company, shareholders and Management Board over the long term. A PSU is a long-term incentive and consists of an annual grant of conditional performance shares. Vesting is subject to continued employment and performance testing after three years.

The number of conditionally granted shares is set for three years. Any award for performance shares will in principle vest at the end of a three-year performance period.

A performance zone is set for each of the company goals, with a threshold of 80% related to the achievement of the company goals, as shown below.



Performance conditions measured over the 3 year performance period	PSU Vesting percentage
Threshold: <80% achievement of the company goals	**0%**
Between 80 - 100% achievement of the company goals	Between 1% and 100% on a straight-line basis
At target: 100% achievement of the company goals related to the Roll-Out Plan	**100%**
Between 100 -120 achievement of the company goals	Between 100% and 150% on a straight-line basis
Out performance: 120% achievement of the company goals related to the Roll-Out Plan	**150%**

Similar to the STI, no PSU was granted due to the impact of COVID-19 and the performance of the company.

The company goals relate to:

- Revenues: Revenues are defined as total revenues as per the financial statements
- EBITDA margin
- Development and implementation of ESG strategy

The overall PSU vesting is subject to meeting the ESG target. In case the ESG target will not be met, no PSU's will vest irrespective of financial performance.

Similar to the STI, no performance share plan was granted due to the performance of the company.

REPAID REMUNERATION

The Supervisory Board had no reasons to believe that any compensation paid over the year 2022 should be repaid in whole or in part based upon the grounds as stipulated in article 2:383 Dutch Civil Code.

PAY RATIO

With a view to transparency and clarity, Ebusco calculated the internal pay ratios based on the remuneration included in the consolidated financial statements. Ebusco's CEO pay ratio is calculated as the total CEO remuneration divided by the average remuneration of all employees, excluding the remuneration of Management Board members. The same calculation has been used for the pay ratio of the CFO and COO. For the purposes of this calculation, all remuneration elements are included in the total remuneration for the CEO based on the information provided in note 7.1 - Remuneration Key Management. Average employee remuneration is based on total employee benefit expenses excluding temporary employees and excluding benefit expenses of the Management Board and Supervisory Board as disclosed in note 7 - Employee benefits expense, and the total average number of employees in FTEs as also disclosed in note 7, Employee benefits expense.

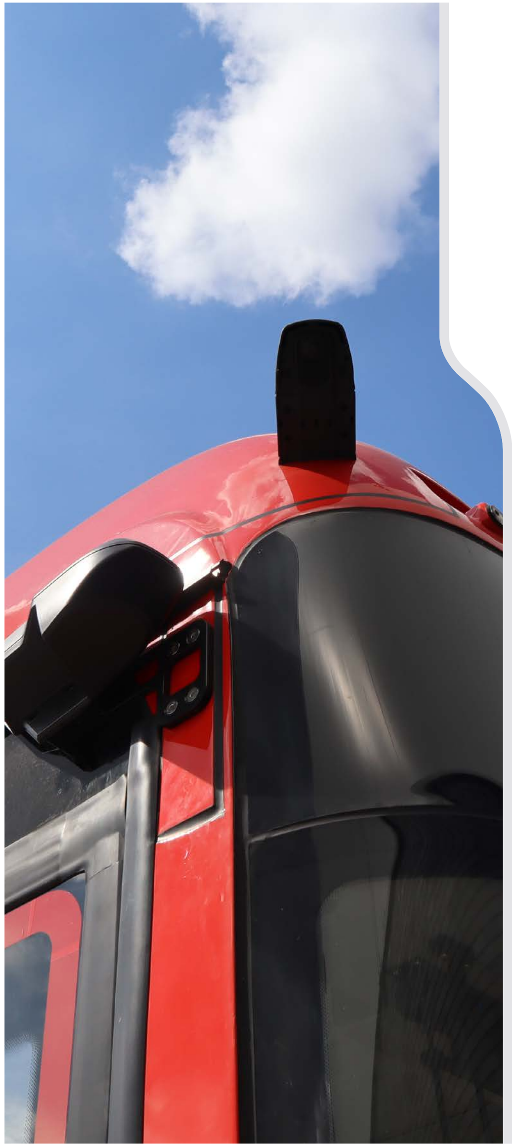
HISTORIC PERSPECTIVE

The following table summarises the remuneration of the members of the Management Board and accompanying pay ratios in previous years and the change from 2021 to 2022 (in absolute numbers and in percentages):

			Change YoY			
	2022	2021	in EUR	in %	2020	2019
Remuneration Management Board (in EUR)						
Total remuneration CEO	459,996	286,602	173,394	60.5%	281,689	240,000
Total remuneration CFO	338,000	5,315,497	(4,977,497)	(93.6%)	316,477	215,000
Total remuneration COO	336,260	212,546	123,714	58.2%	0	0
Ebusco performance (all in EUR millions)						
Revenue	111.6	24.3	87.3	359.3%	100.0	48.9
Underlying EBITDA	(34.8)	(20.5)	(14.3)	(69.8%)	27.1	8.8
Free Cash Flow	(107.5)	(25.6)	(84.9)	(331.6%)	(15.9)	(5.5)
Pay ratio						
Pay ratio CEO	7.2	4.7	2.5	53.2%	4.6	3.9
Average total remuneration Ebusco employees	63,720	60,452	2,609	4.3%	60,868	61,072

The change in the CFO's remuneration from 2021 to 2022 relates to a success fee upon completion of the IPO in October 2021 for an amount of €5.0 million.

Ebusco's calculated CEO pay ratio in 2022 was 7.2 (2021: 4.7). These internal pay ratios are closely monitored by the Remuneration Committee. Apart from the absence of STIs and LTIs in 2022, an important observation is that the company has a relatively young workforce, resulting in a relatively low median employee remuneration level. The increase in the pay ratio of the CEO from 4.7 in 2021 to 7.2 in 2022 is due to a new service agreement, effective as of 17 October 2021. This service agreement includes a fixed base salary of €387,000. The prior service agreement included a management fee of €20,000 per month.



REMUNERATION MANAGEMENT BOARD IN 2023

The base salary remuneration of the members of the Management Board will be increased by 6% for the 2023 financial year, which is in line with the salary development within the company. With regard to the variable remuneration components, targets will be set for the STI as well as the LTI which may be granted in 2023 pending performance.

SUPERVISORY BOARD REMUNERATION 2022

The remuneration of Supervisory Board members consists of fixed annual fees for their role as Supervisory Board members. In addition, the chair and members of the Nomination Committee, Audit Committee and Remuneration Committee receive a fixed annual fee for these roles. Ebusco does not grant variable remuneration, shares or options to members of the Supervisory Board. Ebusco pays company-related travel and accommodation expenses related to meetings. The remuneration policy of Supervisory Board members is considered market conform.

ANNUAL FEES PER FUNCTION IN THE SUPERVISORY BOARD

Function	Remuneration
Chair	€50,000
Member	€40,000

ANNUAL FEES PER FUNCTION IN SUPERVISORY BOARD COMMITTEES

Function	Remuneration
Audit Committee - Chair	€10,000
Audit Committee - Member	€7,000
Nomination Committee - Chair	€7,000
Nomination Committee - Member	€4,000
Remuneration Committee – Chair	€7,000
Remuneration Committee - Member	€4,000

FEES OF SUPERVISORY BOARD MEMBERS AS RECOGNIZED BY THE COMPANY*

Function	2022	2021
Derk Haank	€58,000	€14,500
Carin Gorter	€50,000	€12,500
Jeroen Drost	€47,000	€11,750
Roelf de Boer	€47,000	€11,750
Ruud Spoor	€47,000	€11,750
TOTAL	**€249,000**	**€62,250**

*Comparable figures in absence of a Supervisory Board prior to listing on Euronext. The fee quoted excludes reimbursement of costs. Remuneration in the financial year 2021 is limited to the fourth quarter.

OTHER INFORMATION

TOTAL REMUNERATION

The total annual remuneration for the members of the Management Board and Supervisory Board as recognized by the company during 2022 amounts to €1,383,056 (2021: €5,876,894).

OTHER ARRANGEMENTS

No remuneration has been granted and allocated by subsidiaries or other companies whose financials are consolidated by Ebusco, since all members of the Management Board and Supervisory Board are paid directly by Ebusco Holding N.V.

No (personal) loans have been granted to the members of the Management Board and the Supervisory Board and no advance payments or guarantees have been provided to any of the members of the Management Board and Supervisory Board.

No severance payments were granted to members of the Management Board and the Supervisory Board in 2022 and no variable remuneration has been clawed-back.

FINANCIAL STATEMENTS

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

In thousands of euro, unless stated otherwise

	Notes	2022	2021
Revenue	6.1	111,617	24,265
Cost of materials	6.2	(95,984)	(23,045)
Employee benefit expenses	7	(35,525)	(23,106)
Amortisation and depreciation expenses	12, 13, 22	(5,627)	(5,331)
Other operating expenses	8	(14,916)	(12,354)
Operating expenses		**(152,052)**	**(63,836)**
Operating result		**(40,435)**	**(39,571)**
Finance expenses, net	9	(1,060)	(4,240)
Share of result of an associate	14	(432)	7,427
Result before tax		**(41,927)**	**(36,384)**
Income tax credit/(expense)	10	9,734	9,587
Result for the year		**(32,193)**	**(26,797)**
Result for the year attributable to:			
Equity holders of the Group		(31,717)	(26,388)
Non-controlling interests		(476)	(409)

	Notes	2022	2021
Result for the year		**(32,193)**	**(26,797)**
Other comprehensive income			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of foreign operations		20	(6)
Net gain/(loss) on cash flow hedges		1,158	1,444
Tax effect of changes in cash flow hedges		(299)	(361)
Net change in costs of hedging		-	40
Tax effect of changes in cost of hedging		-	(10)
Other comprehensive income/(loss)		**879**	**1,107**
Total comprehensive income/(loss) for the year		**(31,314)**	**(25,690)**
Total comprehensive income/(loss) for the year attributable to:			
Equity holders of the Group		(30,838)	(25,281)
Non-controlling interests		(476)	(409)
Basic earnings per share (in euros) for result attributable to shareholders of the Group	11	**(0.54)**	**(0.56)**
Diluted earnings per share (in euros) for result attributable to shareholders of the Group	11	**(0.54)**	**(0.56)**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In thousands of euro

	Notes	As at 31 December 2022	As at 31 December 2021
Assets			
Non-current assets			
Property, plant and equipment	12	10,454	6,978
Right-of-use assets	22	7,255	8,046
Intangible assets	13	47,595	46,199
Deferred tax assets	10	16,365	7,139
Investments in associates	5, 14	1,068	-
Non-current financial assets	15	9	205
		82,746	**68,567**
Current assets			
Inventories	16	47,442	22,330
Trade receivables	17	25,913	16,598
Receivables from related parties	25	-	24
Contract assets	6	62,971	13,450
Other current assets	18	6,332	3,823
Cash and cash equivalents	19	95,212	207,923
		237,870	**264,148**
Total assets		**320,616**	**332,715**

	Notes	As at 31 December 2022	As at 31 December 2021
Equity			
Share capital		590	590
Share premium		315,324	314,767
Reserves		16,334	9,207
Retained earnings		(58,251)	(20,553)
Equity attributable to equity holders of the Group	20.1	**273,997**	**304,011**
Non-controlling interests	20.2	**(539)**	**(63)**
Total Equity	20	**273,458**	**303,948**
Liabilities			
Non-current liabilities			
Loans and borrowings	21	-	463
Provisions	23	147	-
Non-current lease liabilities	22	6,298	7,250
		6,445	**7,713**
Current liabilities			
Loans and borrowings	21	486	215
Provisions	23	777	1,130
Trade payables	24	21,115	10,883
Payables to related parties	25	-	534
Contract liabilities	6	8,912	174
Other current liabilities	24	7,955	6,977
Current lease liabilities	22	1,463	1,132
Income tax payable	10	5	9
		40,713	**21,054**
Total liabilities		**47,158**	**28,767**
Total equity and liabilities		**320,616**	**332,715**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In thousands of euro

	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		
Balance as at 1 January 2021		**24**	**12,630**	-	**(430)**	**(24)**	**3,358**	**12,484**	**28,042**	-	**28,042**
Result for the year		-	-	-	-	-	-	(26,388)	(26,388)	(409)	(26,797)
Other comprehensive income	10, 28	-	-	(6)	1,083	30	-	-	1,107	-	1,107
Total comprehensive income for the year		**-**	**-**	**(6)**	**1,083**	**30**	**-**	**(26,388)**	**(25,281)**	**(409)**	**(25,690)**
Shares issued	20	566	322,365	-	-	-	-	-	322,931	-	322,931
Share issuance expenses	20	-	(7,422)	-	-	-	-	-	(7,422)	-	(7,422)
Repayment convertible loan	20	-	-	-	-	-	-	(800)	(800)	-	(800)
Transfer to/from legal reserve	20	-	-	-	-	-	5,849	(5,849)	-	-	-
Transfer of cash flow hedge reserve	28	-	-	-	(653)	-	-	-	(653)	-	(653)
Acquisition of 60% share in associate	5	-	-	-	-	-	-	-	-	7,536	7,536
Acquisition of 20% non-controlling interest	5	-	(12,806)	-	-	-	-	-	(12,806)	(7,190)	(19,996)
Balance as at 31 December 2021		**590**	**314,767**	**(6)**	**-**	**6**	**9,207**	**(20,553)**	**304,011**	**(63)**	**303,948**
Balance as at 1 January 2022		**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	20	-	-	20	859	-	-	-	879	-	879
Total comprehensive income for the year	20	**-**	**-**	**20**	**859**	**-**	**-**	**(31,717)**	**(30,838)**	**(476)**	**(31,314)**
Share issuance expenses	20	-	557	-	-	-	-	-	557	-	557
Share based payment expenses	7	-	-	-	-	-	166	-	166	-	166
Transfer to/from legal reserve	20	-	-	-	-	-	5,981	(5,981)	-	-	-
Transfer of cash flow hedge reserve	28	-	-	-	107	(6)	-	-	101	-	101
Balance as at 31 December 2022		**590**	**315,324**	**14**	**966**	**-**	**15,354**	**(58,251)**	**273,997**	**(539)**	**273,458**

CONSOLIDATED STATEMENT OF CASH FLOWS

In thousands of euro

	Notes	2022	2021
Cash flows from operating activities			
Profit/(Loss) before tax		(41,927)	(36,384)
Non-cash adjustments:			
Depreciation of property, plant and equipment and right-of-use assets	12, 22	3,770	2,787
Amortisation of intangible assets	13	1,857	2,544
Share based payment expenses	7	166	-
Net loss on derivative instruments at fair value through profit or loss	28	394	-
Gain/(Loss) on disposal of property, plant and equipment	12	-	(1)
Additions to/(release from) provisions	23	697	3,935
Finance expenses, net	9	1,060	4,240
Share of results of an associate	14	432	(7,427)
Movements in working capital:			
Inventories	16	(25,112)	(18,690)
Receivables and other financial assets	15, 17, 18	(10,695)	(17,595)
Contract assets/liabilities	6	(40,783)	46,809
Payables and other current liabilities	24	12,014	3,796
Cash generated from operations		**(98,127)**	**(15,986)**
Payment from provisions	23	(903)	(2,946)
Income tax paid	10	(28)	(458)
Net cash flows from operating activities		**(99,058)**	**(19,390)**

	Notes	2022	2021
Cash flows from investment activities			
Investments in property, plant and equipment	12	(5,513)	(4,137)
Proceeds from sale of property, plant and equipment	12	-	1
Investments in intangible assets	13	(1,483)	(795)
Investments in financial assets	15	-	(9)
Investments in subsidiaries	5	-	(22,344)
Investment in associates	14	(1,500)	-
Net cash flows from investment activities		**(8,496)**	**(27,284)**
Cash flows from financing activities			
Acquisition of non-controlling interest	5	-	(19,996)
Net proceeds from issuance of share capital*	20	(2,136)	316,118
Repayment of convertible loan	21	-	(800)
Repayments of borrowings	21	(748)	(105,517)
Proceeds from borrowings	21	-	41,500
Payment of principal portion of lease liabilities	22	(1,472)	(1,244)
Interest received	9	241	-
Interest paid	9	(1,057)	(2,327)
Net cash flows from financing activities		**(5,172)**	**227,734**
(Decrease)/Increase in cash and cash equivalents		**(112,726)**	**181,060**
Exchange losses/gains on cash, cash equivalents and bank overdrafts	9	15	1
Cash and cash equivalents at 1 January	19	207,923	26,862
Cash and cash equivalents at 31 December	19	**95,212**	**207,923**

* The cash outflow in 2022 relates to the expenses paid in 2022 in relation to the issuance of share capital in 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Ebusco Holding N.V. is a public limited Company under Dutch law, incorporated and domiciled in the Netherlands and registered at the Chamber of Commerce in the Netherlands under number 75407922. Ebusco Holding N.V. is the ultimate parent company of the group of legal entities (together, "the Group") and is listed on Euronext Amsterdam. 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) and Mobile Energy Containers (MEC).

The Group has its headquarters and registered office located at Vuurijzer 23, 5753 SV Deurne, The Netherlands.

2. DEVELOPMENTS DURING THE YEAR IMPACTING THE GROUP

WAR IN UKRAINE

The geopolitical situation in Eastern Europe intensified on 24 February 2022, with Russia's invasion of Ukraine. The war between the two countries continues to evolve as military activity proceeds and additional sanctions are imposed. In addition to the human toll and impact of the events on entities that have operations in Russia, Ukraine, or neighboring countries (e.g., Belarus) or that conduct business with their counterparties, the war is increasingly affecting economic and global financial markets and exacerbating ongoing economic challenges, including issues such as rising inflation and global supply-chain disruption.

The impact for the Group is limited to the ongoing global economic challenges, as there are no activities in Eastern Europe. The Group is not immune to the geopolitical uncertainty and the continued strain on the global supply chain. Uncertainty in the supply chain continues and the Group have to cope with delayed deliveries and higher costs. The Group is closely following these developments and taking actions where required.

COVID-19 IMPACT ON BUSINESS

The Covid-19 pandemic has impacted economic, government and social activity across the world since early 2020. In response to the pandemic, government regulations aimed at shifting social behaviours to limit or close non-essential transportation, business activities, government functions and person-to-person interactions, resulting in employees working from home. In some instances where these restrictions have been eased, governments followed with actual or contemplated returns to stringent restrictions on gatherings or commerce or with reduced forms of restrictions that limited transportation, business activities and other person-to-person interactions.

These trends resulted in limited demand for public transport, which in turn resulted in a reduced amount of income generated by Public Transport Authorities (PTAs) and Public Transport Operators (PTOs) who responded by offering fewer requests for tenders, bids or quotations for new buses in 2020 and the first half of 2021. The effect had been compounded by further supply chain disruptions that reflected reduced production capacity at certain suppliers of the Group which scaled back production in response to Covid-19. As a result, the Group experienced further delays in bus production and shipments in 2021 and compared to 2020, revenue was down by approximately 76% in 2021. From the second half of 2021, the order book has strengthened and the Group has seen a sharp increase in order intake, tender activity and shipments and deliveries in 2022. As a result, revenue showed a strong recovery to €111.6 million, an increase of 360%, in 2022.

The Group has in the past and continues to experience supply chain disruptions and supply shortages as a result of the prolonged Covid-19 pandemic, in combination with the war in Ukraine. The Company is taking pro-active steps to manage the risk of further impact from the supply chain disruptions by building its safety stock, shipping components by air rather than sea (where this is an option and cost effective), designing alternative replacement parts, installing certain components at its headquarters in Deurne instead of its third-party assembly partner in China and by using exchange parts. The Group has also invested significant time and effort in further optimising the supply chain with a strong focus on identifying dual suppliers to lower risks and scale advantages to lower cost of goods sold.

The Group continues to closely monitor the development of the Covid-19 outbreak by analyzing the risks which the effects of the pandemic imposes for its financial results, position and cash flows and implementing mitigating actions promptly.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Parent and its subsidiaries (or 'group companies') as at 31 December 2022 with comparative information for the year ended 31 December 2021.

Subsidiaries are fully consolidated from the date the Group acquires control and ceases when the Group loses control of the subsidiary. The Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee;
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. All intra-group assets and liabilities, equity, income and expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. When the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, and other components of equity, while any resulting gain or loss is recognised in profit or loss.

The following table provides an overview of the consolidated subsidiaries which the Parent controls as at 31 December:

Entity	Registered office	Date of incorporation	Ownership interest (%) 31 December 2022	Ownership interest (%) 31 December 2021
Ebusco B.V.	Deurne, Netherlands	3 September 2012	100%	100%
Ebusco Energy B.V.	Deurne, Netherlands	18 July 2019	100%	100%
Ebusco Manufacturing B.V.	Deurne, Netherlands	15 July 2020	100%	100%
Pondus Holding B.V. [1]	Deurne, Netherlands	16 March 2017	-	100%
Pondus Operations B.V.	Deurne, Netherlands	16 March 2017	90%	90%
Pondus R&D B.V. [2]	Deurne, Netherlands	16 March 2017	-	100%
Ebusco Deutschland GmbH	Emmerich am Rhein, Germany	13 June 2016	100%	100%
Ebusco Norway A/S	Dal, Norway	2 February 2017	100%	100%
Ebusco Australia Pty Ltd	Tasmania, Australia	18 July 2019	100%	100%
Ebusco France SAS	Paris, France	9 November 2020	100%	100%
Ebusco North America LLC	Delaware, United States	19 August 2021	100%	100%
Ebusco New Energy (Xiamen) Co Ltd	Xiamen, China	17 September 2021	100%	100%
Gr8 Technologies B.V. [3]	Amsterdam, Netherlands	1 December 2017	-	100%
Ebusco Canada Inc.	Toronto, Canada	February 9, 2022	100%	-
Ebusco Sweden AB	Göteborg, Sweden	March 8, 2022	100%	-
Ebusco Denmark ApS	Kopenhagen, Denmark	April 7, 2022	100%	-
Ebusco Italy S.r.l.	Turin, Italy	June 20, 2022	100%	-
Ebusco Spain SL	Barcelona, Spain	August 18, 2022	100%	-

1 Pondus Holding B.V. (disappearing entity) merged with Ebusco B.V. per 28 December 2022
2 Pondus R&D B.V. (disappearing entity) merged with Pondus Holding B.V. per 27 December 2022
3 Gr8 Technologies B.V. is liquidated per 6 July 2022

3.2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and endorsed by the European Union (EU) and with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code.

The financial statements were signed and authorised for issuance by the Supervisory Board and Management Board on 29 March 2023 and will be submitted for adoption to the General Meeting of Shareholders on 17 May 2023.

The consolidated financial statements have been prepared on a historical cost basis, except when otherwise indicated.

All amounts are stated in thousands of EUR, unless otherwise stated.

The consolidated financial statements are prepared on a going concern basis.

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FUNCTIONAL AND PRESENTATION CURRENCY

The Group's consolidated financial statements are presented in euros, which is also the Parent's functional currency.

The financial statements of entities that have a functional currency different from that of the Parent ("foreign operations") are translated into euros as follows:

Group companies:

- Foreign currency differences resulting from translation of subsidiaries are recognised in other comprehensive income.

Transactions and balances:

- Assets, equity and liabilities - at the closing rate at the date of the statement of financial position.
- Income and expenses - at the average rate of the period (as this is considered a reasonable approximation of the actual rates prevailing at the transaction dates).

CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

FINANCIAL INSTRUMENTS AND FAIR VALUE

This section relates to all financial assets and financial liabilities of the Group, including financial instruments associated with the Group's hedge accounting.

FAIR VALUE

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Derivatives held by the Group are classified and recorded at fair value. All other financial instruments on the balance sheet are classified and recorded at (amortised) cost. Other financial assets are initially measured at fair value plus transaction costs and subsequently at amortised cost less impairments based on the expected credit loss ("ECL") approach. Fair value of trade receivables and cash and cash equivalents approximates the carrying amount due to the short duration. Other financial liabilities are initially measured at fair value less transaction costs and subsequently at amortised cost. Fair value of current financial liabilities approximates the carrying amount due to the short duration.

CLASSIFICATION

The Group classifies its financial instruments either at:

- Fair value through profit or loss ("FVPL"); or
- Amortised cost.

The classification of financial assets is dependent on the business model of the contractual terms of the cash flows and the terms and conditions of the financial assets. Gains and losses on financial assets classified and subsequently measured at FVPL shall be recorded in the profit or loss.

MEASUREMENT

The Group measures financial assets at initial recognition at fair value plus transaction costs. The transaction costs of financial assets classified at FVPL are expensed in profit or loss at initial recognition.

DEBT INSTRUMENTS

Subsequent measurement of debt instruments depends on the classification of the debt instruments by the Group. The Group measures its debt instruments as follows:

- Amortised cost: Interest income from these financial assets is included in finance income using the effective interest rate method.
- FVPL: A gain or loss is subsequently measured at FVPL and gains or losses are recognised in profit or loss and presented net within other gains and losses for the period in which it arises.

FINANCIAL LIABILITIES – NOT DERIVATIVES

The Group measures its financial liabilities at amortised cost.

IMPAIRMENT

The Group assesses on a forward-looking basis the ECL associated with its debt instruments carried at amortised cost. The Group implements one ECL approach for financial assets (the simplified ECL approach).

The Group applies the simplified ECL approach to qualifying trade receivables, IFRS 15 contract assets and lease receivables.

The Group determines its expected credit losses on trade receivables based on the historical weighted average credit losses on trade receivables that the Group holds, while incorporating any known information which could affect credit losses in the future. These weights are based on the duration of the trade receivables (current number of days outstanding). The Group will use the historical default information of trade debtors in order to attempt to have an unbiased probability weighted amount of the expected credit losses. Expected credit losses are calculated by multiplying the probability of default based on historical data, loss given default and the current lifetime of the trade receivable. This leads to a weighted ECL based on debtors with an outstanding receivable of:

- 1-30 days
- 31-60 days
- 61-90 days
- Longer than 90 days

This practical application of the lifetime ECL on trade receivables is labeled as the provision matrix by the Group. The provision matrix is used to form the provision for bad debtors and thus impair trade receivables.

OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

REVENUE

REVENUE FROM CONTRACTS WITH CUSTOMERS

In determination of its recognition of revenue, the Group applies the 5-step model in line with IFRS 15.

Revenue is recognised if the Group has entered into a contract with a customer in which the performance obligations can be identified, the terms of the transaction are clear, and it is probable that the customer will pay. Revenue is recognised for each contract.

If a contract involves several performance obligations, revenue is separately attributed to the performance obligations based on relative stand-alone selling prices. Revenue is recognised over time if the customer simultaneously receives and consumes the benefit of the Group's performance or if the Group produces an asset without alternative use which it is contractually obligated to deliver to the customer and for which the Group has an enforceable right to payment. Revenue is recognised at a point in time if it does not meet the criteria to be satisfied over time. The Group does not have any contracts with material variable consideration.

If a contract contains a significant financing component, the Group adjusts the revenue accordingly. This is not done if the time between the fulfilment of the performance obligation and the payment of the consideration is less than one year.

If the results from a contract cannot be determined reliably, contract revenue is only recognised to the extent of costs incurred.

Expected contract losses are recognised immediately in the statement of profit or loss. In measuring the amount of provisions for losses, the Group proceeds on the basis of the economic benefits expected to be received compared with the attributable costs of the contract.

The Group has two main types of revenue from contracts:

1. Contracts for the sale of zero emission buses: the Group sells zero emission buses and related charging systems customized for each customer. The Group negotiates with each customer according to the needs of the customer and charges a transaction price based on the type and number of buses ordered. Contracts are fulfilled, on average, within six to twelve months. Revenue for sales of zero emission buses is recognised over time as the Group produces a bus without an alternate use which the Group is contractually obligated to deliver and for which the Group has an enforceable right to payment. The revenue relating to work in progress is recognised in the statement of profit or loss based on percentage of completion of the project. The stage of completion is assessed by reference to the proportion of costs recorded in relation to the total expected costs to the extent that the costs incurred are representative of the progress made in the transfer of goods/services to the client. Inefficiencies are disregarded in determining the stage of completion. In-progress contracts are recorded as contract assets.

2. Contracts for charging systems and ancillary services and goods: the Group also sells items and services in addition to its zero emission buses. These goods and services consist of additional parts for the Group's buses or represent services, including repair and maintenance services, and service type warranty, which support the customer's use of zero emission buses sold by the Group. Revenue is recognised either at a point in time or over time based on the nature of the good or service in accordance with the Group's revenue recognition policy. Typically, spare parts and charging systems are recognised at a point in time whilst services are recognised over time. If applicable, service-type warranties are accounted for as separate performance obligations in accordance with IFRS 15 and are recorded as contract liabilities (as appropriate) and recognised as the Group performs its obligation.

The accounting policies regarding trade receivables, contract assets, and contract liabilities are set out in the corresponding notes (refer to Note 15 for trade receivables and below for contract assets and liabilities).

TRANSACTION PRICE AND STAND-ALONE SELLING PRICES

Transaction prices are determined per individual contract, based on goods and services ordered by each customer. Payment terms vary per contract. The performance obligation that significantly affects the determination of the transaction price is the supply of zero-emission buses. Progress is measured using an input method. The Group measures the progress for the projects based on the input costs consisting of the cost of materials and other costs. The Group assessed that the input method used based on costs incurred to measure its progress towards completion reflects proportionately the Group's progress in satisfying the performance obligation and is a fair reflection of the Group's performance.

CONTRACT ASSETS AND CONTRACT LIABILITIES

The Group recognises a contract asset for services or goods transferred to a customer to which the Group has a right to receive consideration. The Group reclassifies contract assets to trade receivables when performance obligations are satisfied and the right to consideration becomes unconditional.

The Group recognises a contract liability when a payment is received from a customer or is due before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs its obligations.

Contract assets and receivables generally have a term of less than 12 months.

SEGMENT REPORTING

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses. The operating results of each segment are regularly reviewed by the entity's Chief Operating Decision Maker ("CODM") in order to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. The Group reports separate information about an operating segment if the reported revenue, profit or loss or assets exceed 10 per cent of the total of the Group, or if the Management Board believes that information about the segment would be useful to the users of the financial statements.

EMPLOYEE BENEFIT EXPENSES

Employee benefits are all forms of consideration given by the Group in exchange for services rendered by employees or for the termination of employment.

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees rendered the related service.

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.

GOVERNMENT GRANTS

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

SHARE-BASED PAYMENTS

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value is included in employee benefit expenses in the vesting period during which the expected employee services are received. The same amount is credited to shareholders' equity. The cumulative expenses recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

Ebusco has opted to recognise the increase in equity as a result of the equity-settled share-based payment transactions in other capital reserves.

Service conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. No expenses are recognised for awards that ultimately do not vest because service conditions have not been met.

PENSIONS

The Group has a defined contribution plan (which is capped at an annual pensionable salary of €115). For the defined contribution plan, the group pays contributions to a public or privately administered pension insurance plan on a mandatory or contractual basis. The Group has no legal or constructive obligations to pay additional contribution if the fund does not hold sufficient assets to pay all employees the benefits relating to the employee service in the current and prior periods. The contribution is recognised as employee benefit expense when it is due. Prepaid contribution is recognised as an asset to the extent that a cash refund or a reduction in the future payments is available and can be contractually enforced.

OTHER OPERATING EXPENSES

Other operating expenses are recorded on a historical basis and allocated to the reporting period when they occur.

FINANCE (INCOME)/EXPENSE

The costs are determined on a historical basis and allocated to the reporting period when they occur.

INCOME TAX

CURRENT INCOME TAX

Current tax is the expected tax payable/receivable on the taxable income or loss for the year, using applicable tax rates at the end of the reporting period, and any adjustment to tax payable/receivable in respect of previous years.

DEFERRED INCOME TAX

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

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

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

EARNINGS PER SHARE

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. The calculation for the earnings per share is as follows:

- Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

- Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment ("PPE") are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Items of PPE are depreciated over their useful life on a straight-line basis. Any change in the useful life and depreciation period shall be accounted for as a change in accounting estimates. PPE is tested for impairment whenever events or changes in circumstances occur indicating that the carrying amount may not be recoverable.

PPE includes equipment and office inventory, transportation and assets under construction. The estimated useful life of the aforementioned PPE is between 3 and 5 years. Assets under construction refer to assets which are not available for use yet and therefore not depreciated.

For right-of-use assets reference is made to the accounting policy of Leases.

INTANGIBLE ASSETS

The intangible assets for the Group consist of goodwill, development assets, software and assets under construction.

BUSINESS COMBINATIONS AND GOODWILL

Goodwill represents amounts arising on acquisition of subsidiaries. All business combinations are accounted for by applying the acquisition method as at the acquisition date.

Goodwill is measured as the difference between:

- the aggregate of the (a) the value of the consideration transferred (generally at fair value), (b) the amount of any non-controlling interest (at fair value) and (c) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree, and
- the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but tested annually for impairment.

DEVELOPMENT ASSETS

Development assets are internally generated intangible assets. The costs capitalised consist of salaries, materials and services directly attributable to the development activities.

Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually. Impairment assessments have been performed and no indications of impairment have been identified.

Research costs are expensed as incurred.

AMORTISATION AND IMPAIRMENT TESTING

Goodwill is subject to annual impairment testing, irrespective of whether indications of impairment exist. Goodwill allocated to a cash-generating unit ("CGU) is impaired when its carrying amount of the cash-generating unit exceeds the recoverable amount. The recoverable amount is, in turn, defined as the higher of the fair value less cost of disposal and the value in use; where the value in use is the present value of the future cash flows. In the value in use modelestimates of future cash flows shall only include projections of cash inflows from the continuing use of the asset. The fair value less cost of disposal shall be determined in accordance with the fair value accounting policy.

Intangible assets with finite lives are amortised over the useful economic life on a straight-line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The intangible assets are amortised over a period of 3-5 years. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss.

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 to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in 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. After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

NON-CURRENT FINANCIAL ASSETS

Financial assets are initially recognised at fair value and subsequently measured at amortised cost less impairments based on the general expected credit loss approach. The Group's financial assets consist of long-term deposits.

INVENTORIES

Inventories are the assets sold in the ordinary course of business. Inventories are measured at the lower of cost and net realisable value. The cost price of the inventory is determined based on the weighted average purchase price method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

TRADE RECEIVABLES

Trade receivables are classified at amortised cost, initially recognised at transaction price and subsequently measured at amortised cost less impairments based on the simplified expected credit loss (ECL) approach for trade receivables that do not contain a significant financing component.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits which are defined in accordance with this assessment. Outstanding customer receivables and contract assets are regularly reviewed. At 31 December 2022, the Group had 3 customers (2021: 6) that owed more than €500,000 each and which accounted for approximately 92% (2021: 94%) of all the receivables outstanding. There were 2 customers (2021: 3 customers) with balances greater than €1 million accounting for just over 88% (2021: 78%) of the total amounts of trade receivable.

The Group applies the simplified expected credit loss approach using a provision matrix based on historic inputs to determine the expected losses. This approach takes into account forward looking information that might have an impact on the way the trade receivables will be settled in the future. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and which are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, given its customers profile.

OTHER CURRENT FINANCIAL ASSETS

Other receivables and accrued assets are initially recognised at fair value and subsequently measured at amortised cost less impairments based on the simplified expected credit loss approach.

CASH AND CASH EQUIVALENTS

The Group considers cash and cash equivalents the cash at bank and in hand, bank balances and deposits with terms of less than three months.

Cash is classified at amortised cost, initially recognised at fair value and subsequently measured at amortised cost less impairments based on the general ECL approach.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Further disclosures relating to impairment of non-financial assets are also provided in the following accounting policies:

- Property, plant and equipment
- Intangible assets, including goodwill
- Right-of-use-assets
- Significant accounting judgements, estimates and assumptions (note 4)

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired.

If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

The Group assesses where climate risks could have a significant impact, such as the introduction of emission-reduction legislation that may increase manufacturing costs. Although the introduction of such legislation would also result in a higher demand for the Group, these risks in relation to climate-related matters would be included as key assumptions where they materially impact the measure of recoverable amount. These assumptions have been included in the cash flow forecasts in assessing value-in-use amounts.

EQUITY

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of the ordinary shares are netted, net of tax, from the proceeds.

The Group evaluates its equity instruments, including its preferred shares. Certain instruments contain aspects which would require their classification as either liabilities or compound instruments which would contain both equity and liability components, including whether or not the Group has a contractual obligation to deliver cash or financial asset to another party. Equity classification is only appropriate if the Group has an unconditional right to avoid delivering cash or other financial instruments.

NON-CURRENT FINANCIAL LIABILITIES (NON-DERIVATIVES)

Financial liabilities (non-derivatives) are initially measured at fair value less transaction costs and subsequently measured at amortised cost.

LEASES (THE GROUP AS A LESSEE)

The Group assesses whether a contract is or contains a lease at the inception of the contract to determine whether an asset is identifiable, and the lessee has control to direct its use, and receives all economic benefits related to the asset.

The Group recognises a right-of-use asset ("ROU asset") and a corresponding lease liability with respect to all lease arrangements in which it is a lessee. The lease liability is initially measured by calculating the present value of all future lease payments, discounted by the incremental borrowing rate. All future lease payments are fixed in nature with exception of yearly indexations. The interest on the lease liability for each period from the discount rate is recognised in the profit or loss statement for the year. At initial recognition, the ROU asset amounts to the initial lease liability adjusted for any initial direct costs or the expected costs for dismantling.

In case of changes in the lease term or other conditions, the Group will reassess the discount rate and the remaining lease payments. The Group shall remeasure the carrying amount of the lease liability to reflect a reassessment or lease modification, using a revised discount rate, if any.

ROU assets are depreciated on a straight-line basis over the shorter of the lease term and useful life and tested for impairment whenever events or changes in circumstances indicates that the carrying amount may not be recoverable. The main lease concerns a contract for office and manufacturing space in Deurne, the Netherlands with a lease term of 5 years ending 30 September 2023. This leas contains an extension period of 5 additional years which the Group has exercised. The Group also has lease contracts which consist of cars for company personnel with a lease term between 4 and 5 years. Interest on lease liability is recognised as an expense in the statement of profit or loss.

PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. By nature, provisions include uncertainty and if the actual outcome differs froprovm the assumptions, the estimated provision will be revised, and this could have an effect on the financial position and results of the Group.

PROVISION FOR WARRANTIES

Provisions for warranties are recognised when: (a) the Group has a present legal or constructive obligation as a result of past events; (b) it is probable that an outflow of resources will be required to settle the obligation; and (c) the amount can be reliably estimated.

Assurance-type warranties are not distinct within customer contracts. Service-type warranties are accounted for as separate performance obligations in accordance with IFRS 15 and are recorded as contract liabilities (as appropriate) and recognised as the Group performs its obligation.

Provisions related to assurance-type warranties are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

CURRENT FINANCIAL LIABILITIES (NON-DERIVATIVES)

The financial liabilities (non-derivatives) are initially measured at fair value and subsequently at amortised cost. The fair value of the current financial liabilities approximates the book value due to its short-term nature.

RELATED PARTY TRANSACTIONS

A related party is a person or an entity that is related to the reporting entity:

- A person or a close member of that person's family is related to the Group if that person has control, joint control, or significant influence over the Group or is a member of its key management personnel.
- An entity is related to the Group if, among other circumstances, it is a parent, subsidiary, fellow subsidiary, associate, or joint venture of the Group, or it is controlled, jointly controlled, or significantly influenced or managed by a person who is a related party.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

The Group discloses the nature of the related party relationship as well as information about the transactions and outstanding balances necessary for understanding of the potential effect of the relationship on the financial statements. These disclosures are made separately for each category of related parties.

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Group, directly or indirectly, including any directors (whether executive or otherwise) of the Group.

COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

Contingent liabilities and assets do not meet the recognition criteria.

The Group discloses a contingent liability if there is a possible obligation that arises from past evens and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are not wholly within the control of the Group. The liability is not recognized because it is not probable that a outflow of resources will take place to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability. When the possibility of an outflow of resources is remote, no contingent liability is disclosed.

The Group discloses a contingent asset if there a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. The asset is only disclosed when the possibility of an inflow of resources is probably.

3.4 NEW AND AMENDED IFRS ACCOUNTING STANDARDS THAT ARE EFFECTIVE FOR THE CURRENT YEAR

In the current year, the Group has applied a number of amendments to existing IFRS standards that are mandatorily effective for an accounting period that begins on or after 1 January 2022. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- Amendments to IFRS 3 Reference to the Conceptual Framework;
- Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract;
- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use.

The Group concluded that the amendments to the following existing IFRS standards do not have an impact:

- Amendments to IFRS 1 First time adoption
- Amendments to IFRS 9; Fees in 10 % test for derecognition
- Amendments to IAS 41 Agriculture – Taxation in fair value measurements

3.5 NEW AND REVISED IFRS ACCOUNTING STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

The Group has not applied the following new and revised IFRS's that have been issued, but are not yet effective:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU);
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU);
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2: Making Materiality Judgements (applicable for annual periods beginning on or after 1 January 2023);
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU);
- The IFRS 17 Insurance Contracts standard (applicable for annual periods beginning on or after 1 January 2023), is not relevant to the Group and therefore will not be detailed further in these financial statements.

The impact of the adoption of the above new standards is still being determined, but not expected to be material on the consolidated financial statements.

The Group plans to adopt these standards on their respective dates.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Below is a summary of the Group's significant accounting judgements, estimates, and assumptions.

PERCENTAGE OF COMPLETION OF CUSTOMER CONTRACTS

In determining the stage of completion, the Group makes a critical estimate of the remaining cost. This estimation requires a consistent judgment (forecast) of the final outcome of the project, including costs to come and variance analyses of divergences compared with earlier assessment dates. Estimates are an inherent part of this assessment and actual future outcome may deviate from the estimated outcome. Historical experience has also shown that estimates are, on the whole, sufficiently reliable. Estimates and judgements are made relating to a number of factors when assessing contracts. These primarily include the program of work throughout the contract period and an assessment of future costs after considering any changes in the scope of work. The Group reviews its estimates for its contracts with customers for buses, which are recorded under the percentage of completion method and, based on the data available to the Group, may record adjustments to its calculations as appropriate. Reference is made to Note 6.1 for further details.

VALUATION DEFERRED TAX ASSET

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. Further details on taxes are disclosed in Note 10.

IMPAIRMENT OF GOODWILL

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on the fair value hierarchy that categorises the inputs of valuation techniques used to measure fair value into three levels. Level 3 input is a Discounted Cash Flow ("DCF") model in which the cash flows are derived from the forecast for the next five years and includes the cash flows of the future investments that will enhance the performance of the assets of the CGU being tested. As the Group continues to invest significantly in the future growth of the Company, the fair value less costs of disposal model is considered the most reliable estimate of the price at which an orderly transaction to sell the asset would take place between market participants at the measurement date under current market conditions. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount, including a sensitivity analysis, are disclosed and further explained in Note 13.

ESTIMATION USEFUL LIFE OF INTANGIBLE ASSETS

The Group has made a significant estimate of the useful life of Development assets and Software. Uncertainty about this estimate could result in significant changes in the reported amount of amortisation expenses and, subsequently, in result for the year. The estimated useful life of intangible assets is between 3 - 5 years. Reference is made to Note 13.

PROVISION FOR WARRANTIES

Typically, the Group provides a 2 year assurance-type warranty on the buses that it sells to customers. The Group generally bears the risk that products/components will bear any manufacturing defect and/or defect in material. Back-to-back warranty from suppliers apply as additional assurance in case the Group can, for whatever reason, not fulfil their liabilities of the battery warranty to the customer. In addition, the Company generally has back-to-back guarantees in place for key spare parts.

The production of zero emission buses is based on new technology for a relatively small customer base for which relatively limited historical information regarding warranty expenses is available, whether from the Group's experience or based on similar publicly available information from industry peers. A warranty provision is recognized for the products sold to which the warranty period has not yet expired. The Group included the best estimate of the projected costs to repair or replace items under warranties and recalls if identified. These estimates are based on actual historical warranty claims incurred to date and an estimate of the nature, frequency and costs of future claims. These estimates are inherently uncertain given the relatively short history of sales and the limited historical data for the full warranty period and for all products. Changes to the historical or projected warranty experience may cause material changes to the warranty reserve in the future. Further details are disclosed in Note 23.

5. ACQUISITIONS AND MERGERS

ACQUISITION IN 2021 OF 60% OF THE VOTING SHARES OF PONDUS HOLDING B.V.

On 19 April 2021, the Group acquired 60% of the voting shares of its associate Pondus Holding B.V. (Pondus), raising its total shareholding of Pondus Holding to 80% and upon the acquisition date the Group gained control of Pondus.

Pondus Holding B.V. is the parent company of Pondus Operations B.V. (90% ownership) and Pondus R&D B.V. (100% ownership).

Pondus is involved in the research and production of lightweight composite materials suitable for use in constructing electric zero emission buses. Pondus' principal place of business is the Netherlands. The Group acquired Pondus for the purpose of using proprietary technology to develop and manufacture lightweight carrying structures and parts for use in the Group's buses.

The considerations included the following:
- €16.6 million (the initial purchase price) paid by the Purchaser on completion of the acquisition;
- €5.0 million (the deferred purchase price) of contingent consideration paid by the Purchaser upon the initial public offering ("IPO") in October 2021;
- €0.75 million (earn out) of contingent consideration also paid upon the IPO in October 2021.

At the acquisition date, the fair value of the contingent consideration was estimated to be €5.8 million. The Group considered the IPO to be a probable event within the next three months; the IPO actually occurred on 22 October 2021. Considering the short period of time, the discounting was negligible.

The purchase price allocation is as follows:

	Fair value of identifiable net assets
Non-current assets	
Property, plant and equipment	1,563
Intangible assets	4,246
Non-current financial assets	53
Total non-current assets	**5,862**
Net working capital	
Receivables from related parties	1,605
Other current assets	26
Trade payables	(110)
Payables to related parties	(1,051)
Other current liabilities	(351)
Total net working capital	**119**
Non-controlling interest (10% in Pondus Operations)	**(86)**
Loans and borrowings	**(7,909)**
Cash and cash equivalents	**6**
Subtotal: Identifiable net assets acquired at fair value	**(2,008)**
Fair value of non-controlling interest	7,450
Fair value of previously held equity interest	7,450
Fair value of consideration transferred:	
- Cash	16,600
- Contingent consideration	5,750
Subtotal: Consideration transferred	**37,250**
Goodwill arising on acquisition	**39,258**

Goodwill is attributable to the assembled workforce of Pondus, expected synergies, and expected future sales and customers. The goodwill is not deductible for income tax purposes.

At the acquisition date, the carrying value of the Group's 20% interest in Pondus was nihil. Accordingly, the Group recognised a gain of €7.5 million as a result of remeasuring the carrying amount of its 'Investment in associates' at fair value.

The Group has elected to measure the non-controlling interest in Pondus at fair value; the non-controlling interest is determined based on Pondus' full amount of goodwill. As a result, the value of the non-controlling interest is €7.5 million.

ACQUISITION IN 2021 OF REMAINING 20% OF THE VOTING SHARES OF PONDUS HOLDING B.V.

On 18 October 2021, the Group acquired the remaining 20% of the shares in Pondus through the acquisition of 100% of the shares of Gr8 Technologies B.V., owning the remaining 20% of the voting shares of Pondus Holding B.V. The Group acquired the shares of Gr8 Technologies B.V. from its previous shareholders, being two persons (participating for 50% each) affiliated to VDVI B.V., one of the existing shareholders of Ebusco Holding N.V. Holding the shares in Pondus Holding B.V. was the only activity of Gr8 Technologies B.V.; Gr8 Technologies B.V. is expected to be liquidated in the first half of 2022.

The net cash outflow amounted to €19,996 (being €20,000 less cash acquired). Following the acquisition, the carrying value of the non-controlling interest of €7,190 has been reclassified to the equity of Ebusco Holding N.V., and the difference between the fair value of the consideration paid and the carrying value of the non-controlling interest being €12,806 has been charged against the Company's share premium.

Accordingly, the total cash outflow from investments in group companies (net of cash acquired) amounted to €22,344 and cash outflow from acquisition of non-controlling interest amounted to €19,996.

In 2021, Pondus did not contribute to the Group's consolidated revenue and contributed a loss of €1,713 to the Group's consolidated operating result. If the acquisition had occurred on 1 January 2021, the acquired business would not have contributed to consolidated revenue and would have contributed a loss of €2,381 to consolidated operating result.

Total transaction costs incurred amount to €85 thousand for both acquisitions.

MERGER OF PONDUS GROUP ENTITIES IN 2022

In December 2022, the following mergers took place:

- Pondus Holding B.V. (acquiring entity) merged with Pondus R&D B.V. (disappearing entity);
- Ebusco B.V. (acquiring entity) merged with Pondus Holding B.V. (disappearing entity).

As this merger is under common control it has been accounted for in line with the 'pooling of interest'-method, meaning the mergers are recognised as if these entities had always been combined.
After the merger Ebusco B.V. directly holds the 90% interest in Pondus Operations B.V.

ACQUISITION IN 2022 OF 48.57% OF THE VOTING SHARES OF ZERO EMISSION SERVICES (ZES) B.V.

On 28 January 2022, Ebusco Energy B.V. acquired 40% of the voting shares of Zero Emission Services B.V. (ZES), a provider of all-in concepts for emission-free inland shipping in the Netherlands. The consideration paid amounts to one euro. ZES and Ebusco share their commitment to zero-emission transportation. As their solutions are highly complementary, together Ebusco and ZES can significantly increase their joint impact in the maritime sector.

ZES was founded in May 2020 and offers a complete range of products and services, based on interchangeable battery containers charged with renewable power, charging stations, technical support and an innovative pay per use concept for ship owners. In September 2021 the first emission-free inland shipping vessel, with energy containers from ZES, commenced operation. ZES was founded by ING bank, energy and technical service provider ENGIE, maritime technology company Wärtsilä and the Port of Rotterdam Authority. Ebusco took over its 40% stake from ENGIE, one of the founding shareholders of ZES. All shareholders provide equity, expertise and staff to support ZES in its development.

On 8 November 2022 the shareholders of ZES were granted the option to subscribe to an additional share issuance. As a result the Group acquired an additional 8.57% of the voting shares of ZES. The consideration paid amounts to an additional €1,500.

The Group accounts for this as an investment in an associate over which the Group has significant influence. The investment in ZES is accounted for using the equity method in the consolidated financial statements. At acquisition date, the investment of 40% is accounted for at costs, which is equal to the fair value of the Group's investment in ZES (euro 1). Reference is made to Note 14 for subsequent measurement.

6. REVENUE, COST OF MATERIALS AND SEGMENT REPORTING

The activities of the Group primarily consist of the sale of zero emission buses and ancillary services and goods, including charging systems, related to the electric vehicle ecosystem.

6.1 REVENUE

REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group earns the majority of its revenue from its single performance obligation of the sale and supply of zero emission buses. The other primary performance obligations include a sale and supply of zero emission bus chargers, a guarantee to provide a complete change of batteries, repair and maintenance services and extended warranty. Performance obligations for other services and goods, including supply of bus charging systems, are ancillary and supportive of the performance obligation of the sale and supply of zero emission buses.

The breakdown of the revenue based on type is presented below:

Revenue type	2022	2021
Revenue from zero emission buses	105,026	20,736
Revenue from charging systems and ancillary services and goods	6,591	3,529
Total	**111,617**	**24,265**

Revenue recognised over time relates to contracts regarding the sale of zero emission buses and support services. Revenue recognised at a point in time relates to contracts for the sale of charging systems and parts. Transfer of control occurs when the Group has transferred physical possession of the asset and revenue is recognised at that point of time.

Revenue recognition	2022	2021
Revenue recognised over time	107,814	19,266
Revenue recognised at point in time	3,803	4,999
Total	**111,617**	**24,265**

As at 31 December 2022 the remaining performance obligations amount to €42.0 million (31 December 2021: €34.9 million). The Group estimates 70% (31 December 2021: 81%) of these anticipated revenues are expected to be recognised during the next 12 months. This revenue relates primarily to customer contracts for zero emission buses.

For multiple sales contracts, the company is exposed to penalty clauses for late delivery of the buses. These penalties are capped at a percentage of the contractual selling price. Due to continuing material shortages and delay in the increase in production capacity, the company could face penalty charges for late delivery. At 31 December 2022, the Group concluded that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Reference is made to Note 23 for further details of the provision recorded for assurance-type warranties under customer contracts.

CONTRACT ASSETS AND CONTRACT LIABILITIES

Contract assets / (liabilities) – 31 December	2022	2021
Contract assets (positive balance of work in progress)	62,971	13,450
Contract liabilities (negative balance of work in progress)	(8,912)	(174)
Balance of contract assets and liabilities	**54,059**	**13,276**

The contract assets balance as per 31 December 2022 is €63.0 million (2021: €13.5 million). Contract assets are measured taking account of expected credit losses in a way similar to the method used for trade and other receivables; no material expected credit losses haves been recorded for contract assets for the periods presented. The significant increase in contract assets in 2022 is primarily explained by the increased demand after covid. During 2021 the Group experienced lower demand and orders for its zero emission buses. In 2021 contract assets were related exclusively to work in progress assets for zero-emission buses and the decrease in orders combined with invoicing resulted in a correspondingly lower amount of contract assets.

Revenue received in advance (contract liability) as per 31 December 2022 amounts to €8,912 (2021: €174). The increase in the contract liabilities in 2022 is explained by the upfront payment of two customers.

6.2 COST OF MATERIALS

Cost of materials are recognised and presented in the statement of profit or loss. These costs 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.

6.3 SEGMENT REPORTING

The Group has identified the Management Board, which consists of the CEO, CFO and COO, as the chief operating decision makers (CODM). The operating results and performance of the total Group are regularly reviewed by the entity's CODM in order to make decisions about resources to be allocated to the Group. Discrete financial information is available for the total Group. The total business of selling zero emission buses and ancillary revenue streams from these buses has been identified as a single operating segment.

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

Revenue – Geographical breakdown	2022	2021
DACH [1]	59,812	9,722
Nordics [2]	27,468	8,418
Benelux	16,946	6,035
Spain	7,389	-
Rest of the World (RoW)	2	90
Total	**111,617**	**24,265**

[1] DACH is an acronym for Germany (D), Austria (A) and Switzerland (CH).
[2] Nordics is an acronym for Denmark, Sweden, Norway and Finland.

In 2022, the revenues from external customers attributed to the entity's country of domicile (the Netherlands) amounted to €16.5 million (2021: €4.9 million).

At 31 December 2022 €82.5 million of the non-current assets were in the Netherlands (the country of domicile for the Group) (31 December 2021: €68.5 million).

LARGE CUSTOMERS

In 2022, one customer generated 40% of total revenue. In 2021, one customer (a different one) generated 31% of total revenue.

7. EMPLOYEE BENEFIT EXPENSES AND REMUNERATION KEY MANAGEMENT

EMPLOYEE BENEFIT EXPENSES AND PENSIONS

The table below gives a breakdown of the employee benefit expenses recognised in respect of short-term employee benefits and post-employment benefits:

Employee benefit expenses	2022	2021
Wages and salaries	17,742	8,974
Temporary staff	11,162	5,491
Social security charges	2,892	1,481
Other staff expenses	2,253	1,066
Pension costs	961	422
Car expenses	349	229
Share based payments expenses	166	-
Other compensation	-	5,000
Management fee	-	443
Total	**35,525**	**23,106**

[1] Reference to Note 7.1: Remuneration key management

Wages and salaries include the remuneration of the members of the Management Board (including the CEO and CFO as from 17 October 2021) and the Supervisory Board.

Wages and salaries includes a research and development grant for the 3.0 bus for an amount of €337 (2021: €267) and various other grants of €239.

The increase in wages and salaries is mainly driven by the increase in average number of full-time employees (see table below).

Car expenses relate to short-term rental expenses, fuel, insurance and repairs costs. Long-term car lease contracts for employees are included in Note 22 – Leases.

The management fee of 2021 includes management fees charged by the CEO and CFO based on service contracts up to 17 October 2021.

Other staff expenses include employee costs that are not directly related to salaries and social security charges, including travel and related expenses.

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

Full-time employees	2022	2021
Active within the Netherlands	310	167
Active outside the Netherlands	11	4
Total	**321**	**171**

SHARE BASED PAYMENTS

The Group initiated one share-based compensation plan that will be settled in ordinary shares: a 'One-off Appreciation and Retention Plan'.

Under the One-off Appreciation and Retention Plan, certain senior employees have been granted Restricted Share Units (RSU's) on 11 February 2022, which will vest on 11 February 2024 only when the employees are still employed by the Group on that date.

The fair value of these share-based compensations, calculated on grant date, is based on Ebusco's share price (observable input).
Details of the share-based compensation plan during the year are as follows:

	2022		2021	
Restricted Share Units (RSU's)	Number of shares	Fair value	Number of shares	Fair value
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	17,000	22,10	-	-
Outstanding at the end of the year	**17,000**	**22,10**	**-**	**-**

The expected realisation of the service conditions is set at 100%. Dividends declared on the underlying shares while the RSU is unvested are expected to be nil, subsequently no amount is deducted from the grant-date price of the company's share in estimating the fair value.

7.1 REMUNERATION KEY MANAGEMENT

The Group's key management consists of the CEO, CFO, COO, CTO, CPO and HR Director per 31 December 2022. Total remuneration for the Group's key management amounted to €1,654 for 2022 (2021: €6,183). Key management are those persons having authority and responsibility for planning, directing and controlling the activities of the entity (directly or indirectly) including any directors.

The table below provides the remuneration of the Management Board for the years ended 31 December 2022 and 2021.

					2022					2021
	Base salary	Pension costs	Other compensation	Other	Total	Base salary	Pension costs	Other compensation	Other	Total
Peter Bijvelds (CEO)	387	63	-	10	**460**	268	12	-	7	**287**
Paul van Beers (CFO)	275	45	-	18	**338**	295	9	5,000	11	**5,315**
Bob Fleuren (COO)[1]	275	45	-	16	**336**	183	18	-	12	**213**
Total	**937**	**153**	**-**	**44**	**1,134**	**746**	**39**	**5,000**	**30**	**5,815**

[1] Appointed as COO and member of the Management Board as from 1 April 2021

BASE SALARY

All three members of the Management Board are included in the payroll administration of the Company as from 17 October 2021.

PENSIONS

The members of the Management Board have been granted a pension allowance equal to an amount of approximately 16% of their fixed base salary, excluding any allowances and bonus payments. Other benefits include 25 days of paid vacation leave per calendar year. Furthermore, the members of the Management Board receive a car allowance or company car in accordance with the company's car policy. No other benefits are granted.

OTHER COMPENSATION

As a result of the IPO in October 2021, the CFO received a settlement fee of €5.0 million, with the requirement to re-invest the net proceeds of the settlement in shares of the Company.

7.2 SUPERVISORY BOARD REMUNERATION EXPENSES

	Fixed		Other compensation		Total	
In euro	2022	2021	2022	2021	2022	2021
Derk Haank[1]	58,000	14,500	450	150	58,450	14,650
Carin Gorter[2]	50,000	12,500	1,350	300	51,350	12,800
Jeroen Drost[3]	47,000	11,750	600	150	47,600	11,900
Ruud Spoor[4]	47,000	11,750	1,200	-	48,200	11,750
Roelf de Boer[5]	47,000	11,750	750	150	47,750	11,900
Total	**249,000**	**62,250**	**4,350**	**750**	**253,350**	**63,000**

[1] Derk Haank has been appointed as Chair of the Supervisory Board and member of the Nomination and Remuneration Committee
[2] Carin Gorter has been appointed as Chair of the Audit Committee and member of the Supervisory Board
[3] Jeroen Drost has been appointed as Chair of the Remuneration Committee and member of the Supervisory Board
[4] Ruud Spoor has been appointed as member of the Audit Committee and member of the Supervisory Board
[5] Roelf de Boer has been appointed as Chair of the Nomination Committee and member of the Supervisory Board

With regards to the comparative figures, the fixed compensation relates to the fourth quarter of 2021.

8. OTHER OPERATING EXPENSES

Other operating expenses comprise general, distribution, marketing and other expenses.

Other operating expenses	2022	2021
General expenses	5,416	8,176
Distribution expenses	2,687	1,449
IT expenses	2,541	1,213
Marketing expenses	1,156	552
Facility expenses	996	450
Office expenses	264	136
Other expenses	1,856	378
Total other operating expenses	**14,916**	**12,354**

General expenses mainly include audit, advisory and insurance fees. In addition, general expenses include changes to the provision for doubtful debts. Marketing expenses are costs which include marketing and promotional costs and costs associated with making products available for delivery to customers. Facility expenses include costs for utilities, insurance, and other non-rent related expenses associated with the Group's facilities. Office expenses include telecom expenses, office supplies, and subscriptions. IT expenses include software maintenance costs and license costs, as well as other IT services. Other expenses consist of various expenses that are incurred as part of the Group's daily operations. The Group has R&D expenditures of €456 recognised as an expense during the reporting periods (2021: nil).

9. FINANCE EXPENSES, NET

Finance costs	2022	2021
Foreign currency exchange rate results, including (gains)/losses on derivatives	127	470
Interest and similar expenses on loans and borrowings	989	3,642
Interest income	(241)	-
Interest on lease liabilities	185	128
Total	**1,060**	**4,240**

10. INCOME TAX

The major components of income tax expense for the years ended 31 December 2022 and 31 December 2021 are presented below.

Income tax expense	2022	2021
Current tax (expense)/benefit:		
Relating to current year	(20)	4,837
Adjustment prior year	-	837
	(20)	**5,674**
Deferred tax (expense)/benefit:		
Relating to changes in tax rates	-	224
Relating to origination and reversal of temporary differences	100	211
Relating to tax losses	9,725	4,143
Relating to limitation interest deduction	(94)	146
Adjustment prior year and others	23	(811)
	9,754	**3,913**
Income tax (expense)/benefit reported in the statement of profit or loss	**9,734**	**9,587**

Deferred tax (expense)/benefit related to items recognised in OCI during the year	2022	2021
Derivatives	(299)	(371)
Deferred tax charged to OCI	**(299)**	**(371)**

The operations of the Group are subject to income taxes in the Netherlands and in the other countries where the Group is conducting a business.

Ebusco Holding N.V. is the head of the Dutch fiscal unity for both income tax and VAT; all Dutch subsidiaries are part of the fiscal unity except for Pondus Operations B.V. as the Group's shareholding in this entity is only 90% and ZES (48.57%).

A reconciliation of the statutory income tax rate of the Netherlands to the effective income tax rate is as follows:

Effective tax rate	2022	2021
Accounting profit before tax	(41,927)	(36,384)
Domestic income tax rate	25.8%	25.0%
Theoretical income tax (expense)/benefit	**10,817**	**9,096**
Tax effect of:		
Deviating rates	(4)	(3)
Change in tax rates	-	224
Share of results of an associate	(111)	-
Non-deductible expenses, tax exempt income and other permanent differences	(59)	721
Benefit from previously unrecognised and unused tax losses	295	3
Effect of unrecognised and unused tax losses	(1,223)	(467)
Other effects including adjustments prior year	19	13
Total income tax (expense)/benefit	**9,734**	**9,587**
Effective tax rate	**23.2%**	**26.3%**

The enacted income tax rate in the Netherlands is set at 25.8% in 2022 (2021: 25.0%).

Non-deductible expenses, tax exempt income and other permanent differences in 2022 mainly include the tax effect of tax exempt income from associates, non-deductible employee benefit expenses related share based payments and non-deductible advisory fees related to the acquisition of Zero Emission Services B.V.

The effect of unrecognised and unused tax losses in 2022 mainly relates to fiscal tax losses incurred by Pondus Operations B.V.. The effect of previously unrecognised and unused tax losses in 2022 relates to future expected taxable profits of Pondus R&D B.V. Pondus R&D is merged into Pondus Holding B.V. per 27 December 2022. Pondus Holding B.V. is merged into Ebusco B.V. per 28 December 2022.

Prior year adjustments mainly include differences between initial and final tax assessments and the impact of timing differences materialising in a different year as assumed.

The balances and movements for current tax and deferred tax for the years ended 31 December 2022 and 31 December 2021 are presented below:

Current income tax liabilities	As at 31 December 2022	As at 31 December 2021
Income tax payable	5	9

The (net) deferred tax asset position of the Group as per 31 December 2022 and 31 December 2021 mainly relates to tax losses carried forward, limitation of interest deduction, right-of-use asset and lease liability positions resulting from the application of IFRS 16, the depreciation pattern of property, plant and equipment and derivative positions resulting from the application of hedge accounting.

Deferred tax assets	As at 31 December 2022	As at 31 December 2021
Intangible assets	-	-
Property, plant and equipment	112	147
Right-of-use assets	(1,871)	(2,058)
Derivatives	(313)	(89)
Lease liabilities	2,002	2,164
Tax losses carried forward	16,262	6,824
Limitation of interest deduction	173	151
Total net deferred tax asset	**16,365**	**7,139**

Changes in deferred tax assets and (liabilities), net	2022	2021
Carrying amount as at 1 January	7,139	909
Changes:		
Recognised in income statement	9,754	3,913
Recognised in other comprehensive income	(299)	(371)
Recognised against share premium	(194)	2,474
Other	(35)	214
Balance as at 31 December	**16,365**	**7,139**

The changes in deferred tax positions reflected in other comprehensive income are linked to the derivative balances resulting from the application of hedge accounting, whilst the one recognised in the income statement mainly refer to the recognition of tax losses carried forward and (the reversal of (net) deferred tax positions related to) the depreciation pattern of tangible assets. The change in the deferred tax position recognised against share premium relates to share issuance expenses directly charged against equity (reference is made to Note 20: Equity).

Tax losses carried forward available as at 31 December 2022 amount to €71.1 million (31 December 2021: €30.0 million) of which €63.0 million (31 December 2021: €26.3) has been recognised resulting in a deferred tax asset of €16.3 million (31 December 2021: €6.8). The remaining balance of €8.1 million (31 December 2021: €3.7) mainly relates to unrecognised tax carried forward losses of Pondus Operations B.V., which can be carried forward indefinitely.

Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

11. EARNINGS PER SHARE

The Group's equity structure as per 31 December consists of 59,039,380 ordinary shares with a nominal value of €0.01. Earnings per share can be specified as follows:

Share information	2022	2021
Net profit attributable to ordinary shareholders (in euro thousands)	(31,717)	(26,388)
Weighted average number of ordinary shares for the period	59,039,380	47,502,302
Dilutive number of shares	-	-
Total number of dilutive ordinary shares	59,039,380	47,502,302
Basic earnings per share (in euro's)	(0.54)	(0.56)
Dilutive earnings per share (in euro's)	(0.54)	(0.56)

Under the One-off Appreciation and Retention Plan (Note 7), certain senior employees have been granted 17,000 Restricted Share Units (RSU's), which will vest on 11 February 2024 when the employees are still employed by Ebusco on that date. The expected realisation of the service conditions for both plans is set at 100% and the effect of the expected exercise of stock and the increasing number of 17,000 outstanding shares on vesting date has not been included in the dilutive earnings per share, as the earning per share are loss-making.

12. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment	Equipment and office inventory	Transportation	Assets under construction	Total
Balance as of 1 January 2022				
Cost	6,578	3,968	520	11,066
Accumulated depreciation	(1,471)	(2,617)	-	(4,088)
Net book value	**5,107**	**1,351**	**520**	**6,978**
Change in net book value:				
Additions	2,812	424	2,611	5,847
Transfer from assets under construction	458	393	(851)	-
Other transfer at cost	-	(116)	-	(116)
Accumulated depreciation other transfer	-	93	-	93
Depreciation	(1,673)	(674)	-	(2,347)
Translation differences	-	(1)	-	(1)
Total changes	**1,597**	**119**	**1,760**	**3,476**
Balance as of 31 December 2022				
Cost	9,848	4,668	2,280	16,796
Accumulated depreciation	(3,144)	(3,198)	-	(6,342)
Net book value	**6,704**	**1,470**	**2,280**	**10,454**
Balance as of 1 January 2021				
Cost	1,448	3,688	560	5,696
Accumulated depreciation	(434)	(2,172)	-	(2,606)
Net book value	**1,014**	**1,516**	**560**	**3,090**
Change in net book value:				
Acquisitions through business combinations	1,519	45	-	1,564
Additions	3,377	7	780	4,164
Transfer to contract assets	-	(154)	-	(154)
Transfer from assets under construction	-	820	(820)	-
Depreciation	(803)	(883)	-	(1,686)
Total changes	**4,093**	**(165)**	**(40)**	**3,888**
Balance as of 31 December 2021				
Cost	6,578	3,968	520	11,066
Accumulated depreciation	(1,471)	(2,617)	-	(4,088)
Net book value	**5,107**	**1,351**	**520**	**6,978**

The Group has performed an impairment assessment with regard to its property, plant and equipment assets; no indications of impairment have been identified and no impairment has been recorded.

13. INTANGIBLE ASSETS

Intangible assets	Goodwill	Development assets	Software	Assets under construction	Total
Balance as of 1 January 2022					
Cost	39,258	14,783	1,673	194	55,908
Accumulated amortisation	-	(9,072)	(637)	-	(9,709)
Net book value	**39,258**	**5,711**	**1,036**	**194**	**46,199**
Change in net book value:					
Additions	-	10	122	3,746	3,878
Transfer from assets under construction	-	-	48	(48)	-
Transfer to inventory	-	-	-	(625)	(625)
Amortisation	-	(1,252)	(605)	-	(1,857)
Total changes	**-**	**(1,242)**	**(435)**	**3,073**	**1,396**
Balance as of 31 December 2022					
Cost	39,258	14,793	1,843	3,267	59,161
Accumulated amortisation	-	(10,324)	(1,242)	-	(11,566)
Net book value	**39,258**	**4,469**	**601**	**3,267**	**47,595**
Balance as of 1 January 2021					
Cost	-	10,417	1,191	-	11,608
Accumulated amortisation	-	(7,059)	(106)	-	(7,165)
Net book value	**-**	**3,358**	**1,085**	**-**	**4,443**
Change in net book value:					
Acquisitions through business combinations	39,258	4,246	-	-	43,504
Additions	-	120	482	194	796
Amortisation	-	(2,013)	(531)	-	(2,544)
Total changes	**39,258**	**2,353**	**(49)**	**194**	**41,756**
Balance as of 31 December 2021					
Cost	39,258	14,783	1,673	194	55,908
Accumulated amortisation	-	(9,072)	(637)	-	(9,709)
Net book value	**39,258**	**5,711**	**1,036**	**194**	**46,199**

13.1 GOODWILL

The goodwill recognised is related to the Pondus acquisition in 2021. The Group assessed the recoverable amount of the cash-generating unit (CGU) for annual goodwill impairment testing purposes. The CGU is the Ebusco business in total, excluding future cash flows related to the sale of energy containers. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The value in use calculation is based on a Discounted Cash Flow (DCF) model that does not include significant future investments that will enhance the performance of the assets of the CGU being tested. The fair value less cost of disposal model includes the cash flows related to future investments. As the Group continues to invest significantly in the future growth of the Company, this model is considered the most reliable estimate of the price at which an orderly transaction to sell the asset would take place between market participants at the measurement date under current market conditions. For the purpose of the goodwill impairment assessment, the fair value less cost of disposal exceeds the outcome of the value in use calculation. If either of the fair value less cost of disposal and the value in use amounts exceeds the asset's carrying amount, the asset is not impaired and it is not necessary to estimate the other value.

The fair value less costs of disposal calculation is based on a fair value hierarchy that categorises the inputs of valuation techniques used to measure fair value into three levels. For the annual goodwill impairment analysis of 2022, level 3 data was used to determine the recoverable amount of the CGU. Level 3 input is a DCF model in which the cash flows are derived from the forecast for the next five years. In 2021 the recoverable amount of the cash-generating unit, the Ebusco business in total, was also based on a fair value less cost of disposal basis. As Ebusco became listed on the Euronext after a successful IPO at the end of October 2021, the Group concluded that the fair value less cost of disposal was determined using a observable market price (level 1 input): the IPO offer share price of €23.00 per share and a market capitalization post listing for approximately €1.3 billion. This was significantly higher than the carrying amount and no impairment had been identified in 2021. As such observable data was not directly available and observable in 2022, the Group has used the level 3 valuation technique.

The recoverable amount at 31 December 2022 based on the level 3 Discounted Cash Flow model significantly exceeds the carrying amount of €270 million and no impairment loss has been recognised in 2022. The carrying amount does not include intangible assets with indefinite useful lives. A key assumptions used in the DCF model is the pre-tax WACC (weighted average cost of capital) of 11.95%. This corresponds to a discount rate of 9.7%. The period used for discounting cash flows is infinite. For determining the future cash flows the medium-term plans of the Group were used. The assumptions from the medium-term plans are based on past experience and external sources of information. The plan covers a period of 5 years. Cash flows after 5 years are extrapolated with an estimated future inflation of 2%. Another important estimate in the cash flow forecast is the expected turnover growth. The growth is based on the order book and the medium-term international expansion objective to significantly increase manufacturing, production and assembly as defined during the IPO.

13.2 DEVELOPMENT ASSETS

Development assets refer to the design, construction and testing of a chosen alternative for the new low floor bus which is 100% electrically powered. This project was taken into use in 2021.

Ebusco started with the development of energy systems in 2022, whereby the first contract to sell this was signed in 2022, with expected delivery in 2023. Ebusco expects to further develop this asset in the upcoming year which would lead to Development assets from the moment relevant criteria are met.

13.3 SOFTWARE

Software mainly refers to the Group's after sales and inventory management system, acquired from and developed by third party suppliers.

13.4 ASSETS UNDER CONSTRUCTION

Assets under construction relate mainly to the third-party supplier and internal staff expenses incurred to implement a new ERP system (€1.2 million) and to the development of energy containers (€1.2 million). The ERP system is not yet live at 31 December 2022. The development of the mobile energy containers are expected to be 100% completed and delivered to the customer in 2023. These containers can be used in hybrid electric barges, providing a fully green alternative requiring significantly less fuel and emitting significantly less CO2 than conventional diesel-powered barges.

The intangible assets which are not yet in use were tested for impairment, no impairment was identified. The Group has performed an impairment assessment with regards to its intangible assets and has not identified impairment indicators.

14. INVESTMENT IN AN ASSOCIATE

The Group has a 40% interest in Zero Emission Services (ZES) B.V. as per 28 January 2022 and a 48.57% interest as per 8 November 2022. Further disclosure concerning the acquisition of ZES is disclosed in Note 5.

ZES offers a complete range of products and services, based on interchangeable battery containers charged with renewable power, charging stations, technical support and an innovative pay per use concept for ship owners.

The Group's interest in ZES is accounted for using the equity method in the consolidated financial statements. At acquisition date, the investment is accounted for at costs, which is equal to the fair value of the Group's investment in ZES. The following table illustrates the summarised financial information of the Group's investment in ZES:

Investment in an associate	2022
Current assets	15,769
Non-current assets	2,703
Current liabilities	(15,111)
Non-current liabilities	-
Equity	**3,362**
Group's share in equity (48.57%)	1,633
Fair value adjustment	(565)
Group's carrying amount of the investment	**1,068**
Revenue from contracts with customers	163
Cost of sales	(309)
Administrative expenses	(1,069)
Profit/(loss) before tax	**(1,215)**
Income tax expense	-
Profit/(loss) for the year (continuing operations)	**(1,215)**
Other comprehensive income/loss	-
Total comprehensive income for the year (continuing operations)	**(1,215)**
Group's share of the loss	(432)

On 11 November 2022, the Group approved another contribution in a proposed new share issuance of ZES. On 21 February 2023 the capital contribution was approved and paid. The Group contributed €2.35 million and as a result the interest in the associate increased to 49.39%.

At 31 December 2022 the associate has a commitment to purchase energy containers (€10.4 million) from Ebusco Energy B.V.

15. NON-CURRENT FINANCIAL ASSETS

Non-current financial assets	As at 31 December 2022	As at 31 December 2021
Long-term deposits	9	205
Total	**9**	**205**

The Group's non-current financial assets consist of long-term deposits. Instead of providing a bank guarantee as security for a 3-year factory warranty, the Group agreed with one customer to keep 5% of the sales invoices as a deposit instead of a bank guarantee. This deposit has a duration of 3 years.
Considering the relatively low value of the deposit, the Group estimates the carrying amount is not materially different from its fair value.

16. INVENTORIES

Inventories relate to (raw) materials for production, trade goods ready for sale and spare parts to service zero emission electric buses sold by the Group.

Inventories	As at 31 December 2022	As at 31 December 2021
Trade goods for sale and spare parts	47,976	22,853
Inventories, gross	**47,976**	**22,853**
Allowance for obsolescence	(534)	(523)
Inventories, net	**47,442**	**22,330**

The amount of write down of inventories recognised as an expense during 2022 amount to €11 (2021: €290).

17. TRADE RECEIVABLES

Trade receivables	As at 31 December 2022	As at 31 December 2021
Trade receivables	26,487	17,112
Doubtful debtor provision	(574)	(514)
Net trade debtors	**25,913**	**16,598**

In 2022, doubtful debtor provision consists of a provision for individual debtors with objective evidence of impairment (€402) and the allowance for expected credit losses (€172). In total €167 has been added to the doubtful debtor provision in 2022 and the usage to the allowance amounts to €107.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Due to the short duration of the receivables (average less than 3 months) the fair value approximates the carrying value. Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets using the provision matrix:

	31 December 2022					
	Contract assets	Trade receivables - Days past due				
		<30 days	30-60 days	60-90 days	>91 days	Total
Expected credit loss rate	0%	0.1%	2.7%	0.4%	6.1%	
Estimated total gross carrying amount at default	62,971	20,512	212	3,684	2,079	**26,487**
Expected credit loss	-	25	6	14	127	**172**

	31 December 2021					
	Contract assets	Trade receivables - Days past due				
		<30 days	30-60 days	60-90 days	>91 days	Total
Expected credit loss rate	0%	0.5%	0.5%	6%	6%	
Estimated total gross carrying amount at default	13,450	4.672	4,300	830	7,310	**17,112**
Expected credit loss	-	25	17	52	420	**514**

18. OTHER CURRENT ASSETS

Other current assets	As at 31 December 2022	As at 31 December 2021
Taxes and social securities	3,884	2,898
Derivatives	1,248	343
Other accrued assets	1,195	582
Income tax receivable	5	-
Total other current financial assets	**6,332**	**3,823**

Due to the short duration of the non-derivative current financial assets the fair value approximates the carrying value.

19. CASH AND CASH EQUIVALENTS

Cash and cash equivalents	As at 31 December 2022	As at 31 December 2021
Cash at hand	1	1
Cash at bank	95,211	207,922
Total cash and cash equivalents	**95,212**	**207,923**

The majority of commercial banks where cash and cash equivalents are held have a credit rating in the A categories of Moody's/S&P. No defaults occurred during the year and management does not expect any losses from non-performance by these counterparties. The risk of default of the counterparty is assessed to be low taking into account the credit rating. The resulting expected credit loss is estimated to be insignificant.

As per 31 December 2022, Ebusco is maintaining bank guarantee credit facilities for a total of €50 million with ING Bank N.V. (€20 million), Coöperatieve Rabobank U.A. (€20 million) and ABN Amro N.V. (€10 million) which have been established during 2022. At 31 December 2022 an amount of €5,395 has been utilized by means of a rental guarantee, advance payment guarantee, bid bonds and a performance bond guarantee at the credit facility of ING Bank N.V., whereas €981 has been utilized at the credit facility of ABN Amro N.V. by means of a advanced payment guarantee.

As per 31 December 2021, an amount of €30 million has been blocked and provided as pledge to ING Bank N.V. by Ebusco B.V. as security for the payment or repayment of everything that Ebusco B.V. and Ebusco Manufacturing B.V. may owe to ING Bank N.V. In addition, an amount of €1.8 million has been blocked and provided as pledge to Coöperatieve Rabobank U.A. as coverage for outstanding letter of credit amounts. In addition, an amount of €668 of the bank accounts has been blocked as per 31 December 2021 as coverage of outstanding bank guarantees. The outstanding bank guarantees included a bank guarantee for the rental agreement of the premises in Deurne as at 31 December 2022 of €132.

20. EQUITY

20.1 EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE GROUP

CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to safeguard the ability to continue as going concern and to provide return for shareholders and benefits to other stakeholders.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants, if applicable. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2022 and 2021.

EQUITY AND CAPITAL MANAGEMENT

ISSUED AND PAID IN ORDINARY SHARE CAPITAL

The issued and paid in ordinary share capital amounts to €590 as at 31 December 2022 (31 December 2021: €590) and is subdivided into: 59,039,380 ordinary shares with a nominal value of €0.01 (31 December 2021: 59,039,380 ordinary shares with a nominal value of €0.01).

In 2022 no changes in the issued and paid in ordinary share capital occurred.

SHARE PREMIUM

Following final settlement with all parties involved, €750 of the per 31 December 2021 accrued share issuance expenses was released in 2022. This led to a reversal of the charge against share-premium in 2021 of €557, net of tax.

LEGAL RESERVES

The Group has recorded cash flow reserve as a result of application of hedge accounting, linked to its foreign currency risk management policy as at 31 December 2022 of €966 (31 December 2021: €0). In 2022 the Group elected not to record a cost of hedging reserve (31 December 2021: €6).

In addition, the Group has recorded a legal (non-distributable) reserve as required by Dutch law in respect of:

- capitalised development assets excluding development assets acquired through business combinations (classified as Other reserve) as at 31 December 2022 of €7,738 (31 December 2021: €1,757) as required by Dutch law.
- the remeasurement gain of €7,450 in 2021 as a result of remeasuring the carrying amount of its 20% investment in Pondus associates' at fair value.

The share-based payment reserve of €166 (31 December 2022: €0) is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their renumeration. Refer to Note 7 for further details of these plans.

20.2 NON-CONTROLLING INTERESTS

In financial year 2021 the non-controlling interests included the remaining 20% of the shares in Pondus held by Gr8 Technologies B.V.after the acquisition of 60% of Pondus in April 2021. The fair value of the non-controlling interest was assessed at €7,450.

On 18 October 2021, the Group acquired the remaining 20% of Pondus through the acquisition of 100% of the shares of Gr8 Technologies B.V. Following the acquisition, the carrying value of the non-controlling interest of €7,190 (including loss for the period of €260) had been reclassified to the equity of Ebusco Holding N.V. No transactions with non-controlling interests occurred in financial year 2022.

The non-controlling interest as at 31 December 2022 of €539 (asset) (31 December 2021: €63) includes the carrying value of 10% of Pondus Operations B.V. held by minority shareholders.

21. LOANS AND BORROWINGS (LONG-TERM AND SHORT-TERM)

FINANCIAL LIABILITIES (NON-DERIVATIVES)

Loans and borrowings consist of the following:

	As at 31 December 2022			As at 31 December 2021		
Loans and borrowings	**Non-current**	**Current**	**Total**	**Non-current**	**Current**	**Total**
Debt to credit institutions	-	-	-	-	215	215
Debt to a third party	-	486	486	-	-	-
Debts to other related parties	-	-	-	463	-	463
Total	**-**	**486**	**486**	**463**	**215**	**678**

DEBT TO CREDIT INSTITUTIONS

The outstanding balance as at 31 December 2021 of €215 includes a letter of credit entered into with Rabobank.

DEBTS TO OTHER RELATED PARTIES

Debts to other related parties included a payable to BaBoDiDa Ltd at 31 December 2021. The long-term loan from BaBoDiDa Ltd. bears an interest rate of 5% per year. The interest is added to the loan. No security have been provided with regards to the loan. At 31 December 2022 this loan was transferred to a third party and the loan was fully repaid in January 2023.

The Group used a discounted cash flow method, with reference to the borrowing rate of the issuer as at end of the reporting period in order to determine the fair value of the borrowings. However, the Group reached the conclusion that the difference between the carrying amount of the loan and their fair value was not material and therefore no fair value adjustment was recorded.

The following table sets out the reconciliation from the net cash flows from financing activities with the financing positions of loans and borrowings as at 31 December 2022 and 2021.

	Debt to credit institutions	Debt to a third party	Debts to other related parties	Leases	Total
Balance as at 1 January 2022	**215**		**463**	**8,382**	**9,060**
Changes from financing cash flows					
Repayment of loans & borrowings	(215)	-	-	-	(215)
Payment of lease liabilities	-	-	-	(1,472)	(1, 472)
Transfer to credit institutions	-	486	(486)	-	-
Total changes from financing cash flows	**(215)**	**486**	**(486)**	**(1,472)**	**(1,687)**
Other changes					
Additions and remeasurements	-	-	-	816	816
Disposals				(150)	(150)
Interest and similar expense	-	-	23	185	208
Total liability-related other changes	**-**	**-**	**23**	**851**	**874**
Balance as at 31 December 2022	**-**	**486**	**-**	**7,761**	**8,247**

	Debt to credit institutions	Mezzanine facility	RVO Loan	Debt to shareholders	Cumulative preference shares	Debts to other related parties	Leases	Total
Balance as at 1 January 2021	**41,788**	**-**	**5,436**	**-**	**10,400**	**441**	**1,782**	**59,847**
Changes from financing cash flows								
Proceeds from loans & borrowings	9,000	32,500	-	-	-	-	-	41,500
Repayment of loans & borrowings	(50,923)	(33,168)	(11,426)	-	(10,000)	-	-	(105,517)
Payment of lease liabilities	-	-	-	-	-	-	(1,244)	(1,244)
Interest paid	(1,262)	-	-	-	(1,065)	-	-	(2,327)
Total changes from financing cash flows	**(43,185)**	**(668)**	**(11,426)**	**-**	**(11,065)**	**-**	**(1,244)**	**(67,588)**
Other changes								
Acquisition through business combination	-	-	5,696	2,213	-	-	-	7,909
New leases / remeasurements	-	-	-	-	-	-	7,716	7,716
Interest and similar expense	1,612	668	294	(85)	665	22	128	3,304
Transfer to payables to related parties	-	-	-	(2,128)	-	-	-	(2,128)
Total liability-related other changes	**1,612**	**668**	**5,990**	**-**	**665**	**22**	**7,844**	**16,801**
Balance as at 31 December 2021	**215**	**-**	**-**	**-**	**-**	**463**	**8,382**	**9,060**

22. LEASES

Lease liability	As at 31 December 2022	As at 31 December 2021
Lease liability (non-current)	6,298	7,250
Lease liability (current)	1,463	1,132
Total	**7,761**	**8,382**

The Group has several lease agreements in which it acts as a lessee. The main lease concerns a contract for office and manufacturing space in Deurne, the Netherlands with a lease term of 5 years ending 30 September 2023. This lease contains an extension period of 5 additional years which the Group has exercised.

The Group also has lease contracts which consist of cars for company personnel. The lease term for the aforementioned lease contracts is between 4 and 5 years. No lease contracts for the personnel cars contain an extension option. New car lease contracts and remeasurements resulted in an increase of both the ROU asset and lease liabilities by €236 (2022: €233) and €273 (2022: €230) respectively.

All lease contracts have fixed lease payments and are only adjusted for indexation. None of the lease agreements contain a termination option.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Right-of-use assets	Land and buildings	Cars	Total
Balance as of 1 January 2022	**7,573**	**473**	**8,046**
Change in net book value:			
Additions and remeasurements	543	236	779
Disposals	-	(147)	(147)
Depreciation	(1,214)	(209)	(1,423)
Total changes	**671**	**(120)**	**(791)**
Balance as of 31 December 2022	**6,902**	**353**	**7,255**
Balance as of 1 January 2021	**1,041**	**387**	**1,428**
Change in net book value:			
Additions and remeasurements	7,486	233	7,719
Depreciation	(954)	(147)	(1,101)
Total changes	**6,532**	**86**	**6,618**
Balance as of 31 December 2021	**7,573**	**473**	**8,046**

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

Lease liabilities	2022	2021
As at 1 January	8,382	1,782
Additions and remeasurements	816	7,716
Accretion of interest	185	128
Payments	(1,472)	(1,244)
Disposal	(150)	-
As at 31 December	**7,761**	**8,382**

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases (less than 12 months) and low-value assets. Short-term (less than 12 months) and small value lease contracts are expensed in the statement of profit or loss and other comprehensive income on a straight-line basis over the lease term. The amount of expense incurred in 2022 is €604 in total (2021: €92).

The future cash outflows relating to leases that have not yet commenced are disclosed in Note 26: Commitments and contingencies (if applicable).

For interest expenses on leases where the Group is a lessee, we refer to Note 9: Finance expenses, net.

The Group has only limited lease contracts in which it is a lessor. The lease income amounts to €9 (2021: €126).

23. PROVISIONS

Details of the provisions are presented in the table below:

	As at 31 December 2022			As at 31 December 2021		
Provisions	Non-current	Current	Total	Non-current	Current	Total
Provision for disputes	-	253	253	-	1,130	1,130
Provision for warranties	147	524	671	-	-	-
Total	**147**	**777**	**924**	**-**	**1,130**	**1,130**

PROVISION FOR DISPUTES

After complaints of a customer, the Group held the supplier of climate systems liable for the delivery of a non-conforming climate system. Following a court verdict in April 2021 the Group complaints were confirmed by the court and the supplier was determined liable for this issue.

Subsequently, the supplier started a temporary injunction opposing to the execution of the verdict. The verdict in the temporary injunction was that the supplier was not dismissed from the original verdict and was ordered to comply within two months.

A settlement agreement was reached on 30 July 2021 and subsequently the Group started replacing climate systems on all buses delivered. The Group recognised a provision of €3,939 in total in 2021, of which €3,686 has been used at 31 December 2022 (31 December 2021: €2,809). As per 31 December 2022 the provision amounts to €253 (31 December 2022: €1,130) to cover remaining costs to be incurred in the future as replacement has not been completed yet as per year-end.

Although the Group has a strong legal case which is supported by court it is unclear whether and what amount the supplier has to pay towards the Group. Due to the uncertainty, no receivable as per 31 December 2022 has been recognised in the balance sheet.

PROVISION FOR ASSURANCE-TYPE WARRANTIES

Historically, the Group was unable to reliably estimate warranty expense related to its assurance-type warranties. The production of zero-emission buses is based on new technology for a relatively small customer base for which insufficient historical information regarding warranty expenses was available, whether from the Group's experience or based on similar publicly available information from industry peers. Therefore the Group did not record a provision for warranty expense in prior year(s).

In 2022 the Group was able to collect additional historical information with sufficient details regarding actual warranty claims incurred for buses of which the warranty period expired in the course of 2022. Based on this additional historical data a more reliable estimate was made. The Group included the projected costs to repair or replace items under warranties and recalls if identified. These estimates are based on actual historical warranty claims incurred to date and an estimate of the nature, frequency and costs of future claims. These estimates are inherently uncertain given the relatively short history of sales and the limited historical data for the full warranty period and for different type of buses. Changes to the historical or projected warranty experience may cause material changes to the warranty reserve in the future. The effect of the change in the accounting estimate amounts to €671 and is recorded prospectively in 2022. The main assumption is the expected warranty claims as a percentage of sales, which is based on the historical warranty claims for buses of which the warranty period has expired at 31 December 2022. A change of the claims as percentage of revenue by 0.25% would result in a change in the provision of €105. The effect of discounting is immaterial.

24. TRADE PAYABLES AND OTHER CURRENT FINANCIAL LIABILITIES

The breakdown of the trade creditors and other current liabilities is as follows:

Trade payables and other current liabilities	As at 31 December 2022	As at 31 December 2021
Trade payables	21,115	10,883
Pension funds liabilities	-	29
Taxes and social securities	3,064	741
Derivates	37	-
Other current liabilities	4,854	6,207
Total	**29,070**	**17,860**

Trade payables are non-interest bearing and are normally settled on 30-days terms. Due to the short duration of the payables, the fair value approximates the carrying value. Other current liabilities are non-interest bearing and have an average term of two months.

The Other current liabilities balance as at 31 December 2021 included accrued IPO expenses of €3,083.

25. RELATED PARTY TRANSACTIONS

The Group identifies a related party as a person or entity that is related to the Group. These include both people and entities that have, or are subject to, the influence or control of the Group. Note 2 provides information about the Group's structure, including details of the subsidiaries and the holding company.

The Group engages with its shareholders in certain related party transactions disclosed in this and other notes in these financial statements. The Group holds receivables and payables from its shareholders who represent related parties.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation.

Transactions and balances with related parties can be specified as follows:

Entity / person with significant influence	Year	Purchases from related party	Interest owed by/ (to) related party	Amounts owed by related parties	Amounts owed to related parties
Bijvelds Car Trading B.V.	2022	2	-	-	-
	2021	-	-	24	-
BaBoDiDa Ltd.	2022	-	(23)	-	-
	2021	-	(22)	-	463
VDVI B.V.	2022	29	-	-	-
	2021	-	-	-	534
Trimados Holding B.V.	2022	-	-	-	-
	2021	22,344	-	-	-
B. van den Nieuwenhuijzen	2022	-	-	-	-
	2021	9,998	-	-	-
B.A. van den Nieuwenhuijzen	2022	-	-	-	-
	2021	9,998	-	-	-
ING Bank N.V.	2022	-	(390)	-	-
	2021	-	609	-	-

SALES AND PURCHASES TO RELATED PARTIES

Zero Emission Services B.V. became a related party on 28 January 2022 when 40% of the shares were acquired for a consideration of 1 euro. On 8 November 2022 an additional 8.57% of the shares were acquired in exchange for a cash contribution of €1,500. At year-end all investments were settled and no amounts were outstanding to Zero Emission Services B.V. For more background reference is made to Note 5.

Tridamos Holding B.V. is owned by the COO and sold his 60% share in Pondus Holding B.V. to the Group in April 2021. Reference is made to Note 5: Acquisitions.

On 18 October, 2021, the Group acquired the remaining 20% of the shares in Pondus Holding B.V. through the acquisition of 100% of the shares of Gr8 Technologies B.V., which were owned by B. and B.A. van den Nieuwenhuijzen. The acquisition price of €20.0 million was based on the further manufacturing roll-out of the composite buses and external market data. Both persons were each participating for 50% in Gr8 Technologies B.V. and are related to VDVI B.V. which is one of the existing shareholders of Ebusco Holding N.V.

Other purchases from related parties are within the normal course of the business.

INTEREST OWED TO RELATED PARTIES

During the normal course of business, the Group engages in transactions with ING, including loan facilities and issuance of letters of credit. All transactions are carried out at arms-length. The interest incurred and paid in 2022 amounts to €390 (2021: €609). As a result of the cash generated from the IPO in October 2021, the credit facility agreement has been cancelled with approval of all banks in December 2021. Reference is made to Note 20: Loans and borrowings.

RECEIVABLES AND PAYABLES FROM RELATED PARTIES

As at 31 December 2021, there was an outstanding balance of €24 of receivables from related parties, being Bijvelds Car Trading B.V. As at 31 December 2022 there were no outstanding balances to related parties.

As at 31 December 2021, the non-current loans and borrowings include a payable to BaBoDiDa Ltd (related party of shareholder VDVI B.V.). The long-term loan from BaBoDiDa Ltd. bears an interest rate of 5% per year. No security nor repayment terms have been provided with regards to the loan. In 2022, the loan has been transferred to another (non-related) party and it is presented in the current loans and borrowings.

Payables to related parties as at 31 December 2021 includes an outstanding liability of €534 towards VDVI B.V which has been repaid in January 2022.

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

For compensation of key management personnel of the Group reference is made to Note 7. The pre-IPO shareholders have entered into a settlement agreement with PBE Support, in the context of the pre-IPO restructuring. PBE Support is wholly owned by Ebusco's CFO, Paul van Beers. A payment is due to PBE Support by the respective pre-IPO shareholder if a change in ownership of the shares held by the pre-IPO shareholders would occur. In 2022 one of the pre-IPO shareholders sold shares, which triggered a payment of €1.5 million by that respective shareholder. This transaction has no impact on Ebusco's balance sheet, income statement or cash flows. Therefore, this transaction is not included in the CFO's remuneration as summarized in Note 7 for both 2021 and 2022.

26. COMMITMENTS AND CONTINGENCIES

PURCHASE COMMITMENTS

The Group made commitments for the purchasing of electric buses for an amount of €3.0 million at 31 December 2022 (2021: €9.4 million).

OTHER DISPUTES

During December 2020, the Group delivered four buses to a customer, generating €2.0 million of revenues. After the transfer of control of the buses, the customer's facility experienced fire damage and the buses were destroyed. The Group asserts that control and ownership of the buses was transferred before the event and the amounts receivable for the delivered buses are owed to the Group. The customer disputes the Group's assertion and disputes the amount payable to the Group for the buses. The matter is still under dispute and the Group plans to pursue collection of the amount receivable. The outcome is neither probable nor estimable and no significant provision is recorded.

CONTINGENT ASSET

In 2021 the Group held a supplier of climate systems liable for the delivery of a non-conforming climate system. Due uncertainty no receivable as per 31 December 2022 is recognised in the balance sheet. Reference is made to Note 23: Provisions.

CONTINGENT LIABILITY

In July 2022 the Group signed a letter of intent with SNC Renault Cléon to lease 21,092m2 in the Metropole Rouen. This location will be used as a production facility and will function as the French headquarter of the Group. The site is expected to be fully operational early 2024 and will have an initial capacity of 500 buses per year with the option to expand capacity in later years. The initial investment to equip the facility and convert it to Ebusco standards is expected to be €15 million.

The duration of the lease contract is for an initial period of 10 years and can be extended after this period. Impact on the right-of-use assets/liabilities is estimated at €9.2 million. As at 31 December 2022 there is no signed agreement in place.

27. RISK MANAGEMENT OBJECTIVES AND POLICIES

The operations of the Group expose the Group to various financial risks, including liquidity risk, market risk, and credit risk. The risk management is the responsibility of the Management Board of the Group. The main financial risks are described below together with the approach taken to assess and mitigate the relevant financial risk.

Risk type	Risk description	Risk assessment and mitigation	Remaining risk
Liquidity risk	*Liquidity risk* is the risk that the Group is not able to pay its short-term liabilities.	Immediate liquidity risks for the Group could arise from: • Short-term payments on long-term liabilities • Short-term lease payables • Trade and other payables • Other current liabilities The duration of the financial liabilities of the Group is shown in the table below (as at 31 December 2022 and 31 December 2021). Approximately 86% of the liabilities of the Group are short-term (this amounts to €40.7 million, including income tax payable); the Group's current assets (maturity shorter than 1 year) amount €237.9 million, including cash and cash equivalents of €95.2 million. Based on this, the Group considers the residual liquidity risk to be low. The remaining risk is limited.	***Limited***
Market risks	Foreign exchange risk is the part of the market risk that arises due to exposure of the Group to foreign currencies. This exposure arises from the Group's involvement in foreign operations or trade in foreign currency (buy and sell).	The Group has risk management policies and procedures in place for managing its foreign exchange risk. The foreign currencies the Group has exposure to are the Chinese Yuan (Renminbi) (RMB), Norwegian Krone (NOK), Australian Dollar (AUD), Danish Krone (DKK) and Canadian Dollar (CAD) based on: • Sales in NOK, RMB and DKK • Trade and other receivables denominated in NOK, RMB and DKK • Purchases in RMB, NOK, AUD, DKK and CAD • Trade and other payables denominated in RMB, NOK, AUD, DKK and CAD For its RMB and NOK transactions the Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted purchases. The Group's DKK sales are immaterial. The Group accepts the limited remaining risk.	***Limited***
	Inflation risk is the part of the market risk that arises due to (unexpected) price increased of goods and services purchased by the Group.	The ongoing inflation is resulting in an increase in cost levels for the Group. The Group is continuously monitoring the development or purchase prices for goods and services required on the short, medium and long-term basis. Based on expected price development the Group engages in purchase contracts and/or strategic inventory purchases in order to mitigate the risk of unexpected price increases as much as possible. On the other hand, the Group is also able to recharge (a part of) the increase in cost levels to its customers via increased sales prices.	***Medium***
	Interest rate risk is the part of the market risk that arises due to movements in interest rates.	The Group is exposed to changes in interest rates resulting from the following: • Long term liabilities • The interest rate implicit in the lease However, no long-term liabilities have variable interest rates and outstanding amounts are limited in size. The Group's cash position, due to its short-term nature, has limited exposure to interest rate risk. The resulting residual interest rate risk is considered to be limited.	***Limited***
Credit risk	Credit risk for the Group mainly consists of the default of trade debtors and contract assets.	The Group reflects on the credit risks of trade debtors on a forward-looking basis, based on the simplified ECL approach. Furthermore, the Group determined that the customers (municipalities) of the Group, based on historic performance and entity nature, have a low default probability. The credit risk on other financial assets is considered to be low. Therefore, the Group accepts the residual remaining credit risks.	***Limited***

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual un-discounted payments, including interest and dividend on cumulative preference shares.

As at 31 December 2022	Carrying amount	Total Cash flows	0 to 3 months	3 to 12 months	1 - 5 years	More than 5 years
Debt to a third party	486	486	486	-	-	-
Lease liabilities	7,761	8,277	454	1,170	6,653	-
Trade creditors	21,115	21,115	21,115	-	-	-
Contract liabilities	8,912	8,912	-	8,912	-	-
Other current liabilities	7,918	7,918	6,176	1,663	80	-
Total	**46,192**	**46,708**	**28,231**	**11,745**	**6,733**	**-**
Derivatives	**(1,210)**	**(1,210)**	**37**	**(1,247)**	**-**	**-**

As at 31 December 2021	Carrying amount	Total Cash flows	0 to 3 months	3 to 12 months	1 - 5 years	More than 5 years
Debts to credit institutions	215	215	-	215	-	-
Loan from related parties	463	591	-	-	-	591
Lease liabilities	8,382	9,099	364	1,130	6,672	933
Trade creditors	10,883	10,883	10,883	-	-	-
Payables to related parties	534	534	534	-	-	-
Contract liabilities	174	174	174	-	-	-
Other current liabilities	6,977	6,977	2,626	4,351	-	-
Total	**27,628**	**28,473**	**14,581**	**5,696**	**6,672**	**1,524**
Derivatives	**(343)**	**(343)**	**(303)**	**(40)**	**-**	**-**

28. FINANCIAL INSTRUMENTS - HEDGE ACCOUNTING

The Group applies hedge accounting. At the moment of entering into a hedge relationship, this is documented by the Group. By means of a test, the company periodically assesses the effectiveness of the hedge relationship. This may be achieved by comparing the critical characteristics of the hedge instrument with those of the covered position or by comparing the change in fair value of the hedge instrument and the covered position. If applicable, the ineffective share of the value adjustment of the currency futures contracts is accounted for in the profit and loss account under financial income and expenses.

USE OF DERIVATIVES

The Group is exposed to financial market risk in the normal course of its business operations. The Group uses derivatives for economic hedging purposes to manage its foreign currency risk. The primary objective of the Group's hedging activities is to manage the potential year-on-year volatility caused by foreign-currency movements on its net earnings by hedging the anticipated net exposure of foreign currencies resulting from foreign-currency purchases. The objective of economic hedging is to enter into positions with an opposite risk profile to an identified risk exposure to reduce that exposure. The single risk which is being hedged is foreign currency exchange rate risk. This risk is primarily hedged with foreign exchange forwards/swaps. The Group's hedging activities do not have an effect on timing or amount of forecasted transactions.

CASH FLOW HEDGE ACCOUNTING

Derivatives that qualify for hedge accounting under IFRS are classified and accounted for in accordance with the nature of the hedged exposure and the type of IFRS hedge accounting model that is applicable. The three models applicable under IFRS are: fair value hedge accounting, cash flow hedge accounting, and hedge accounting of a net investment in a foreign operation. The Group applies cash flow hedge accounting to highly probably future cash flows, namely forecasted purchases in a currency other than the Group's functional currency (€).

The Group enters into foreign exchange forwards and swaps to protect against volatility caused by foreign-currency movements on its net earnings by hedging the anticipated net exposure of foreign currencies resulting from foreign-currency purchases. The Group hedges the net anticipated exposures up to the date on which the forecasted transaction is expected to occur. The amounts and timing of future cash flows are projected based on contractual terms. These projected cash flows form the basis for identifying the notional amount subject to foreign currency exchange rate risk that is designated under cash flow hedge accounting.

From the derivatives, the Group decides on a contract basis to either allocate the instrument its entirety or to split the spot and the forward element and only designate the spot element as a hedge instrument.

The Group determines an economic relationship between the cash flows of the hedged item and the hedging instrument based on an evaluation of the qualitative characteristics of these items and the hedged risk. The Group considers whether the critical terms of the hedged item and hedging instrument closely align when assessing the presence of an economic relationship. The Group evaluates whether the cash flows of the hedged item and the hedging instrument respond similarly to the hedged risk, such as changes in the foreign exchange rates.

At the moment of entering into a hedge relationship, this is documented by the Group. The Group periodically assesses the effectiveness of the hedge relationship and analysis the identified potential sources of ineffectiveness. The Group has identified the following potential sources of ineffectiveness:

- Differences in timing of cash flows of the hedged item(s) and hedging instrument(s);
- Incidental notional over-hedging;
- The lack of collateralization of the derivatives, and the resulting counterparty credit risk;
- Difference between hedged on-shore and hedging off-shore foreign currency exchange rate;
- The Group assumes that the fair value of the hedging instrument is nil at inception of the hedge. Should the fair value of the hedging instrument not be zero at the inception of the hedge, ineffectiveness may arise.

The ineffectiveness portion is accounted for in the consolidated statement of profit or loss under Finance expenses, net.

The hedge ratio is the ratio between the amount of hedged item and the amount of hedging instrument. The Group has established a hedge ratio of 1:1 (100%).

The Group uses the following derivative financial instruments in a cash flow hedge accounting relationship:

	As at 31 December 2022	As at 31 December 2021
Carrying amount hedging instruments	1,210	40
Notional amount hedging instruments	42,397	(387)

As at 31 December 2022, the carrying amount of the derivatives includes no derivatives with no hedge designation. In 2021 the carrying amount of the derivatives included one derivatives with no hedge designation. The fair value of this contract amounts to €303.

The notional amount of the hedging instruments relate to sales contracts of €45,869 and purchase contracts of €3,472.

The derivatives used for cash flow hedge accounting are included in the statement of financial position line-item Other current financial assets respectively liabilities.

Derivatives	2022	2021
Other current financial assets	1,247	343
Other current financial liabilities	(37)	-
As at 31 December	**1,210**	**343**

The average currency exchange rate used in cash flow hedge accounting is for 2022:
€/RMB 7.1118 (2021: 7.5819).
€/NOK 10.2475 (2021: n/a).

Cash flow hedging – change in fair value of hedged items	Change in value used for calculating hedge ineffectiveness for the period	Of which are changes in spot rates (hedged risk)	Of which are amortization of forward element	Of which are changes in fair value attributable to currency basis spreads
As at 31 December 2022				
FX	-	-	-	-
As at 31 December 2021				
FX	22	1	29	(8)

Gains and losses on the effective portions of derivatives designated under cash flow hedge accounting are recognised in Other Comprehensive Income (hedge reserve). In 2021, the changes in fair value of the forward contract and foreign currency basis spread of a financial instrument, in relation to a transaction-related hedged item accumulated in the cost of hedging reserve, are reclassified to profit or loss only when the hedged transaction affects profit or loss, or included as a basis adjustment to the non-financial hedged item. In 2022, the Group elected not to accumulate the changes in fair value of the forward contract and foreign currency basis spread of a financial instrument in the cost of hedging reserve.

The following table shows the cash flow hedge accounting impact on profit or loss and comprehensive income, excluding tax impact:

Cash flow hedging – impact of hedging instruments on the statement of profit or loss and other comprehensive income	Hedging gains (+) or losses (-) (OCI)	Hedge ineffectiveness recognised in the statement of profit or loss, gain (+) / loss (-)	Amount reclassified from cash flow hedge reserve
As at 31 December 2022			
FX	1,161	93	144
As at 31 December 2021			
FX	(8)	-	(870)

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

Fair value measurement hierarchy for assets as at 31 December 2022 and 2021	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable æinputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Foreign exchange forward/ swaps contracts	31 December 2022	1,210	-	1,210	-
Foreign exchange forward/ swaps contracts	31 December 2021	343	-	343	

There were no transfers between Level 1 and Level 2 during 2022 and 2021.
The valuation technique used in the measurement of the Level 2 securities is based on observable market data. The inputs used in the measurement represent FX and interest rate curves.

29. EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to 31 December 2022 the following event occurred:

On 11 November 2022, the Group approved the contribution in the new issued shares of ZES. On 21 February 2023 the capital contribution was approved and paid. The Group contributed €2.35 million and as a result the interest in the associate increased to 49.39%.

At the end of 2022, the Group signed a contract with its associate ZES for the delivery of nine Mobile Energy Containers. Ebusco has developed the Mobile Energy Containers, which are expected to be 100% completed and delivered to the customer in 2023 upon which revenue will be recognized (€10.4 million). On 23 February 2023 an addendum to the contract was signed to purchase 11 additional Mobile Energy Containers, expected to be completed and delivered in 2024. Downstream transactions of sales to the associate will be eliminated. These containers can be used in hybrid electric barges, providing a fully green alternative requiring significantly less fuel and emitting significantly less CO2 than conventional diesel-powered barges.

In July 2022 the Group signed a letter of intent with SNC Renault Cléon to lease 21,092m^2 in the Metropole Rouen. On 9 January 2023 the lease agreement was signed, with the fulfilment of several conditions precedent. The conditions were fulfilled on 28 February 2023, after which the lease took effect. This location will be used as a production facility and will function as the French headquarter of the Group. The site is expected to be fully operational early 2024 and will have an initial capacity of 500 buses per year with the option to expand capacity in later years. The initial investment to equip the facility and convert it to Ebusco standards is expected to be €15 million. Reference is made to note 26 for the estimated future lease liability and right-of-use asset.

COMPANY FINANCIAL STATEMENTS

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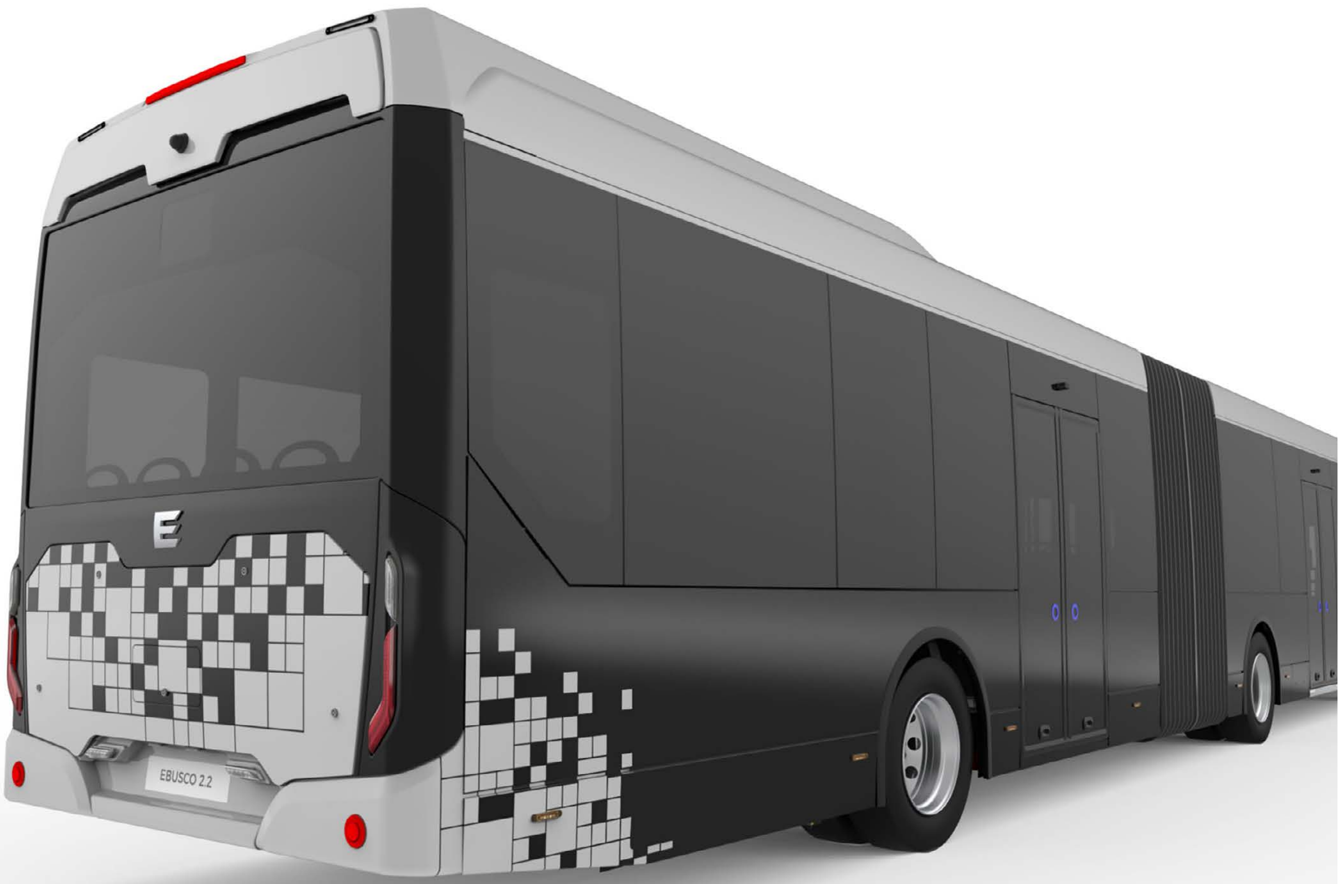

COMPANY STATEMENT OF PROFIT OR LOSS

In thousands of euro

	Notes	2022	2021
Other operating income	B	878	659
Total operating income		**878**	**659**
Employee benefit expenses	C	(1,651)	(5,778)
Amortisation and depreciation expenses		(26)	(2)
Other operating expenses	D	(3,066)	(5,933)
Total operating expenses		**(4,743)**	**(11,713)**
Operating result		**(3,865)**	**(11,054)**
Finance income/(expenses), net	E	1,063	(576)
Result before income tax		**(2,802)**	**(11,630)**
Income tax credit/(expense)	F	704	2,113
Share of result of an associate	G	-	7,427
Result from group companies	H	(29,619)	(24,298)
Result after income tax		**(31,717)**	**(26,388)**

COMPANY STATEMENT OF FINANCIAL POSITION

Before appropriation of profit, in thousands of euro

	Notes	As at 31 December 2022	As at 31 December 2021
Assets			
Right-of-use assets		26	41
Intangible assets		47	48
Investments in group companies	H	237,968	44,577
Loans to group companies associates	I	4,613	23,250
Deferred tax assets	F	5,072	4,587
Non-current assets		**247,726**	**72,503**
Receivables from group companies	J	26,628	73,828
Receivables from related parties		-	24
Other current assets	K	554	1,192
Cash and cash equivalents	L	-	164,834
Current assets		**27,182**	**239,878**
Total assets		**274,908**	**312,381**

	Notes	As at 31 December 2022	As at 31 December 2021
Equity			
Share capital		590	590
Share premium		315,324	314,767
Legal reserves		16,168	9,207
Other reserves		166	-
Retained earnings		(26,534)	5,835
Net result		(31,717)	(26,388)
Total Equity	M	**273,997**	**304,011**
Provisions	N	**-**	**3,976**
Lease liabilities		12	28
Non-current liabilities		**12**	**28**
Trade payables		493	372
Other current liabilities	P	391	3,981
Current lease liabilities		15	13
Current liabilities		**899**	**4,366**
Total liabilities		**911**	**8,370**
Total equity and liabilities		**274,908**	**312,381**

NOTES TO THE COMPANY FINANCIAL STATEMENTS

A. ACCOUNTING POLICIES FOR THE COMPANY FINANCIAL STATEMENTS

The Company financial statements of Ebusco Holding N.V. (hereafter 'the Company') have been prepared in accordance with Part 9, Book 2 of the Dutch Civil Code. In accordance with article 362 (8), Book 2 of the Dutch Civil Code, the Company's financial statements have been prepared on the basis of the accounting principles for recognition, measurement and determination of profit, as applied in the consolidated financial statements. These principles also include the classification and presentation of financial instruments, being equity instruments or financial liabilities.

The ordinary shares of Ebusco Holding N.V. are (partly) listed on Euronext Amsterdam.

All amounts are stated in thousands of EUR, unless otherwise stated.

The accounting policies used in the preparation of the Company Financial Statements are the same as those used in the preparation of the Consolidated Financial Statements (in accordance with article 362 (8), Part 9 of Book 2 of the Dutch Civil Code). See the notes to the Consolidated Financial Statements.

In addition to these accounting policies, the following accounting policy applies to the Company financial statements:
Investments in group companies are presented using the equity method. Goodwill paid upon acquisition of investments in group companies is included in the net equity value of the investment and is not shown separately on the face of the balance sheet. The Company recognises a provision which makes use of the option to eliminate intercompany expected credit losses against the book value of loans and receivables to group companies, instead of elimination against the investments in group companies

Loans provided to group companies are stated at amortized cost, less impairment.

B. OTHER OPERATING INCOME

Other operating income relates to the recharge of the remuneration expenses of the Management Board members to Ebusco B.V.

C. EMPLOYEE BENEFIT EXPENSES

Employee benefit expenses can be specified as follows:

Employee benefit expenses	2022	2021
Wages and salaries	1,249	692
Pension costs	153	29
Share based payments expenses	166	-
Other compensation expenses	-	5,000
Temporary staff	58	46
Car expenses	21	3
Other staff expenses	4	8
Total	**1,651**	**5,778**

All three members of the Management Board are included in the payroll administration of the Company as of 17 October 2021. The remuneration of members of the Supervisory Board is included in 'wages and salaries'.

The number of persons with an employment contract at 31 December 2022 was 3 (31 December 2021: 3), including all members of the Management Board; all persons have their place of residence in the Netherlands.

Further reference is made to Note 7 of the consolidated financial statements.

D. OTHER OPERATING EXPENSES

Other operating expenses mainly consist of insurance expenses, audit and advisory fees.

E. FINANCE INCOME/(EXPENSES), NET

Finance expenses, net can be specified as follows:

Finance expenses, net	2022	2021
Net foreign exchange result	18	4
Intercompany interest income	1,505	1,210
Financial income	**1,523**	**1,214**
Interest expense cumulative preference shares	-	(665)
Interest Mezzanine facility	-	(668)
Interest expense intercompany	(4)	-
Interest expense third party	(369)	(213)
Interest on lease liabilities	(1)	-
Other finance expenses	(86)	(244)
Total	**(460)**	**(1,790)**
Finance expenses, net	**1,063**	**(576)**

F. INCOME TAX

The deferred tax asset recognised at 31 December 2022 of €5,072 (31 December 2021: €4,587) relates to tax losses carried forward (€19,659 multiplied by the enacted domestic income tax rate of 25.8%). In 2022, accrued discretionary fees regarding the IPO in the amount of €557 was released in favor of share premium.

In 2021, IPO expenses in the amount of €9,897 were directly charged against share premium, which resulted in the recognition of a deferred tax asset of €2,474. The remaining balance of €2,114 had been recognised against the statement of profit or loss.

Income tax is allocated to individual members of the fiscal unity as if they were independently liable for corporate income tax. As a consequence, the tax losses carried forward amount of €19,660 are the fiscal losses attributable to Ebusco Holding N.V.

G. INVESTMENTS IN ASSOCIATES

The Company had a 20% interest in Pondus Holding B.V. and its subsidiaries as at 31 December 2020, and acquired an additional 60% interest in April 2021 and the remaining 20% in October 2021. Accordingly, Pondus Holding B.V. is a 100% subsidiary of the Company from 31 December 2021 onwards.

Reference is made to Note 5 of the consolidated financial statements.

H. INVESTMENTS IN GROUP COMPANIES

Group companies are all entities (including intermediate holding companies) over which the Company has control. The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the group company and has the ability to affect those returns through its power over the group company. Group companies are recognised from the date on which control is transferred to the Company or its intermediate holding entities. They are derecognised from the date that control ceases.

The Company applies the acquisition method to account for the acquisition of group companies, consistent with the approach identified in the consolidated financial statements. The consideration transferred for the acquisition of a group company or business comprises the fair value of assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired, and liabilities and contingent liabilities assumed, in an acquisition are initially measured at their fair values at the acquisition date and are subsumed in the net asset value of the investment in consolidated group companies. Goodwill paid upon acquisition of investments in group companies is included in the net equity value of the investment and is not shown separately on the face of the balance sheet. Acquisition-related costs are expensed as incurred.

Investments in group companies are measured using the equity method. The measurement of the financial fixed assets under the equity method is based on the measurement principles of assets, provisions and liabilities, and the determination of profit as applied in the consolidated financial statements.

When group companies have an equity deficit they are measured at zero under the equity method, unless the Company has given a liability undertaking or any other guarantee for the consolidated group company. In case of the later, the Company recognizes a provision in the statement of financial position equal to the negative net asset value of the group company.

The Company has direct and indirect interests in the group companies listed in Note 2 of the consolidated financial statements. Set out below are the carrying amounts of the investment in consolidated group companies and the movements during the period:

Investments in group companies	2022	2021
As at 1 January	**44,577**	**28,512**
Foreign exchange differences	20	(4)
Acquisition through business combinations	-	36,989
Result of group companies	(29,619)	(24,298)
Reclassification to/(from) provision participations in group companies	(3,976)	3,718
Cash flow hedge, net of tax	966	460
Capital contribution	226,000	-
Repayment of convertible loan	-	(800)
As at 31 December	**237,968**	**44,577**

The Group performed several capital contributions during the financial year in order to settle intercompany positions. These capital contributions were recognised as share premium at the respective entities.

- Capital contribution of €220,000 from Ebusco Holding N.V. to Ebusco B.V.;
- Capital contribution of €6,000 from Ebusco Holding N.V. to Pondus Holding B.V.;

I. LOANS TO GROUP COMPANIES

As at 31 December 2021 the loans to group companies include a contractual right to receive cash from Ebusco B.V. of €17,750, following the acquisition of 1 preference share issued by Ebusco B.V. on 1 July 2020 for the amount of €9,750 and a subordinated loan on 15 July 2021 for the amount of €8,000. The latter became an ordinary intercompany loan after cancellation of the credit facility agreement in December 2021. Both amounts have been repaid in 2022.

Ebusco Holding N.V. is entitled to an 8% share of the investment amount, to be paid on an annual basis, based on profits available for distribution. As the contractual right is classified as a long-term receivable, an interest income accrual has been recognised against the statement of profit or loss of €472 in 2022 (2021: €780). The interest income accrual has been recorded in the current account with Ebusco B.V.

In addition, a loan to Pondus Operations B.V. is included of €5,500 as at 31 December 2021 including accrued interest of €245 (interest rate: 7%). The loan to Pondus Operations B.V. has been provided in April 2021 at the time the Company acquired 60% of the voting shares in Pondus Holding B.V. to enable Pondus Operation B.V. to redeem the RVO loan received from the Dutch government. In 2022 part of the loan was repaid by Pondus Operations B.V. (€1,237) and additional interest accrued of €350.

Loans to group companies can be specified as follows:

Loans to group companies	As at 31 December 2022	As at 31 December 2021
Loan receivable from Ebusco B.V.	-	17,750
Loan receivable from Pondus Operations B.V.	4,613	5,500
Total	**4,613**	**23,250**

The movement schedule of loans to group companies can be specified as follows:

Loans to group companies	2022	2021
As at 1 January	23,250	9,750
Acquisition through business combination	-	5,255
Repayment	(18,987)	-
New loan receivable	-	8,000
Interest	350	245
Total	**4,613**	**23,250**

J. RECEIVABLES FROM GROUP COMPANIES

Receivables from group companies can be specified as follows:

Receivables from group companies	As at 31 December 2022	As at 31 December 2021
Current account Ebusco B.V.	23,363	72,713
Current account Ebusco Australia Pty Ltd	-	261
Current account Pondus Operations B.V.	1,437	703
Current account Ebusco Manufacturing B.V.	325	150
Current account Ebusco Energy B.V.	1,503	1
Total	**26,628**	**73,828**

K. OTHER CURRENT ASSETS

Other current assets as at 31 December 2022 mainly include refundable VAT of €533 (31 December 2021: €1,150) and prepaid expenses of €21 (31 December 2021: €42).

L. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are all freely available to the Company. The cash and cash equivalents at 31 December 2022 is nil as excess cash is paid to the cash pool in Ebusco B.V.

M. EQUITY

For a breakdown of equity attributable to equity holders, see the Consolidated Statement of Changes in Equity and related notes including Note 19 of the consolidated financial statements.

LEGAL RESERVES

Based on Dutch law, a legal reserve needs to be established for currency translations, cash flow hedges, and capitalised costs of development assets. The legal reserve cannot be used for dividend distribution and is therefore restricted in usage (see paragraph below).

Legal reserves	As at 31 December 2022	As at 31 December 2021
Foreign exchange differences	14	(6)
Hedge reserves	966	6
Revaluation reserve	7,450	7,450
Development assets at subsidiaries	7,738	1,757
Total	**16,168**	**9,207**

LIMITATIONS IN THE DISTRIBUTION OF SHAREHOLDERS'EQUITY

As at 31 December 2022, pursuant to Dutch law, certain limitations exist relating to the distribution of shareholders' equity. Such limitations relate to legal reserves required by Dutch law of €16,168 (2021: €9,207).

OTHER RESERVES

In 2022 the Company established a share based payment reserve of €166 (2021: €0).

As the Company incurred a loss in 2022, it is proposed to the Annual General Meeting of Shareholders to charge the loss attributable to the equity holders of the Group to the retained earnings and not to pay any dividend relating to the financial year 2022.

N. PROVISIONS

Provisions have been recognised for the negative net asset value of certain subsidiaries of the Company, which can be specified as follows.

Provisions	As at 31 December 2022	As at 31 December 2021
Ebusco Australia Ply Ltd	-	245
Ebusco Energy B.V.	-	1
Pondus Holding B.V.	-	3,730
Total	**-**	**3,976**

O. OTHER CURRENT LIABILITIES

Other current liabilities as at 31 December 2022 mainly consists of payroll taxes (€92), audit fees (€165) and other advisory costs (€63).

P. REMUNERATION KEY MANAGEMENT

Reference is made to Note C to the Company financial statements and Note 7 to the consolidated financial statements.

Q. RELATED PARTIES

In addition to Note 24 of the consolidated financial statements, all companies within the Group are also considered to be related parties of Ebusco Holding N.V.

R. COMMITMENTS AND CONTINGENCIES

Reference is made to Note 25 to the consolidated financial statements.

Pursuant to the provisions of section 403, Part 9, Book 2 of the Netherlands Civil Code, the Company has assumed joint and several liability for the debts arising out of legal transactions of the following group companies:

- Ebusco B.V.
- Ebusco Energy B.V.
- Ebusco Manufacturing B.V.
- Pondus Holding B.V.
- Pondus Operations B.V.
- Pondus R&D B.V.

The joint and several liability for Pondus Holding B.V. and Pondus R&D ceased to exist at the time of the mergers as disclosed in Note 2 of the consolidated financial statements.

Being the head of the Ebusco Holding N.V. tax entity, the company is liable for the income tax and VAT liability of the fiscal unity as a whole.

S. DIVIDEND

No dividends have been paid in both 2021 and 2022.

T. AUDITORS' FEES

Audit, Other assurance and Other non-audit fees incurred related to the financial years 2022 and 2021 can be specified as follows:

			2022			2021
Total fees in € '000	*Ernst & Young Accountants LLP*	*EY network firms in the Netherlands*	*Total*	*Ernst & Young Accountants LLP*	*EY network firms in the Netherlands*	*Total*
Audit services	774	-	774	50*	-	50
Other assurance services	-	-	-	-	-	-
Other non-audit services	-	-	-	-	-	-
Total	**774**	**-**	**774**	**50**	**-**	**50**

*Incurred audit fees relate to the audit of the consolidated financial statements of 2021. In 2021, total audit expenses amounted to €1,542, which largely related to the audit services provided for the Special Purpose Financial Statements 2018-2020. These are therefore not included in the table above.

U. SUBSEQUENT EVENTS

For information regarding subsequent events, reference is made to Note 29 to the consolidated financial statements.

OTHER NOTES

As approved for publication, Deurne,

29 March 2023

Management Board

P.H.A.M. Bijvelds, *Chief Executive Officer*
P. van Beers, *Chief Financial Officer*
B.H.M.J. Fleuren, *Chief Operating Officer*

Supervisory Board

D.J. Haank, *Chairman*
C.W. Gorter
J. Drost
R. Spoor
R.H. de Boer

OTHER INFORMATION

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PROVISIONS OF THE ARTICLES OF ASSOCIATION RELATING TO PROFIT APPROPRIATION

Pursuant to article 31 of the articles of association of the Company, the Management Board, with the approval of the Supervisory Board, may decide that profits realised during a financial year are fully or partially appropriated to increase and/or from reserves (article 31.1). The profits remaining shall be put at the disposal of the General Meeting. The Management Board, with the approval of the Supervisory Board, shall make a proposal for that purpose. A proposal to pay a dividend shall be dealt with as a separate agenda item at the General Meeting of Shareholders (article 31.2).

The Company does not intend to declare or pay dividends for the financial year ending 31 December 2022 or in the medium term. The Company anticipates that for the foreseeable future it will retain all its future earnings for use in the development of its business, its international expansion and growth strategy to create shareholder value, to maintain a healthy financial structure and for general corporate purposes.

The net loss attributable to equity holders of the Group for 2022 of €31.7 million (2021: net loss of €26.3 million) will be deducted from retained earnings.

INDEPENDENT AUDITOR'S REPORT

To: the shareholders and supervisory board of Ebusco Holding N.V.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2022 INCLUDED IN THE ANNUAL REPORT

OUR OPINION

We have audited the financial statements 2022 of Ebusco Holding N.V. based in Deurne (the Netherlands).

The financial statements comprise the consolidated and company financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of Ebusco Holding N.V. as at 31 December 2022 and of its result and its cash flows for 2022 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code
- The accompanying company financial statements give a true and fair view of the financial position of Ebusco Holding N.V. as at 31 December 2022 and of its result for 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code

The consolidated financial statements comprise:

- The consolidated statement of financial position as at 31 December 2022
- The following statements for 2022: the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows
- The notes comprising a summary of the significant accounting policies and other explanatory information

The company financial statements comprise:

- The company statement of financial position as at 31 December 2022
- The company statement of profit and loss for 2022
- The notes comprising a summary of the accounting policies and other explanatory information

BASIS FOR OUR OPINION

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of Ebusco Holding N.V. (the company) in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the "Wet toezicht accountantsorganisaties" (Wta, Audit firms supervision act), the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten" (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands.

Furthermore we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA, Dutch Code of Ethics).

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

INFORMATION IN SUPPORT OF OUR OPINION

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

OUR UNDERSTANDING OF THE BUSINESS

Ebusco Holding N.V. is publicly listed on Euronext Amsterdam. The Company is dedicated to the development, production, and bringing to market of fully electric city and regional buses and the associated ecosystem. We have paid specific attention in our audit to a number of areas driven by the operations of the Company and our risk assessment.

We determined materiality and identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error in order to design audit procedures responsive to those risks and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

MATERIALITY

Materiality	€650
Benchmark applied	0.8% of a three year average of revenue over the period 2020 to 2022
Explanation	Based on our professional judgment, we consider (average) revenue to be the most appropriate basis to determine materiality. We consider (average) revenue to be the most relevant measure as this is a key performance indicator for the company. As revenues have been impacted by the COVID-19 pandemic due to lower order intake and supply chain constraints, we have used the average revenues of the company for the years 2020, 2021 and 2022 as a basis.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the supervisory board that misstatements in excess of €32.5, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

SCOPE OF THE GROUP AUDIT

Ebusco Holding N.V. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.

Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.
Our group audit mainly focused on significant group entities Ebusco B.V. and Ebusco Holding N.V.

We performed the audit on the complete financial information (full scope) and the remaining entities were assigned a specific scope, with the focus on cash and cash equivalents and certain expense accounts. The audit has been centrally performed by the audit team in the Netherlands. In total these procedures represent 97% of the group's total assets and 100% of gross revenues.

By performing the procedures mentioned above, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the consolidated financial statements.

TEAMING AND USE OF SPECIALISTS

We ensured that the audit team has the appropriate skills and competences which are needed for the audit of a listed client in this industry. We included specialists in the areas of IT audit, forensics, income tax and valuation.

OUR FOCUS ON CLIMATE-RELATED RISKS AND THE ENERGY TRANSITION

Climate change and the energy transition are high on the public agenda. Against this background it is Ebusco's vision to drive the transition to sustainable transport. The management board summarized the Company's role in this ecosystem in the section Strategy of the management report.

As part of our audit of the financial statements, we evaluated the effects of the energy transition are taken into account in estimates and significant assumptions. Furthermore, we read the management report and considered whether there is any material inconsistency between the non-financial information in the Our Responsibility section and the financial statements.

OUR FOCUS ON FRAUD AND NON-COMPLIANCE WITH LAWS AND REGULATIONS

OUR RESPONSIBILITY

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

OUR AUDIT RESPONSE RELATED TO FRAUD RISKS

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of Ebusco Holding N.V. and its environment and the components of the system of internal control, including the risk assessment process and the management board's process for responding to the risks of fraud and monitoring the system of internal control and how the supervisory board exercises oversight, as well as the outcomes.

We refer to section Risk management and internal control of the management board report for the management board's (fraud) risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption in close co-operation with our forensic and legal specialists. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

As in all of our audits, we addressed the risks related to management override of controls. For these risks we have performed procedures among others to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in Note 4 to the financial statements including percentage of completion of customer contracts. We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties.

The following fraud risks identified did require significant attention during our audit.

Presumed risks of fraud in revenue recognition	
Fraud risk	Revenue is one of the key performance indicators for Ebusco's stakeholders, resulting in pressure on the management board to achieve certain revenue levels. We presumed that there are risks of fraud in revenue recognition. We evaluated that overstatement of revenues from the sale of zero emission buses and inaccurate valuation of contract assets specifically by inaccurate determination of percentage of completion of customer contracts in particular give rise to such risks. These revenues are disclosed in note 6.1 of the financial statements.
Our audit approach	We describe the audit procedures responsive to the inaccurate revenue recognition and valuation of contract assets specifically related to determining the percentage of completion for the sale of zero emission buses (including the risk of management override of controls) in the description of our audit approach for the key audit matter "Fraud risk related to revenue recognition".

We considered available information and made enquiries of relevant executives, directors (including legal, compliance and human resources) and the supervisory board.

The fraud risk we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

OUR AUDIT RESPONSE RELATED TO RISKS OF NON-COMPLIANCE WITH LAWS AND REGULATIONS

We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements.
Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the management board, reading minutes, and performing substantive tests of details of classes of transactions, account balances or disclosures.

We also inspected lawyers' letters and correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

OUR AUDIT RESPONSE RELATED TO GOING CONCERN

As disclosed in Note 2 and Note 3 to the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, management made a specific assessment of the company's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with the management board exercising professional judgment and maintaining professional skepticism.

We considered whether the management board's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

Based on our procedures performed, we did not identify material uncertainties about going concern.
If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

OUR KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters discussed.

The key audit matter Acquisition of Pondus and valuation of the related goodwill which was included in our last year's auditor's report, is not considered a key audit matter for this year as it was related to a one off transaction.

Fraud risk related to the occurrence of revenue recognition	
Risk	As presented in Note 6 to the consolidated financial statements, revenue from contracts with customers resulting from the sale and supply of zero emission buses for the year ended 31 December 2022 amounted to €105.0 million. The revenue recognised is based on estimates and assumptions that require significant management judgment. At each reporting date the management board assesses the progress towards the complete satisfaction of the performance obligations taking into account all aspects in order to finalize the projects in line with contractual agreements. Inherent to the nature of estimates and assumptions is that these could be influenced by the management board and consequently we identified the risk of inappropriate revenue recognition and inaccurate valuation of the contract assets (as mentioned in the section Our audit response related to fraud risks), specifically relating to the determination of the percentage of completion. Therefore we consider this a key audit matter.

Fraud risk related to the occurrence of revenue recognition	
Our audit approach	Our audit procedures included, amongst others, assessing the appropriateness of the Company's accounting policies related to revenue recognition according to IFRS 15 "Revenue from contracts with customers" and whether the accounting policies have been applied consistently or whether changes, if any, are appropriate in the circumstances. In addition, we evaluated the design and implementation of internal controls related to the completeness, accuracy and timing of the revenue recognised. In order to evaluate the significant judgements and estimates made by the management board, we read supporting contractual agreements, obtained evidence of transfer of control such as proof of delivery, tested the costs incurred, examined computation of costs progression and assessed the reasonableness of the estimated cost to complete included in the cost-to-cost method for performance obligation recognised over time. In addition, we have also observed the work in progress at year-end. Finally, we have performed back testing procedures over the management board's estimate of the progress measure for the 2.2 and the 3.0 buses to assess the reasonableness of the assumptions made by the management board. We evaluated the disclosures in accordance with the requirements of EU-IFRS relevant to accounting estimates and whether significant judgments by the management board are disclosed.
Key observations	We concur with the estimates and assumptions made by the management board relating to revenue recognition and assessed that the related disclosures are in accordance with IFRS 15. Furthermore, we have assessed that the revenue recognised including the related direct costs and the accompanying management assumptions and estimates are within an acceptable range.

REPORT ON OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The annual report contains other information in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code and as required by Sections 2:135b and 2:145 sub-section 2 of the Dutch Civil Code for the remuneration report

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 and Section 2:135b sub-Section 7 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The management board is responsible for the preparation of the other information, including the management board report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code. The management board and the supervisory board are responsible for ensuring that the remuneration report is drawn up and published in accordance with Sections 2:135b and 2:145 sub-section 2 of the Dutch Civil Code.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS AND ESEF

ENGAGEMENT

We were engaged by the management board as auditor of Ebusco Holding N.V. on 30 October 2020, as of the audit for the year 2019 and have operated as statutory auditor ever since that date.

NO PROHIBITED NON-AUDIT SERVICES

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

EUROPEAN SINGLE ELECTRONIC REPORTING FORMAT (ESEF)

Ebusco Holding N.V. has prepared the annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).
In our opinion the annual report prepared in the XHTML format, including the (partially) marked-up consolidated financial statements as included in the reporting package by Ebusco Holding N.V., complies in all material respects with the RTS on ESEF.

The management board is responsible for preparing the annual report, including the financial statements, in accordance with the RTS on ESEF, whereby the management board combines the various components into a single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N "Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument" (assurance engagements relating to compliance with criteria for digital reporting). Our examination included amongst others:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  - Obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files, has been prepared in accordance with the technical specifications as included in the RTS on ESEF
  - Examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF

DESCRIPTION OF RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS

RESPONSIBILITIES OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD FOR THE FINANCIAL STATEMENTS

The management board is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the management board is responsible for such internal control as the management board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the management board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the management board should prepare the financial statements using the going concern basis of accounting unless the management board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The management board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

OUR RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.
Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The Information in support of our opinion section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.

Our audit further included among others:

- Performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management board
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

COMMUNICATION

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

In this respect we also submit an additional report to the audit committee of the supervisory board in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

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

From the matters communicated with the supervisory board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Eindhoven, 29 March 2023

Ernst & Young Accountants LLP

signed by J.C.F. Lemmens

FIVE YEAR OVERVIEW

	2022	2021	2020	2019	2018
Results (in thousands of euro)					
Revenue	111,617	24,265	99,994	48,924	21,357
Gross profit[1/2]	15,633	1,220	39,657	16,785	7,374
Result for the year	(32,193)	(26,797)	16,659	3,374	391
Result for the year attributable to Equity holders of the Group	(31,717)	(26,388)	16,659	3,374	391
EBITDA[2/3]	(34,808)	(34,240)	27,135	8,775	3,218
Underlying EBITDA[2/4]	(34,808)	(20,546)	27,135	8,775	3,218
EBIT[2/5]	(40,435)	(39,571)	23,776	5,463	821
Underlying EBIT[2/6]	(40,435)	(25,877)	23,776	5,463	821
Capital expenditure[2/7]	(9,725)	(4,932)	(3,814)	(418)	(1,997)
Net cash flow from operating activities	(99,058)	(19,390)	(11,427)	(4,959)	3,121
Net cash flow from investing activities	(8,496)	(27,284)	(3,994)	(194)	(2,247)
Net cash flow from financing activities	(5,172)	227,734	39,473	(1,337)	6,693
Free cash flow[2/8]	(107,529)	(25,574)	(15,878)	(5,457)	1,039
Balance sheet (in thousands of euro)					
Total Assets	320,616	332,715	104,459	35,271	31,267
Total Equity	273,458	303,948	28,042	11,937	8,748
Net debt, excluding lease liabilities[2/9]	(94,726)	(207,245)	31,203	13,470	6,642
Net debt, including lease liabilities[2/10]	(86,965)	(198,863)	32,985	15,120	8,421
Net working capital[2/11]	106,299	41,321	58,540	20,297	5,873
Capital employed[2/12]	279,903	311,662	42,298	18,239	14,905
Ratios					
Gross profit as % of revenue	14.0%	5.0%	39.7%	34.3%	34.5%
EBITDA as % of revenue	(31.2%)	(141.1%)	27.1%	17.9%	15.1%
Underlying EBITDA as % of revenue	(31.2%)	(84.7%)	27.1%	17.9%	15.1%
EBIT as % of revenue	(36.2%)	(163.1%)	23.8%	11.2%	3.8%
Underlying EBIT as % of revenue	(36.2%)	(106.6%)	23.8%	11.2%	3.8%

	2022	2021	2020	2019	2018
Non-financial					
Orders received (# buses)	414	240	39	191	102
Buses delivered (# buses)	75	139	103	101	5
km (in millions) driven	70	39	17		
Full-time employees per year-end, excluding temporary employees	418	219	124	89	44
Full-time employees yearly average, excluding temporary employees	321	171	106	59	34
Full-time employees per year-end, including temporary employees	607	309	145	105	57
Full-time employees yearly average, including temporary employees	446	227	122	76	46
Number of shares outstanding (in thousands)					
At year-end[13]	59,039	59,039	44,999	44,999	44,999
On average[13]	59,039	47,502	44,999	44,999	44,999
Per ordinary share					
Basic earnings per share[13]	(0.54)	(0.56)	0.37	0.07	0.01
Highest share price[14]	27.00	31.30	-	-	-
Lowest share price[14]	13.06	21.85	-	-	-
Share price at year-end[14]	13.17	27.00	-	-	-

Notes:

1 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).

2 These items are non-IFRS Measures. For further information about these non-IFRS Measures, and the reasons why we believe they are important for an understanding of the performance of our company, please refer to our commentary on non-IFRS Measures as of pages 168-171.

3 EBITDA is defined as operating result plus depreciation and amortisation expenses.

4 Underlying EBITDA is defined as operating result plus depreciation and amortisation expenses, adjusted for one-offs, gains and losses on the sale of assets, restructuring and related charges, and other items considered not to be directly related to the underlying operating performance.

5 EBIT is defined as operating result.

6 Underlying EBIT is defined as operating result adjusted for impairments of non-current assets, gains and losses on the sale of assets, restructuring and related charges, and other items considered not to be directly related to the underlying operating performance.

7 Capital expenditure is defined as the sum of "investments in property, plant and equipment" and "investments in intangible assets" from the Consolidated Statement of Cash Flows.

8 Free cash flow is defined as the sum of net cash from operating and investing activities, excluding the acquisition and disposal of subsidiaries, associates and other equity investments, and dividends from associates; including repayment of lease liabilities.

9 Net debt excluding lease liabilities is defined as the non-current and current loans and borrowings minus cash and cash equivalents.

10 Net debt including lease liabilities is defined as the non-current and current loans and borrowings, including lease liabilities, minus cash and cash equivalents.

11 Net working capital is defined as inventories plus trade receivables and contract assets minus trade payables and contract liabilities.

12 Capital employed is defined as total assets less current liabilities.

13 The number of ordinary shares outstanding in 2018, 2019 and 2020 has been adjusted for the capital restructuring in 2021 in preparation for the Initial Public Offering.

14 The share price represents the price at closing.

NON-IFRS MEASURES

GENERAL

Certain discussions and analyses set out in this Annual Report 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.

Gross profit is calculated as follows (in thousands of euro):

	2022	2021
Revenue	111,617	24,265
Cost of materials	(95,984)	(23,045)
Gross profit	**15,633**	**1,220**

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. Thus, 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.

The reconciliation of Result for the year to EBITDA is as follows (in thousands of euro):

	2022	2021
Result for the Year	(32,193)	(26,797)
Amorisation & depreciation expenses	5,627	5,331
Finance expenses (net)	1,060	4,240
Share of result from associates	432	(7,427)
Income taxes	(9,734)	(9,587)
EBITDA	**(34,808)**	**(34,240)**

UNDERLYING EBITDA

Underlying EBITDA is defined as operating result plus depreciation and amortisation expenses, adjusted for one-offs, gains and losses on the sale of assets, restructuring and related charges, and other items considered not to be directly related to the underlying operating performance.

The reconciliation of EBITDA to underlying EBITDA is as follows (in thousands of euro):

	2022	2021
EBITDA	(34,808)	(34,240)
Euronext listing expenses	-	4,755
Extraordinary compensation	-	5,000
Climate system expenses	-	3,939
Underlying EBITDA	**(34,808)**	**(20,546)**

2021 ONE-OFFS ARE:

- Euronext listing expenses recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. These expenses amounted to €4,755 in 2021;
- One-off compensation related to the termination of an ongoing fee agreement with the CFO amounted to €5,000;
- Expenses occurred to replace the climate system for one of our customers. All expenses have been recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, whilst potential income, awaiting a settlement or final court hearing has not been recognised. This has been recognised as a Contingent Asset. Refer to Note 25. These expenses amounted to €3,939 in 2021.

EARNINGS BEFORE INTEREST AND TAXES (EBIT)

EBIT is Result for the year before net finance costs and the net income tax expense. Thus, EBIT is defined as operating result. 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 and tax rates. hence facilitating focus on operating performance. The reconciliation of Result for the year to EBIT for the year is as follows (in thousands of euro):

	2022	2021
Result for the Year	(32,193)	(26,797)
Finance expenses (net)	1,060	4,240
Share of result from associates	432	(7,427)
Income taxes	(9,734)	(9,587)
EBIT	**(40,435)**	**(39,571)**

UNDERLYING EBIT

Underlying EBIT is defined as operating result adjusted for impairments of non-current assets, gains and losses on the sale of assets, restructuring and related charges, and other items considered not to be directly related to the underlying performance.

The reconciliation of EBIT to underlying EBIT is as follows (in thousands of euro):

	2022	2021
EBIT	(40,435)	(39,571)
Euronext listing expenses	-	4,755
Extraordinary compensation	-	5,000
Climate system expenses	-	3,939
Underlying EBIT	**(40,435)**	**(25,877)**

FREE CASH FLOW

Free cash flow is defined as the sum of the cash from operating and investing activities, excluding the acquisition and disposal of subsidiaries, associates and other equity investments, and dividends from associates, including repayment of lease liabilities. Free cash flow reflects an additional way of assessing our liquidity that we believe is useful to investors and other stakeholders because it represents cash flows that could be used to fund our strategic initiatives, including the scale-up of the manufacturing of the Ebusco 3.0.

The reconciliation of the increase in cash and cash equivalents to free cash flow is as follows (in thousands of euro):

	2022	2021
Net cash from operating activities	(99,058)	(19,390)
Net cash from investing activities	(8,496)	(27,284)
Payment of principal portion of lease liabilities	(1,472)	(1,244)
Investment in subsidiaries, associates	1,500	22,344
Free cash flow	**(107,526)**	**(25,574)**

NET DEBT, EXCLUDING LEASE LIABILITIES

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

The net debt, excluding lease liabilities is calculated as follows (in thousands of euro):

	2022	2021
Loans and borrowings - non-current	-	463
Loans and borrowings - current	486	215
Cash and cash equivalents	(95,212)	(207,923)
Net debt excluding lease liabilities	**(94,726)**	**(207,245)**

NET DEBT, INCLUDING LEASE LIABILITIES

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

The net debt, including lease liabilities is calculated as follows (in thousands of euro):

	2022	2021
Loans and borrowings - non-current	-	463
Lease liabilities - non-current	6,298	7,250
Loans and borrowings - current	486	215
Lease liabilities - current	1,463	1,132
Cash and cash equivalents	(95,212)	(207,923)
Net debt including lease liabilities	**(86,965)**	**(198,863)**

NET WORKING CAPITAL

Our net working capital is defined as inventories plus trade receivables and contract assets minus trade payables and contract liabilities. We believe this measure provides valuable additional information to investors and other stakeholders because it represents Ebusco's liquidity and the short-term financial health of the company. In addition, net working capital is a key measure used internally to evaluate (short-term) liquidity.

Net working capital is calculated as follows (in thousands of euro):

	2022	2021
Inventories	47,442	22,330
Trade receivables	25,913	16,598
Contract assets	62,971	13,450
Trade payables	(21,115)	(10,883)
Contract liabilities	(8,912)	(174)
Net working capital	**106,299**	**41,321**

CAPITAL EMPLOYED

Capital employed is defined as total assets less current liabilities. This key figure provides valuable insight into how well the company is investing its money to generate profits.

Capital employed is calculated as follows (in thousands of euro):

	2022	2021
Total assets	320,616	332,715
Current liabilities	(40,713)	(21,053)
Capital employed	**279,903**	**311,662**

GROSS PROFIT AS % OF REVENUE

Gross profit as % of revenue is calculated as follows (gross profit and revenue in thousands of euro):

	2022	2021
Gross profit	15,633	1,220
Revenue	111,617	24,265
Gross profit % of revenue	**14.0%**	**5.0%**

EBITDA AS % OF REVENUE

EBITDA as % of revenue is calculated as follows (EBITDA and revenue in thousands of euro):

	2022	2021
EBITDA	(34,808)	(34,240)
Revenue	111,617	24,265
EBITDA % of revenue	**(31.2%)**	**(141.1%)**

UNDERLYING EBITDA AS % OF REVENUE

Underlying EBITDA as % of revenue is calculated as follows (underlying EBITDA and revenue in thousands of euro):

	2022	2021
Underlying EBITDA	(34,808)	(20,546)
Revenue	111,617	24,265
Underlying EBITDA % of revenue	**(31.2%)**	**(84.7%)**

EBIT AS % OF REVENUE

EBIT as % of revenue is calculated as follows (EBIT and revenue in thousands of euro):

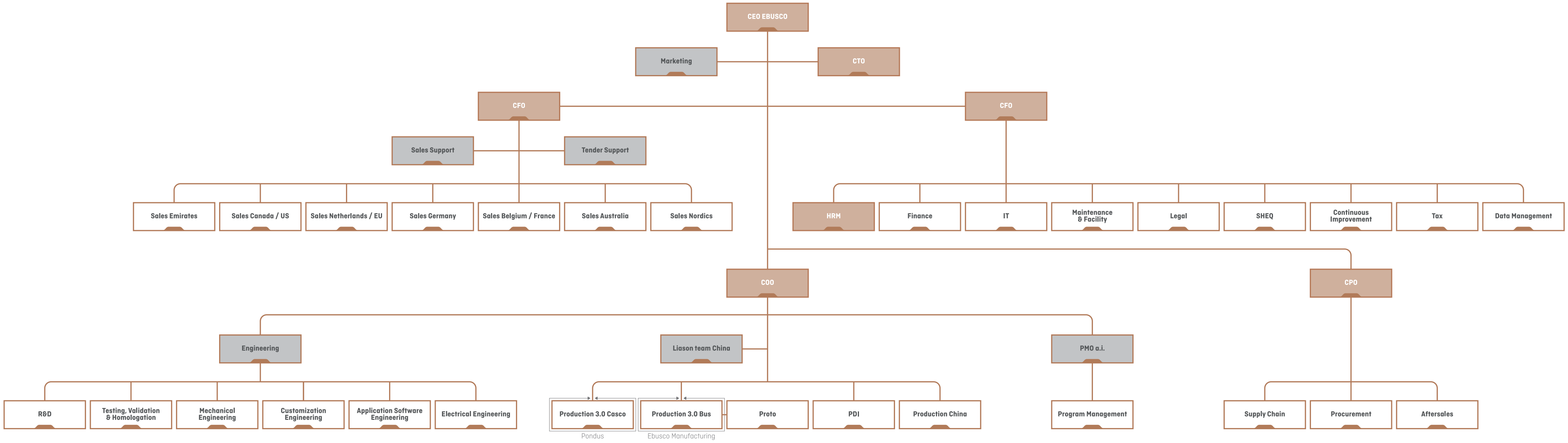
	2022	2021
EBIT	(40,435)	(39,571)
Revenue	111,617	24,265
EBIT % of revenue	**(36.2%)**	**(163.1%)**

UNDERLYING EBIT AS % OF REVENUE

Underlying EBIT as % of revenue is calculated as follows (underlying EBIT and revenue in thousands of euro):

	2022	2021
Underlying EBIT	(40,435)	(25,877)
Revenue	111,617	24,265
Underlying EBIT % of revenue	**(36.2%)**	**(106.6%)**

ORGANISATION EBUSCO



COLOPHON

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